United States International Trade Commission

U.S. Trade and Investment With Sub-Saharan Africa

Fifth Annual Report

Investigation No. 332-415
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U.S. International Trade Commission

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Publication 3741 **December 2004**

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EXECUTIVE SUMMARY

This report is the fifth in a 5-year series documenting U.S.-sub-Saharan Africa (SSA) trade and investment flows. The U.S. International Trade Commission (Commission or USITC) compiled this report at the request of the United States Trade Representative (USTR). In a letter dated April 12, 2000,[1] the USTR asked the Commission to submit a report that provides: an analysis of U.S.-SSA merchandise trade and services flows; country-by-country profiles of the economies of each SSA country, including information on major trading partners and a summary of the trade and investment climates in each SSA country; a summary of U.S. foreign and total direct investment and portfolio investment in SSA; information on SSA privatization efforts; updates on progress in regional integration in SSA, including statistics on U.S. trade with the major regional groupings; and a summary of multilateral and U.S. bilateral assistance to SSA countries.

In a supplemental letter dated July 10, 2002, the USTR requested that the Commission provide the following additional information: the value of U.S. imports from SSA under the African Growth and Opportunity Act (AGOA) including its Generalized System of Preferences (GSP) provisions, by beneficiary country and major product categories; information on investment developments related to AGOA; a description and analysis of major SSA export sectors; expanded information on regional integration in SSA, including information on the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC); a description of major U.S. trade capacity-building initiatives related to SSA; and a description of major non-U.S. trade preference programs for SSA countries.

The U.S.-SSA trade data included in this report generally cover full year 2003, depending on data availability. When possible, data for Africa are provided when SSA data are not available. In cases where it is useful to show a trend, data for 1999 through 2003 are provided. In addition, when possible, up-to-date developments in economic, social, trade, and commercial policies are included for the period January 2004 through June 2004. Data sources include the U.S. Department of Commerce, the Economist Intelligence Unit, the World Bank, the United Nations, and industry-specific data sources. In addition to the above-mentioned sources, qualitative discussions also rely on articles sourced from databases such as All Africa and Newsedge.

U.S.-Sub-Saharan Africa Trade

- In 2003, U.S.-SSA merchandise trade rose to $32.1 billion, from $24.1 billion in 2002. This was a result of an increase in both U.S. exports to and U.S.

[1] Copies of the request letters are in app. A.

imports from the region. U.S. exports to SSA increased by 13.1 percent in 2003 to approximately $6.7 billion, from $5.9 billion in 2002. Similarly, U.S. imports from SSA increased by 39.9 percent to approximately $25.5 billion in 2003 from $18.2 billion in 2002.

- The increase in U.S. exports to SSA was attributed primarily to increased exports of transportation equipment, agricultural products, and electronic products and increased exports to Ethiopia, South Africa, and Equatorial Guinea. The increase in U.S. imports from SSA was largely because of an increase in energy-related products from Nigeria. Nonenergy-related imports increased by 20.0 percent to $7.8 billion in 2003.
- In 2002, the United States recorded a $2.2-billion surplus in services trade with Africa. The primary U.S. cross-border service exports to Africa included tourism and passenger transport, business services, education, and freight transport and port services. U.S. service imports from Africa were mainly in the tourism, passenger transport, business services, and freight transport sectors.

Foreign Direct Investment in Sub-Saharan Africa

- In 2003, SSA received $8.5 billion in new foreign direct investment (FDI), or 6.3 percent of global foreign investment flows to developing countries. Political crises, poor weather conditions, and the HIV/AIDS pandemic continued to affect the investment climate.
- Net inward portfolio equity flows to SSA totaled $500 million in 2003. As in prior years, South Africa accounted for virtually all foreign portfolio investment flows to SSA in 2003.
- U.S. net direct investment flows to Africa totaled $1.4 billion in 2003, representing less than 1 percent of total U.S. direct investment abroad. Equatorial Guinea and Nigeria attracted the largest amounts of U.S. FDI flows, with $823 million and $340 million, respectively. Of the nonpetroleum exporting countries, South Africa and Cameroon attracted the largest amounts of U.S. FDI, with $89 million and $73 million, respectively.
- Reflecting the historically higher level of investment by European countries, many European countries have concluded a number of bilateral investment agreements with SSA countries.
- Given the important role of investment in long-term economic development, a number of international investment initiatives focusing on SSA have emerged. Such initiatives include an effort by Standard & Poor's, working with the United Nations Development Programme (UNDP), to secure long-term sovereign ratings[2] for SSA countries.

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[2] "A sovereign credit rating provides [general credit worthiness] as it signifies a country's overall ability to provide a secure investment environment." Reem Heakal, "What is a Corporate Credit Rating," found at Internet address *http://www.investopedia.com*, retrieved Oct. 7, 2004.

African Growth and Opportunity Act

- Total U.S. imports from SSA countries eligible for AGOA benefits (including GSP provisions) totaled almost $14.1 billion in 2003, an increase of 36.3 percent from $9.0 billion in 2002. The largest share of U.S. imports under AGOA came from Nigeria (66.3 percent), followed by South Africa (11.8 percent) and Gabon (8.3 percent). Other major suppliers included Lesotho, Republic of the Congo, Madagascar, and Kenya.
- U.S. purchases of energy-related products in 2003 represented 79.5 percent of total AGOA imports in 2003, up from their 75.9-percent share in 2002. Significant value increases were recorded, however, for textiles and apparel, which accounted for 8.5 percent of the total in 2003, down from an 8.9-percent share in 2002, and transportation equipment, which represented a 5.2-percent share in 2003, compared with a 6.1-percent share in 2002.
- AGOA III amended the textile provisions of AGOA to clarify language in the prior legislation and to expand and extend a number of provisions to provide AGOA countries with additional sourcing flexibility. The extension of the least developed beneficiary country third-country fabric provision was viewed by many as the most important feature of AGOA III, as this provision had been scheduled to expire.
- In anticipation of the AGOA III legislation and its subsequent passage in July 2004, AGOA-eligible SSA countries continued to receive investment supported, in part, by their access to trade preferences under the AGOA program.
- Although a substantial portion of investments continued to target the apparel sector, increased investment has also occurred in the textile, mining, and motor vehicle industries. Investment patterns also highlight the extension of AGOA-related investment into small- and medium-sized businesses and efficiency-enhancing technology investment.

Regional Integration

- In 2003, the nine regional organizations in SSA continued to focus efforts on promoting economic and monetary integration. They also worked toward policy harmonization in the telecommunications, transportation, and agricultural sectors. In addition to common investment policies, the regional organizations also continued to work toward eliminating regional tariffs in order to increase intra-SSA trade. Moreover, the creation of export processing zones has encouraged diversification from agricultural to industrial production. The nine regional organizations are:
  - the Economic Community of West African States (ECOWAS);
  - the Union Economique et Monétaire Ouest Africaine (UEMOA);
  - the Common Market for Eastern and Southern Africa (COMESA);

- the Southern African Development Community (SADC);
- the Southern African Customs Union (SACU);
- the East African Community (EAC);
- the Intergovernmental Authority on Development (IGAD);
- the Indian Ocean Commission (IOC);
- the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC).

- Regional organizations continued to work toward increased economic integration, although progress has been slow. ECOWAS continued efforts to establish a customs union by 2007. In addition, ECOWAS and UEMOA began coordinating monetary union efforts. COMESA continued to expand trade opportunities by launching FTA discussions with the EU. SADC worked toward establishing regulations, such as single-digit inflation requirements, that would foster more stable integration. The United States and SACU continued FTA negotiations, as SACU has continued to expand its list of potential FTA partners. The EAC committed to establishment of a common external tariff by September 2004. IGAD focused on food and security issues; and IOC focused on transportation and communication issues. A regional passport scheme for CEMAC was implemented in early 2003, and CEMAC inaugurated a new stock exchange in mid-2003.
- Current African Union[3] (AU) policies focus on economic and export diversification. The AU is also seeking to develop an African Common Market. Other AU policies promote peace, economic stability, and regional security as part of the AU's poverty reduction efforts.

Multilateral and U.S. Bilateral Assistance

- In 2003, the World Bank lending commitments to SSA totaled $3.7 billion. Of the total funding, over 21 percent ($811 million) was for human development (primarily HIV/AIDS-related initiatives), 15 percent was for social protection, and 11 percent was for education. The International Finance Corporation (IFC) committed $164 million to support the expansion of SSA banks and financial institutions in FY 2004. Likewise, the World Bank's Multilateral Investment Guarantee Agency (MIGA) issued investment guarantees or coverage for nine projects in Africa totaling $953 million.
- In 2003, the African Development Bank (AfDB) Group approved 16 new projects and programs with a combined value of $465.1 million. The AfDB also signed 118 loan and grant agreements valued at $2.6 billion. The International Monetary Fund (IMF) committed $1.9 billion in grants to 23 SSA countries. In FY 2003, the IMF approved Poverty Reduction and Growth

[3] The AU is a successor to the Organization of African Unity.

- Facility arrangements for the Democratic Republic of Congo, The Gambia, Senegal, and Uganda.
- Export-Import Bank (Ex-Im Bank) provided loan guarantees and insurance to SSA totaling $572 million. As of September 2003, Ex-Im Bank's total exposure in SSA was $3.6 billion. Democratic Republic of the Congo accounted for 24 percent, Nigeria made up 23 percent, and South Africa represented 16 percent of total regional Ex-Im Bank exposure. U.S. Trade and Development Agency (TDA) obligations in SSA decreased to $5.9 million in FY 2003 from $9.9 million in FY 2002. TDA's SSA funding accounted for 11.2 percent of all TDA funding in 2003. Overseas Private Investment Corporation (OPIC) invested $384 million in FY 2003. The United States Agency for International Development's (USAID) Development Assistance and other Economic Assistance Program obligation for SSA totaled $1.4 billion in FY 2003 compared to $1.1 billion in FY 2002. USAID continued to support several programs that started in 2002 including the Initiative to End Hunger in Africa, the African Education Initiative, and the Anti-Corruption Initiative.

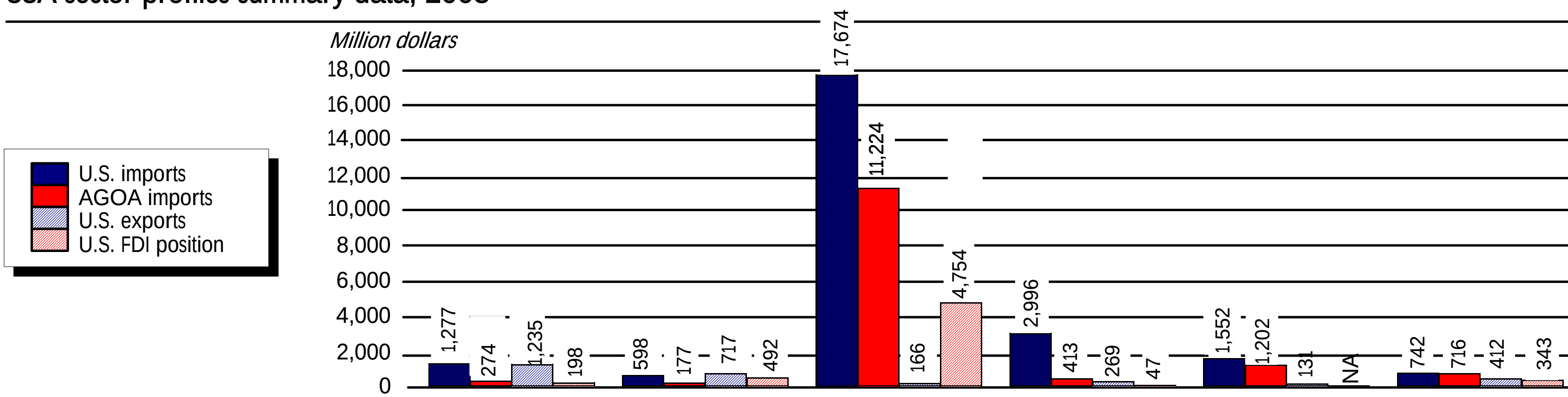
U.S. Trade Capacity-Building Initiatives

- U.S. government agencies continued to fund and implement a broad range of trade capacity-building initiatives in SSA. SSA received $132.7 million in FY 2003, representing 17.4 percent of total U.S. funding for trade capacity-building initiatives. The level was a 19.3-percent increase over FY 2002.
- Numerous individual countries received less direct trade capacity-building funding in FY 2003 as funding increasingly targeted regional organizations in SSA such as COMESA and SACU. The percent share of the top five funding recipients declined from 54.1 percent in FY 1999 to 32.1 percent in FY 2003.
- The primary funding categories were "Human Resources and Labor Standards," which accounted for 29 percent of FY 2003 total SSA funding, followed by "Trade Facilitation" and "Trade-related Agriculture," which accounted for 25 percent and 15 percent, respectively. The subcategory "Export Promotion" accounted for 32 percent of "Trade Facilitation."

Industry Sector Profiles

The six industry sectors discussed below are: agriculture, fisheries, and forest products; chemicals; petroleum and energy-related products; minerals and metals; textiles and apparel; and certain transportation equipment. These sectors account for the major items traded between the United States and SSA. Figure ES-1 provides an overview of U.S. trade and FDI positions in these sectors.

Figure ES-1
SSA sector profiles summary data, 2003



		Agriculture, Fisheries, and Forest Products	Chemicals	Petroleum, & Energy-related Products	Minerals and Metals	Textiles and Apparel	Certain Transport Equipment
U.S. Imports	*Primary Sources*	• Côte d'Ivoire, South Africa, Madagascar	• South Africa, Equatorial Guinea	• Nigeria, Angola	• South Africa	• Lesotho, South Africa, Mauritius Madagascar, Kenya	• South Africa
	Primary Products	• Cocoa beans, vanilla beans, tobacco, coffee, beans, cocoa paste	• Methanol, certain organic chemicals, natural rubber	• Crude petroleum	• Plantinum-group metals, diamonds	• Woven cotton pants/shorts, cotton tops	• Passenger vehicles
AGOA Imports	*Primary Sources*	• South Africa, Côte d'Ivoire, Malawi	• South Africa	• Nigeria, Gabon	• South Africa	• Lesotho, Madagascar, Kenya Mauritius, South Africa, Swaziland	• South Africa
	Primary Products	• Citrus, tobacco, cane sugar, cocoa powder, macadamia nuts	• Silicon, titanium dioxide pigments, car tires	• Crude petroleum	• Ferroalloys, aluminum products	• Woven cotton pants/shorts, cotton tops	• Passenger vehicles
U.S. Exports	*Primary Markets*	• Nigeria, South Africa, Ethiopia	• South Africa	• South Africa, Nigeria	• South Africa Equatorial Guinea, Angola, Nigeria	• South Africa, Ghana, Nigeria	• South Africa, Nigeria
	Primary Products	• Cereals	• Fertilizers, misc. medicaments, isocyanates	• Refined petroleum products	• Precious metals	• Used clothing	• Passenger vehicles
	Primary FDI Countries	• South Africa	• South Africa	• Equatorial Guinea, Chad, Gabon, Nigeria	• Ghana, Zambia, Kenya	• Not available	• South Africa

Source: Data compiled from official statistics of the U.S. Department of Commerce (tade data) and Bureau of Economic Analysis (investment data).

Agriculture, Fisheries, and Forest Products

- SSA represents a relatively small market for U.S. exports of agriculture, fisheries, and forest products, totaling $1.2 billion, or approximately 1 percent of total U.S. sector exports in 2003. Sector exports to SSA increased by 17 percent in 2003 compared with 2002. Primary SSA markets for such exports continued to be Nigeria (27 percent of the total value), South Africa (20 percent), and Ethiopia (13 percent). Cereals such as nondurum wheat and milled rice accounted for approximately 54 percent of total U.S. sector exports to SSA in 2003. Food shortages throughout SSA account for the increasing demand for U.S. cereal exports.

- U.S. sector imports from SSA totaled $1.3 billion in 2003, up by 30 percent from the previous year. SSA accounted for about 1 percent of total U.S. sector imports in 2003, the same share as the previous year. The high price of cocoa during most of 2003 was the primary contributor to the increase in import value. In 2003, the top five import commodities accounted for 57 percent of total U.S. sector imports from SSA, and included cocoa beans, vanilla beans, tobacco, coffee beans, and cocoa paste.

- In 2003, the value of U.S. sector imports from SSA under AGOA (including GSP) was $274 million, representing an increase of 13 percent over the previous year. Such imports accounted for about 2 percent of total AGOA imports and 21 percent of total sector imports from SSA in 2003. South Africa, Côte d'Ivoire, and Malawi supplied 85 percent of all AGOA imports from SSA in 2003, up from 82 percent in 2002. Principal products included fresh citrus, unmanufactured tobacco, raw cane sugar, cocoa powder, and macadamia nuts.

- This sector accounts for a relatively minor share of the total U.S. FDI in the region in 2003. U.S. FDI in the SSA food sector increased by one-third in 2003, reaching $198 million. South Africa continued to be the primary SSA location for U.S. sector FDI in the region.

Chemicals

- The South African chemical industry accounts for approximately 77 percent of SSA chemical production. This industry remains among the largest manufacturing sectors of the South African economy, maintaining its 5-percent share of gross domestic product. The sector is essentially composed of producers of petrochemical products produced in the four petroleum refineries, producers of agricultural chemicals, pharmaceutical manufacturers, and various small firms producing chemical products for the domestic/regional market.

- The most significant development in the SSA chemical industry during 2003-04 was the development of SSA pharmaceutical production capacity along with the ability to produce active pharmaceutical ingredients (APIs) for use in generic pharmaceutical products. Aspen Pharmacare, the largest pharmaceutical manufacturer in Africa, received clearance from South Africa's Competition Commission to vertically integrate using the recently purchased Fine Chemicals Corp. facility. Aspen released a statement assuring the public that they would be using the plant to produce APIs, such as the retrovirals that treat HIV/AIDS.

- U.S. chemical sector imports from SSA reached $598 million in 2003, up by one-third from the previous year. U.S. sector imports from SSA accounted for less than 1 percent of total U.S. imports in 2003. Principal SSA sources included South Africa (58 percent of the total) and Equatorial Guinea (23 percent), with Liberia accounting for 9 percent. The three largest U.S. sector imports from SSA in 2003 were methanol; organic chemicals used as feedstocks for producing chemical intermediates and chemical products, including unsaturated acyclic hydrocarbons; and natural rubber. In 2003, U.S. chemical sector imports under AGOA (including GSP) totaled $177 million, an increase of 30 percent over 2002. These imports represented approximately 30 percent of total U.S. imports of these products from the SSA. Nearly all the U.S. chemical imports under AGOA (including GSP) came from South Africa.

- In 2003, U.S. chemical sector exports to SSA totaled $717 million, an increase of nearly 3 percent compared with 2002. SSA accounted for less than 1 percent of total U.S. sector exports in 2003. The top three SSA markets for U.S. chemical exports in 2003 were South Africa, which accounted for 62 percent of U.S. chemical exports, followed by Nigeria (8 percent) and Kenya (5 percent). These shares were similar to those in 2002. The United States exported a diverse selection of chemical items to SSA in 2003; the leading export items – fertilizers, other nonspecified medicaments, and isocyanates – each only accounted for 4 to 5 percent of total U.S. sector exports to SSA.

- The U.S. FDI position in the chemicals sector increased by 11 percent to $492 million in 2003. South Africa accounted for 91 percent of the total.

Petroleum and Energy-Related Products

- Crude petroleum in Nigeria and Angola, and coal in South Africa continue to be the primary petroleum and energy-related products produced in SSA. Nigeria and Angola are the region's first- and second-largest producers of crude petroleum, respectively. Coal continues to be the primary fuel produced and consumed in South Africa and is its largest source of foreign exchange. South Africa accounts for about 4 percent of the world's recoverable reserves of coal and is the second-largest net exporter of coal to the world market.

- Crude petroleum is the primary export product from SSA. In 2003, the United States was the primary market for SSA exports of petroleum and energy-related products, while the EU accounted for most of the remainder. Refined petroleum products are the major products imported into the SSA region, followed by crude petroleum; the United States and Western Europe are major sources of SSA imports of refined petroleum products.

- Nigeria, one of the world's leading exporters of crude petroleum, has the potential to increase its production of crude petroleum significantly in the next few years as recent discoveries come onstream. Several joint ventures between the Nigerian government and multinational petroleum companies are expected to yield additional production of crude petroleum and natural gas. In addition, recent discoveries of crude petroleum in Angola are becoming attractive to the world's leading production companies.

- The U.S. FDI position in the SSA mining sector (the most comparable sector to petroleum and energy-related products) increased by 20 percent to $4.8 billion in 2003. Equatorial Guinea, Chad, Gabon, and Nigeria accounted for 83 percent of the regional total.

Minerals and Metals

- The minerals and metals sector remains a dominant sector for many SSA countries. Prices for several minerals and metals continued to recover from the extreme lows during 1997 to early 2003, reflecting declining inventories arising from a combination of worldwide production shutdowns and rising consumption. These price increases contributed to the improving economies of the SSA metal-producing countries and attracted additional international investment interest.

- In 2003, the U.S. minerals and metals trade deficit with SSA increased by 12 percent, to $2.7 billion, with U.S. imports increasing by 11 percent, to $3.0 billion. Sixty-eight percent of U.S. imports from SSA in 2003 were platinum-group metals (PGMs), which were almost all from South Africa, and diamonds, mostly from South Africa, Democratic Republic of the Congo (DROC), and Angola. U.S. imports of iron and steel products also increased, reflecting the continued growth in the iron and steel industries in South Africa, Tanzania, and neighboring countries. AGOA imports (including GSP) totaled $413 million in 2003, up by 11 percent from the previous year. Imports under AGOA accounted for 14 percent of total sector imports from SSA in 2003. The bulk was supplied by South Africa (96 percent) and Namibia (under 4 percent), with iron and steel products, primarily ferroalloys, accounting for 59 percent, and aluminum products increasing by 16 percent by value to 21 percent of the total.

- The U.S. Clean Diamond Trade Act and the United Nation's Kimberley Process Certification Scheme (KPCS) continued to affect diamond trade. The Central African Republic joined the 61 member-countries of the KPCS in August 2003. DROC was suspended by the United Nations from world trade in diamonds in July 2004. Separately, DeBeers pled guilty to price fixing in U.S. District Court and agreed to pay $10 million to settle a 10-year-old indictment. This settlement should allow DeBeers to re-establish a direct marketing presence in the United States.

- U.S. sector exports to the region increased marginally (up by 1 percent) to $269 million in 2003, but increased markedly to Equatorial Guinea, Angola, and South Africa. Many countries recorded double-digit declines, largely as a result of economic and political instability. Chad recorded the largest decline, at $22 million. In the iron and steel sector, exports of oil and gas tubular and ancillary products declined the most in value, reflecting less exploration drilling. U.S. exports of structural commodities (steel structures, towers, and masts; and lime and cement products) registered the largest increase, and were largely to support the oil and gas recovery and refining facilities.

- The South African President signed the Broad-Based Black Empowerment Act into law in January 2004. Coupled with other laws (Mineral Law, Money Bill, Health and Safety Act) passed within the last few years that were intended to restructure the country, it has caused significant valuation and financial risk issues, delaying mine investment in South Africa. To counteract these effects, a Beneficiation Bill has been proposed that aims to promote South Africa's minerals industry by giving South Africans the opportunity to own basic forms of gold (e.g., bullion), diamonds, and PGMs. This bill is expected to stimulate downstream processing and fabrication of these basic forms in South Africa by providing producer incentives for locally-manufactured products. South African investment in newly committed South African mineral-related projects increased by 29 percent in 2003, but exploratory investment decreased by 10 percent. Eighty-eight percent of exploratory investment, or approximately $2.3 billion, was earmarked for primary mineral production.

- The U.S. FDI position in the SSA primary and fabricated metals sector decreased by 30 percent to $47 million in 2003. Ghana was the leading recipient of U.S. FDI in the region.

Textiles and Apparel

- SSA production and exports of textiles and apparel continue to be concentrated in Mauritius, South Africa, Lesotho, Madagascar, and Kenya. Other countries such as Ethiopia, Ghana, Tanzania, and Swaziland are increasing activity in the sector, owing to factors such as SSA government initiatives, increased foreign investment, intra-SSA country partnerships, and trade preferences such as AGOA. The AGOA program has stimulated numerous foreign investment projects in several SSA textile-producing countries. Most of the investment has come from Asian sources.

- U.S. sector imports from SSA rose by 37 percent in 2003, reaching $1.6 billion. SSA represented 2 percent of total U.S. sector imports. Principal SSA suppliers included Lesotho, South Africa, Mauritius, Madagascar, and Kenya. Primary items included cotton pants and cotton tops. U.S. sector imports under AGOA totaled $1.2 billion in 2003, up by 50 percent over the 2002 level and representing just over three-fourths of total U.S. sector imports from SSA and 9 percent of total imports under AGOA. Principal AGOA suppliers included Lesotho, Madagascar, Kenya, Mauritius, South Africa, and Swaziland.

- The growth of the textile and apparel industries in SSA countries continues to be constrained by widespread shortages of raw materials and textile inputs, high production costs relative to Asian suppliers, obsolete equipment, and capacity underutilization. The influx of used clothing and inexpensive smuggled goods that compete with local production is also a factor in numerous countries. In addition, the export competitiveness of SSA countries in the global textile and apparel market has been hampered by high taxes, utility and input costs, and for some SSA countries, currency appreciation. The continued strength of the South African rand (to which the currencies of Swaziland and Lesotho are pegged) relative to the U.S. dollar weakened the competitiveness of textile and apparel exports from these countries in 2003.

- U.S. sector exports to SSA in 2003 rose by 5 percent to $131 million. Such exports accounted for a negligible share of the U.S. sector total. Primary SSA markets included South Africa, Ghana, and Nigeria; used clothing was by far the major export item.

Certain Transportation Equipment

- South Africa is the dominant producer of, and market for, motor vehicles and motor-vehicle parts in the SSA region, accounting for 95 percent of SSA motor vehicle production and 60 percent of motor vehicle sales in 2003. The automotive industry in South Africa accounts for nearly 6 percent of the country's gross domestic product, is the largest manufacturer, and is the largest manufacturing exporter.
- U.S. imports of certain transportation equipment from SSA reached $742 million in 2003, an increase of $182 million, or 33 percent. SSA accounted for less than 1 percent of the value of total U.S. sector imports in 2003. Virtually all U.S. sector imports from SSA in 2003 were supplied by South Africa, with passenger cars accounting for 84 percent of sector imports from South Africa. Leading components imported from South Africa in 2003 included road wheels, miscellaneous auto parts, and miscellaneous engine parts. U.S. transportation equipment imports under AGOA (including GSP) increased by 34 percent in 2003, reaching $716 million; the majority of such imports were from South Africa. In 2003, imports under AGOA accounted for 97 percent of total U.S. sector imports from SSA.
- In 2003, U.S. transportation equipment exports to SSA reached $412 million, up by 36 percent from the previous year. South Africa accounted for two-thirds of U.S. sector exports to SSA, and SSA accounted for less than 1 percent of the value of total U.S. sector exports in 2003.
- The U.S. FDI position in the SSA transportation equipment sector decreased by 13 percent to $343 million in 2003. South Africa was the primary location for U.S. FDI in the region.

Country Profiles

- In 2003, SSA's average GDP growth rate was 3.6 percent, up from 3.2 percent in 2002. The increase was attributed to higher investment levels, rising global commodity prices, increased agricultural production, and increasing regional stability stemming from negotiations launched by the regional organizations to reduce civil unrest. The HIV/AIDS pandemic, however, continued to curb economic development for many SSA countries by lowering productivity, inhibiting investment, and increasing social costs.

- Additional barriers to economic growth for many countries in SSA included lower than expected economic growth in the EU, a major trading partner for SSA countries; a slowdown in tourism for many countries that are seeking to diversify into this sector; and large current account deficits.

- SSA countries' efforts to increase their level of integration into the global trading economy continued to be hampered by a number of obstacles. In addition to social and political conflict, inadequate infrastructure, such as dilapidated road networks, congested ports, inefficient customs services, and prohibitively expensive air transport, hampered the national and international transport of merchandise. Many SSA countries continued to depend heavily on exports of primary commodity products, such as petroleum, minerals, and agricultural products.

- For many SSA countries, economic development continued to be hindered by social unrest. For example, in 2003, Burundi, Central African Republic, Côte d'Ivoire, Democratic Republic of the Congo, Guinea-Bissau, Republic of the Congo, Somalia, and Zimbabwe experienced social and political instability that undermined economic development efforts. The political and social instability stemming from government land redistribution and economic policies in Zimbabwe resulted in another year of negative economic growth.

- For many other SSA countries, however, economic development continued to focus on attempts to diversify the economy. For example, initiatives in Angola, Gabon, Nigeria, and São Tomé and Principe focus on diversifying within and away from the petroleum and energy-related sector; Botswana's Export Development and Investment Authority announced plans to encourage nontraditional products such as textiles and apparel, light manufacturing, and tourism; Kenya experienced some success in efforts to encourage diversification into horticultural products; Madagascar, Mauritius, and São Tomé and Principe are using export processing zones to encourage diversification into aquaculture and tourism (Madagascar), light manufacturing and information and communication technology (Mauritius), and fishing (São Tomé and Principe); and Namibia has experienced initial success in promoting local fish processing.

- Several SSA countries established policies that countered the general trend toward trade liberalization in SSA. For example, trade barriers increased when Angola required that all trade pass through government-controlled posts; Nigeria banned the import of more than 40 products, including certain textiles, men's footwear, soap, furniture, assembled bicycles, toothpaste, certain plastic products, vegetable oil, and certain meat products; the Government of Zambia increased the number of products subject to quality monitoring from 12 to 24, including bottled water, varnishes, hair oils and creams, asbestos, and glycerine; and Zimbabwe announced an alternate method for calculating import duties, which is expected to increase the applied duties on inputs used by the manufacturing and mining industries.

- Given the importance of inadequate infrastructure in hindering trade and investment, many SSA countries increased efforts to improve transportation infrastructure. The instability in Côte d'Ivoire had a significant impact on trade in western Africa, further highlighting the general vulnerability of many SSA countries to limited transport options. Examples of such infrastructure efforts include: construction of the Cotonou (Benin) fishing port, construction of the Burkina Faso-Ghana railway, Cameroon's oil platform repair yard construction, Cape Verde's port expansion, the Mali-Niger railway extension, the Dubai Port (Djibouti) expansion, port and railway linking and expansion in Kenya, rehabilitation of the Beira and Nacala ports in Mozambique, development of the Walvis Bay Corridor and port in Namibia, and modernization of the port in Senegal.

- Although privatization efforts continued in many SSA countries, progress has been hampered by the lack of transparency and corruption (Angola, Cameroon, Comoros, and Guinea), lack of interested parties (Angola, Cameroon, Gabon, and Guinea), and political resistance or social instability (Ethiopia, Guinea, Mauritius, South Africa, Tanzania, Togo, and Zambia).

- In an effort to increase investment, many SSA countries have pursued regulatory reform. For example, Botswana passed initiatives to encourage joint ventures between foreign investors and domestic partners; The Gambia passed the Money Laundering Bill to improve the transparency of financial institutions; Ghana introduced the Foreign Exchange Bill, the Long-Term Savings Bill, the Credit Union Bill, and the Insurance Bill aimed at attracting foreign investment in the financial sector; Kenya passed the Anti-Corruption and Economic Crimes Bill in mid-2003; Namibia's new mining policy increased security of tenure for holders of mining rights and created a standard licensing scheme; and in late 2003, Republic of the Congo adopted a bill that streamlines licensing procedures and reduces the state's equity share in mining companies.

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List of Abbreviations and Acronyms

ADB	Asian Development Bank
ADF	African Development Fund
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
ATIA	African Trade Insurance Agency
ATRIP	African Trade and Investment Policy Program
AU	African Union
BEA	Bureau of Economic Analysis (U.S. Department of Commerce)
BIT	Bilateral investment treaty
CACEU	Central African Customs and Economic Union
CEMAC	Communauté Economique et Monétaire de l'Afrique Centrale
CFA	Communauté Financière Africaine
CMA	Common Monetary Area
COMESA	Common Market for Eastern and Southern Africa
DROC	Democratic Republic of the Congo
EAC	East African Community
ECOWAS	Economic Community of West African States
EU	European Union
Ex-Im Bank	Export-Import Bank of the United States
FDI	Foreign direct investment
FTA	Free trade agreement or free trade area
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GSM	Global system for mobile communications
GSP	U.S. Generalized System of Preferences
HIPC	Heavily Indebted Poor Countries
HTS	Harmonized Tariff Schedule
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
IOC	Indian Ocean Commission
JSE	Johannesburg Stock Exchange
LDBC	Least developed beneficiary country
MOU	Memorandum of Understanding
MIGA	Multilateral Investment Guarantee Agency
NEPAD	New Partnership for African Development
NGO	Nongovernmental organization
NTF	Nigerian Trust Fund
OAU	Organization of African Unity
OPIC	Overseas Private Investment Corporation

List of Abbreviations and Acronyms-Cont.

PRGF	Poverty Reduction and Growth Facility
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
ROC	Republic of the Congo
SACU	Southern African Customs Union
SADC	Southern African Development Community
SDR	Special Drawing Rights
SSA	Sub-Saharan Africa
TDA	U.S. Trade and Development Agency
TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights
UDEAC	L'Union Douanière Et Economique
UEMOA	Union Economique Et Monétaire Ouest Africaine
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNIDO	United Nations Industrial Development Organization
URA	Uruguay Round Agreements
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USDOC	U.S. Department of Commerce
USITC	U.S. International Trade Commission
USTR	United States Trade Representative
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

INTRODUCTION

Purpose and Organization of the Report

This is the fifth report in a 5-year series documenting U.S.-sub-Saharan Africa (SSA) trade and investment flows.[1] In a letter dated April 12, 2000,[2] the United States Trade Representative (USTR) asked the United States International Trade Commission (Commission or USITC) to submit, annually for 5 years, a report that provides:

- an analysis of U.S.-SSA merchandise trade and services trade flows;
- country-by-country profiles of the economies of each SSA country, including information on major trading partners, and a summary of the trade and investment climates in each;
- a summary of U.S. foreign and total direct investment and portfolio investment in SSA;
- information on SSA privatization efforts;
- updates on progress in regional integration in SSA, including statistics on U.S. trade with the major regional groupings; and
- a summary of multilateral and U.S. bilateral assistance to SSA countries.

In a supplementary letter dated July 10, 2002,[3] USTR asked the Commission to provide the following additional information:

- the value of U.S. imports from SSA under the African Growth and Opportunity Act (AGOA), including the Generalized System of Preferences (GSP) provisions, by beneficiary country and major product categories;
- information on investment developments related to AGOA;
- a description and analysis of major SSA export sectors;

[1] In a letter dated June 5, 1996, the USTR asked the Commission to submit, annually for 5 years, the specified report. A first series of reports resulted from section 134 of the Uruguay Round Agreements Act (URAA), which directed the President to develop a comprehensive trade and development policy for the countries of Africa, and to report to the Congress annually for 5 years on the steps taken to carry out that mandate. The Statement of Administrative Action approved by the Congress in the URAA broadly outlined the Administration's plans for this work, and the assistance needed from the Commission for the President to fulfill this assignment. The series consisted of five reports, produced over the period 1995–1999. See USITC, *U.S.–Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, *Fifth Annual Report*, USITC pub. 3250, Oct. 1999.

[2] Copy of the request letter is in app. A

[3] Copy of the supplemental letter is in app. A.

- expanded information on regional integration in SSA, including information on the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC);

- a description of major U.S. trade capacity-building initiatives related to SSA; and

- a description of major non-U.S. trade preference programs for SSA countries.

The request letter acknowledged that the information included in the USITC reports would be useful in USTR's work and in meeting additional reporting requirements stemming from AGOA.

This report contains six chapters and two appendices. Chapter 1 presents information on U.S. merchandise and services trade with SSA. The services trade analysis includes information on cross-border and affiliate transactions. Chapter 1 also addresses foreign investment (direct and portfolio investment) in the SSA region. Chapter 2 presents information on AGOA-related imports and investment. Chapter 3 updates the coverage of integration initiatives in the SSA region provided in the previous series of USITC reports.[4] Chapter 4 is a compilation of information on multilateral assistance, U.S. bilateral assistance, and other trade-related initiatives related to the SSA region in 2003. Chapter 5 contains a description and analysis of major SSA export sectors: agriculture, fisheries, and forest products; chemicals; petroleum and energy-related products; minerals and metals; textiles and apparel; and certain transportation equipment. These profiles present information on production, trade, and investment. Chapter 6 contains country profiles for each of the 48 countries of SSA including basic economic data as well as an update of economic, trade, and investment and privatization events for each country. The formal request letter and supplemental letter from the USTR to the Commission for this study are included in appendix A. Relevant statistics on U.S.-SSA trade are in appendix B.

Approach

The data included in this report generally cover either calendar or fiscal year (FY) 2003, depending on data availability. In cases where it is useful to show a trend, data for 1999 through 2003 are provided. Developments in economic, trade, and commercial policies cover the period from January 2003 through mid-2004, where possible.

[4] In addition, the previous series of five reports included information on progress on regional integration in SSA. See, for example, USITC, *U.S.–Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, *Fifth Annual Report*, USITC pub. 3250, Oct. 1999, pp. 2–22 through 2–34.

Online webpages dedicated to U.S.-SSA trade data are available at the USITC website *http://reportweb.usitc.gov/africa*. These tables provide year-to-date statistics that update the information contained in certain tables of this report. The website is automatically updated with quarterly data as they become available from the U.S. Department of Commerce (USDOC).

Various sources were used to compile the data in this report. Annual data on the value of U.S. exports to and imports from SSA were obtained from the USDOC. Unless otherwise indicated, "AGOA" trade data reported in this publication includes trade under AGOA's GSP provisions. Data on U.S. investment flows to SSA were obtained from USDOC and the U.S. Department of the Treasury. Information on major developments in the WTO likely affecting U.S.-SSA trade flows was collected from the WTO and other public data sources. Information on U.S. trade and economic activities potentially affecting U.S.-SSA trade and investment flows was collected from USDOC; the U.S. Departments of State, Treasury, and Agriculture; the U.S. Agency for International Development; the Export-Import Bank of the United States; the Overseas Private Insurance Corporation; the U.S. Trade and Development Agency; and other relevant U.S. agencies.

Data on trade and economic policy changes in countries in SSA, as well as information on multilateral project lending, were obtained from USDOC, the U.S. Department of State, the World Bank, the African Development Bank, the International Monetary Fund, and the Economist Intelligence Unit. In addition, U.S. embassies in the SSA region provided important trade and investment information.

Scope of the Report

As requested by USTR, the 48 countries that form the SSA region are covered by this report. Figure 1 shows the 48 countries in SSA covered in this investigation. The countries are:

Angola	Madagascar
Benin	Malawi
Botswana	Mali
Burkina Faso	Mauritania
Burundi	Mauritius
Cameroon	Mozambique
Cape Verde	Namibia
Central African Republic	Niger
Chad	Nigeria
Comoros	Republic of the Congo
Côte d'Ivoire	Rwanda
Democratic Republic of the Congo	São Tomé and Principe
Djibouti	Senegal

Figure 1
Map of sub-Saharan Africa

The illustration of the map in this figure is an artistic representation of the countries of sub-Saharan Africa. It is not drawn to scale, nor is it intended to depict political or geographical boundaries.

Equatorial Guinea	Seychelles
Eritrea	Sierra Leone
Ethiopia	Somalia
Gabon	South Africa
The Gambia	Sudan
Ghana	Swaziland
Guinea	Tanzania
Guinea-Bissau	Togo
Kenya	Uganda
Lesotho	Zambia
Liberia	Zimbabwe

All 48 SSA countries are classified by the World Bank as developing countries. However, although the countries of SSA share many common characteristics, they vary widely in terms of population, size, geography, natural resources, stage of development, and political stability.

At the request of the USTR, this report also covers U.S. trade flows with the following SSA regional and subregional organizations: the Economic Community of West African States (ECOWAS), the Union Economique et Monétaire Ouest Africaine (UEMOA), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the Southern African Customs Union (SACU), the East African Community (EAC), the Intergovernmental Authority on Development (IGAD), the Indian Ocean Commission (IOC), and the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC).

CHAPTER 1
U.S. Trade and Investment With Sub-Saharan Africa

This chapter discusses the pattern of U.S.-SSA merchandise trade from 1999-2003,[1] and services trade from 1999-2002 (the most recent years for which services trade data are available). The pattern of merchandise trade is presented for the SSA region as a whole, by major trading partners, and by commodity sectors. This chapter also discusses the pattern of foreign investment flows to sub-Saharan Africa (SSA) from 1999-2003 (or most recent data available). Foreign investment flows are presented for the SSA region, by source, country, and sector, where available. An overview of bilateral investment agreements and international investment initiatives is also provided. Trade statistics beginning with 1990 are available in prior Commission reports.[2] For additional information regarding specific sectors or countries, see sector or country profiles in chapter 5 or 6, respectively.

U.S. Merchandise Trade[3]

Figure 1-1 shows the trend in U.S.-SSA merchandise trade from 1999-2003. Total merchandise trade between the United States and SSA increased by 33.3 percent in 2003 to $32.1 billion, from $24.1 billion in 2002.[4] This increase was the result of a 39.9-percent increase in imports, from $18.2 billion in 2002 to $25.5 billion in 2003; and a 13.1-percent increase in exports, from $5.9 billion in 2002 to $6.7 billion in 2003. The increase in U.S. imports from SSA was primarily the result of a $5.9-billion, or 50.9-percent, increase in the energy-related products sector. Nigeria accounted for most of the increase in U.S. imports from the region. U.S. imports from Nigeria increased by $4.3 billion, or 73.8 percent, with most of the increase concentrated in the energy sector (up by $4.3 billion or by 73.7 percent).

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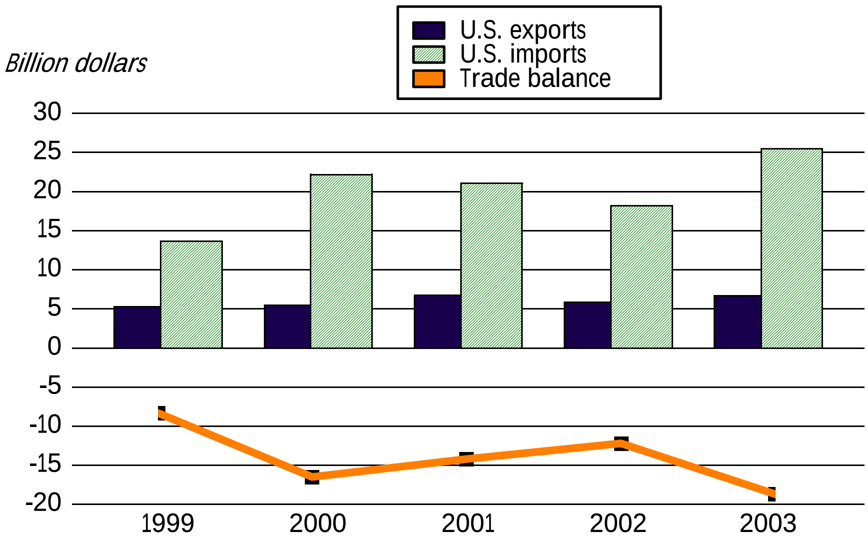
[1] Merchandise trade data were compiled from official statistics of the U.S. Department of Commerce.

[2] For data series beginning in 1990, see USITC, *U.S.-Africa Trade Flows and Effects, First Report,* USITC pub. 2938, Jan. 1996, table 2-1, p. 2-2.

[3] See app. B, table B-2 for complete data listing by country and sector.

[4] This report analyzes changes in U.S. merchandise trade on a value basis because aggregate trade data by quantity are generally not available or meaningful. Consequently, it is possible (if prices change significantly) for the value of trade to change considerably, but the quantity of trade to remain the same.

Figure 1-1
U.S. trade with sub-Saharan Africa, 1999-2003



Source: Compiled from official statistics of the U.S. Department of Commerce.

The overall increase in U.S. imports from SSA was partly offset by decreased imports from Ghana and Zimbabwe. U.S. imports from Ghana decreased by $32.0 million, or by 27.7 percent, mostly in agricultural products (down by $17.0 million or 58.5 percent) and minerals and metals (down by $17.3 million or 86.1 percent) sectors; lack of infrastructure (such as cold-storage facilities) and regional instability have contributed to the decline. U.S. imports from Zimbabwe decreased by $32.5 million, or by 32.7 percent, primarily in the miscellaneous manufactures (down by $15.0 million or 53.1 percent) and agricultural products (down by $11.2 million or 33.3 percent) sectors; this decline was primarily because of continued social and political instability, which has resulted in the expropriation of numerous firms and closure of many factories.

U.S. exports increased primarily because of increases in transportation equipment (up by $407.9 million or by 21.7 percent), agricultural products (up by $166.6 million or by 17.9 percent), and electronic products (up by $140.8 million or by 22.1 percent). Ethiopia, South Africa, and Equatorial Guinea accounted for most of the increase in U.S. exports to SSA. The increase in U.S. exports to Ethiopia (up by $347.2 million or by 577.5 percent) was primarily because of an increase in the transportation equipment sector (up by $196.6 million or by more than 3,000 percent). U.S. exports to South Africa increased by $252.0 million, or by 10.3 percent, also largely because of increased exports of transportation equipment (up by $106.6 million or by 14.3 percent). U.S. exports to Equatorial Guinea increased by $228.3 million, or by 212.1 percent, also primarily because of increased exports of transportation equipment (up by $115.3 million or by 158.8 percent).

The increase in total U.S. exports to the region was partly offset by decreased exports to Kenya, Cameroon, and Chad. U.S. exports to Kenya decreased by $75.0 million, or by 28.0 percent, primarily because of decreased exports of transportation equipment (down by $59.6 million or by 48.1 percent). U.S. exports to Cameroon decreased by $65.9 million, or by 42.5 percent, also primarily because of a decrease in transportation equipment (down by $67.1 million or by 70.7 percent). U.S. exports to Chad decreased by $63.4 million, or by 50.0 percent, primarily because of decreased exports of machinery (down by $33.2 million or by 78.4 percent) and minerals and metals (down by $22.4 million or by 77.6 percent).

In 2003, the U.S. trade deficit with SSA reached $18.8 billion, 19.8-percent larger than in 2002. Following a decline of 4.3 percent to $6.5 billion in 2002, U.S. nonpetroleum imports increased by 20.0 percent to $7.8 billion in 2003. U.S. nonenergy-related trade with SSA is presented in figure 1-2.

U.S. Merchandise Exports[5]

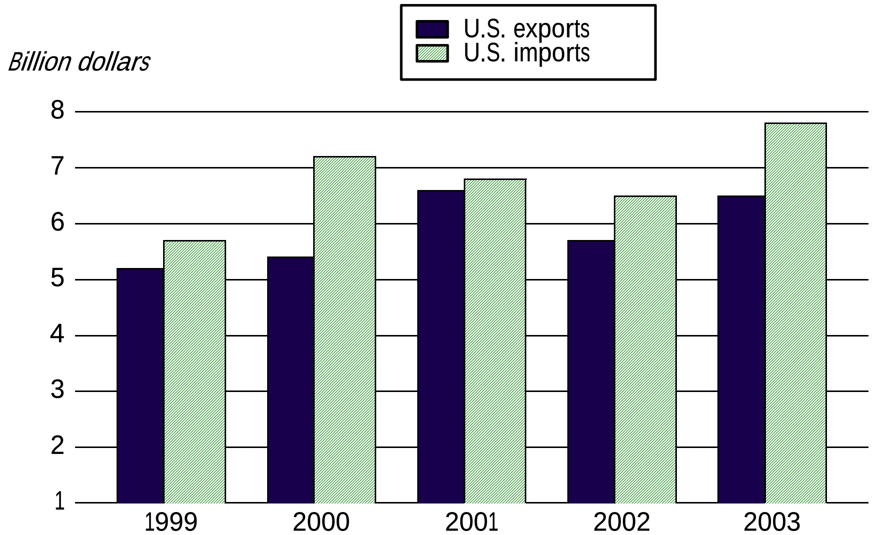
Figure 1-3 presents U.S. exports to SSA by major trading partners. In 2003, South Africa remained the largest SSA market for U.S. products, accounting for 40.5 percent of U.S. merchandise exports to the region, down slightly from 41.5 percent in 2002. Other leading SSA markets were Nigeria (15.0 percent), Angola (7.2 percent), Ethiopia (6.1 percent), Equatorial Guinea (5.0 percent), Ghana (3.1 percent), and Kenya (2.9 percent).

In 2003, 26 countries in the region increased purchases of U.S. merchandise exports, whereas the other 22 recorded a decrease. The largest increases in 2003 were recorded by Ethiopia (up by $347.2 million or by 577.5 percent), South Africa (up by $252.0 million or by 10.3 percent), and Equatorial Guinea (up by $228.3 million or by 212.1 percent). The largest decreases in U.S. exports to the region in 2003 were recorded by Kenya (down by $75.0 million or by 28.0 percent), Cameroon (down by $65.9 million or by 42.5 percent), and Chad (down by $63.4 million or by 50.0 percent).

Transportation equipment accounted for the largest share of U.S. merchandise exports to SSA, accounting for 34.3 percent of the total in 2003, compared with 31.9 percent of the total in 2002 (figure 1-4). U.S. exports of agricultural products accounted for 16.5 percent of the total in 2003, up from 15.8 percent in 2002; electronic products accounted for 11.7 percent of the total in 2003, compared to 10.8 percent in 2002; chemicals and related products accounted for 10.8 percent in 2003, down from 11.9 percent in 2002; and machinery products decreased to 10.7 percent of the total in 2003, down from 11.4 percent in 2002.

[5] See app. B, table B-2 for complete data listing by country and sector.

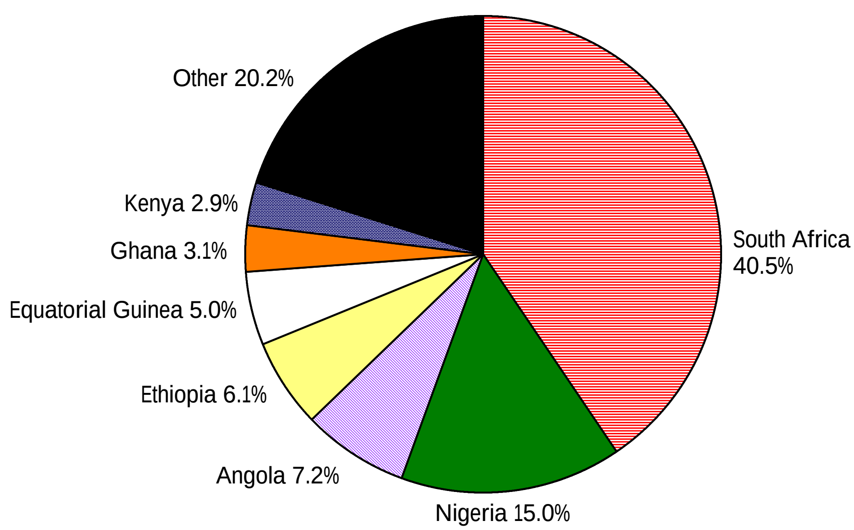
Figure 1-2
U.S. nonenergy-related[1] trade with sub-Saharan Africa, 1999-2003



[1] Nonenergy-related trade excludes trade classified under "Energy-related products" as defined by the USITC Office of Industries.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 1-3
U.S. exports to sub-Saharan Africa trading partners, by shares, 2003



Source: Compiled from official statistics of the U.S. Department of Commerce.

In absolute terms, U.S. merchandise sectors with large export increases to SSA in 2003 included transportation equipment (up by $407.9 million or by 21.7 percent), agricultural products (up by $166.6 million or by 17.9 percent), and electronic products (up by $140.8 million or by 22.1 percent). Only U.S. exports of energy-related products (down by $27.0 million or by 14.0 percent) and special provisions[6] (down by $21.9 million or by 7.6 percent) decreased. Figure 1-5 presents U.S. export growth rates by commodity sector for 2002-03; table 1-1 provides data on U.S.-SSA exports, imports, and merchandise trade balance by major commodity sectors for 1999-2003; and table 1-2 shows the major U.S. commodity exports to SSA at the 6-digit level of the Harmonized Tariff Schedule (HTS) for the same period.

U.S. Merchandise Imports[7]

Figure 1-6 shows U.S. imports from SSA by major trading partner. In 2003, Nigeria remained the largest supplier of U.S. imports from SSA, with $10.1 billion in sales (primarily crude petroleum) to the United States, representing 39.7 percent of U.S. imports from the region. South Africa ranked second, with $4.9 billion in sales and a 19.2-percent share. Third was Angola, with $4.2 billion in sales, representing a 16.4-percent share. U.S. imports from Gabon totaled $1.9 billion, and imports from Equatorial Guinea were approximately $918.5 million. For additional data, see appendix B, table B-3.

A total of 30 countries in SSA increased their sales to the United States in 2003, whereas the other 18 decreased their sales. The largest increases in U.S. imports in 2003 were from Nigeria (up by $4.3 billion or by 73.8 percent), Angola (up by $945.2 million or by 29.3 percent), and South Africa (up by $652.0 million or by 15.4 percent). The largest decreases in 2003 were from Ghana (down by $32.0 million or by 27.7 percent), and Zimbabwe (down by $32.5 million or by 32.7 percent).

U.S. imports of SSA energy-related products totaled $17.7 billion in 2003, and accounted for 69.4 percent of all U.S. imports from the region (figure 1-7), up from $11.7 billion (64.3 percent) in 2002 primarily because of increased imports of crude petroleum from Nigeria. The second-largest import commodity sector was minerals and metals ($2.9 billion), which accounted for an 11.8-percent share in 2003, compared with a 14.9-percent share in 2002. Textiles and apparel ($1.6 billion) represented 6.1 percent of the total in 2003.

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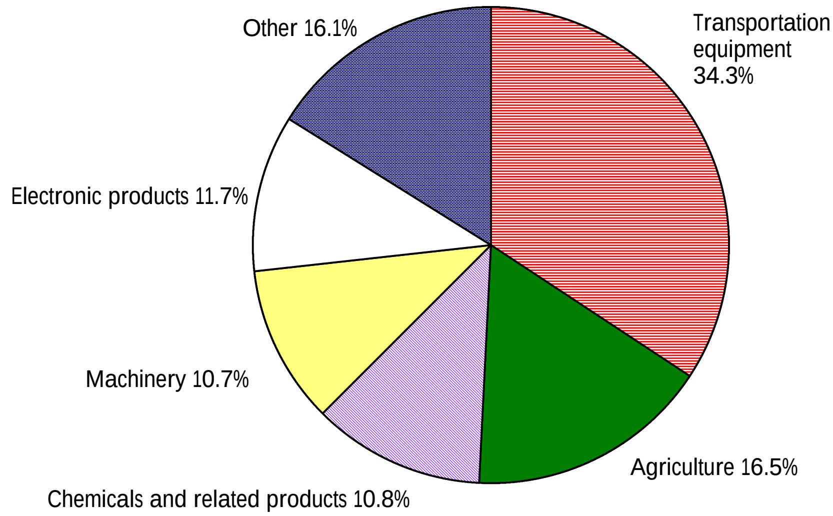
[6] The "special provisions" sector represents a number of ad hoc categories of goods whose treatment is set forth in HTS chapters 98 and 99. For SSA, the two largest categories are "U.S. goods returned without having been advanced in value or improved in condition while abroad" (HTS 9801.00.10) and "estimated imports of low valued transactions" (HTS 9999.95.00).

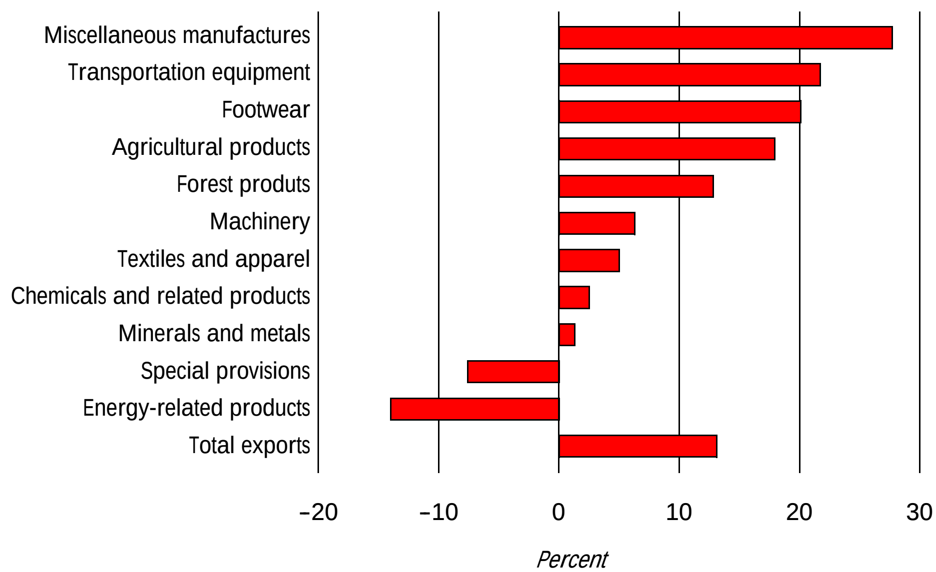
[7] See app. B, table B-2 for complete data listing by country and sector.

Figure 1-4
U.S. exports to sub-Saharan Africa by commodity sectors, by shares, 2003



Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 1-5
U.S. exports to sub-Saharan Africa: Annual growth rate, by commodity sectors, 2002-03



Source: Compiled from official statistics of the U.S.Department of Commerce.

Table 1-1
Sub-Saharan Africa: U.S. exports of domestic merchandise, imports for consumption, and merchandise trade balance, by major commodity sectors, 1999-2003[1]

(Thousand dollars)

Sector	1999	2000	2001	2002	2003
U.S. exports of domestic merchandise:					
Agricultural products . .	727,753	768,773	657,105	932,923	1,099,524
Forest products	154,984	158,992	147,568	119,775	135,137
Chemicals and related products	610,074	709,665	779,700	699,251	716,527
Energy-related products	150,167	157,501	149,189	193,098	166,078
Textiles and apparel . . .	146,319	136,098	130,527	124,419	130,687
Footwear	16,736	14,183	10,114	12,630	15,167
Minerals and metals . . .	221,514	218,889	250,059	265,172	268,525
Machinery	527,463	560,731	669,414	671,827	714,357
Transportation equipment	1,695,035	1,795,702	2,856,218	1,876,597	2,284,489
Electronic products	767,724	703,141	700,353	636,918	777,683
Miscellaneous manufactures	69,141	73,292	99,214	69,486	88,762
Special provisions	244,786	266,317	300,703	289,663	267,777
Total	5,331,697	5,563,285	6,750,164	5,891,760	6,664,711
U.S. imports for consumption:					
Agricultural products . .	832,665	874,843	835,736	911,645	1,137,866
Forest products	109,640	140,706	119,394	120,745	139,309
Chemicals and related products	849,130	1,453,521	659,999	448,054	598,217
Energy-related products	8,000,648	15,016,274	14,271,302	11,712,706	17,674,388
Textiles and apparel . . .	621,955	789,240	997,995	1,136,316	1,552,021
Footwear	3,423	686	1,497	1,378	1,476
Minerals and metals . . .	2,637,108	3,200,500	3,081,792	2,705,009	2,995,478
Machinery	127,736	178,434	263,718	231,298	182,289
Transportation equipment	200,773	185,206	399,384	621,041	823,193
Electronic products	56,393	58,339	52,706	49,697	66,302
Miscellaneous manufactures	99,488	97,422	108,558	117,551	123,429
Special provisions	210,755	217,477	268,417	152,605	176,374
Total	13,749,714	22,212,649	21,060,499	18,208,044	25,470,342
U.S. merchandise trade balance:					
Agricultural products . .	(104,912)	(106,070)	(178,631)	21,278	(38,342)
Forest products	45,344	18,286	28,174	(971)	(4,172)
Chemicals and related products	(239,056)	(743,856)	119,701	251,198	118,310
Energy-related products	(7,850,481)	(14,858,773)	(14,122,113)	(11,519,608)	(17,508,310)
Textiles and apparel . . .	(475,636)	(653,142)	(867,468)	(1,011,897)	(1,421,334)
Footwear	13,314	13,497	8,617	11,252	13,690
Minerals and metals . . .	(2,415,594)	(2,981,612)	(2,831,734)	(2,439,837)	(2,726,953)
Machinery	399,727	382,297	405,695	440,530	532,068
Transportation equipment	1,494,262	1,610,496	2,456,834	1,255,556	1,461,295
Electronic products	711,331	644,802	647,646	587,221	711,381
Miscellaneous manufactures	(30,348)	(24,129)	(9,343)	(48,065)	(34,667)
Special provisions	34,031	48,840	32,285	137,058	91,403
Total	(8,418,018)	(16,649,364)	(14,310,335)	(12,316,284)	(18,805,632)

[1] Import values based on customs value; export values based on f.a.s. value, U.S. port of export.

Note.-Because of rounding, figures may not add to totals shown.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 1-2
Sub-Saharan Africa: U.S. exports by major commodity items, 1999-2003

(Dollars)

Schedule B No.	Description	1999	2000	2001	2002	2003
8431.43	Parts for boring or sinking machinery, nesoi	275,529,016	302,866,705	454,715,848	587,386,603	609,743,585
1001.90	Wheat (other than durum wheat), and meslin	250,978,937	300,270,976	287,165,536	360,313,981	493,963,920
8802.40	Airplanes and other aircraft nesoi, of an unladen weight exceeding 15,000 kg	422,581,019	539,629,241	1,147,073,529	360,253,329	480,935,316
9880.00	Estimate of non-Canadian low value export shipments; compiled low value shipments to Canada; and shipments not identified by kind to Canada	170,295,762	182,989,298	229,079,132	188,334,269	193,725,092
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	32,432,411	38,974,540	120,942,312	99,837,024	134,040,274
8802.30	Airplanes and other aircraft nesoi, of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	126,941,978	79,701,250	72,176,955	96,561,979	123,704,004
8803.30	Parts of airplanes or helicopters, nesoi	133,636,982	127,299,144	94,188,886	94,134,214	109,396,035
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., nesoi	83,915,736	70,864,522	61,677,829	60,062,716	79,892,655
8479.89	Machines and mechanical appliances having individual functions, nesoi	24,121,242	36,741,319	36,425,071	33,449,889	71,179,548
2713.12	Petroleum coke, calcined	58,529,148	58,276,265	65,273,651	80,256,428	69,622,584
1006.30	Rice, semi-milled or wholly milled, whether or not polished or glazed	66,826,292	53,468,799	47,107,455	54,017,473	68,068,668
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radio broadcasting or television	51,256,427	49,111,582	57,064,271	35,857,461	61,610,005
8704.10	Dumpers (dump trucks) designed for off-highway use	34,551,607	33,802,382	58,235,525	47,991,522	60,490,291
6309.00	Worn clothing and other worn textile articles	67,197,046	60,404,283	61,652,761	58,550,750	59,303,817
0207.14	Chicken cuts and edible offal (including livers) frozen	18,047,189	30,226,265	30,480,808	39,557,285	56,288,054
8431.49	Parts and attachments, nesoi, for derricks, cranes, self-propelled bulldozers, graders etc. and other grading, scraping, etc. machinery	42,965,382	41,368,008	50,541,811	44,433,259	52,556,856

Table 1-2—*Continued*
Sub-Saharan Africa: U.S. exports by major commodity items, 1999-2003

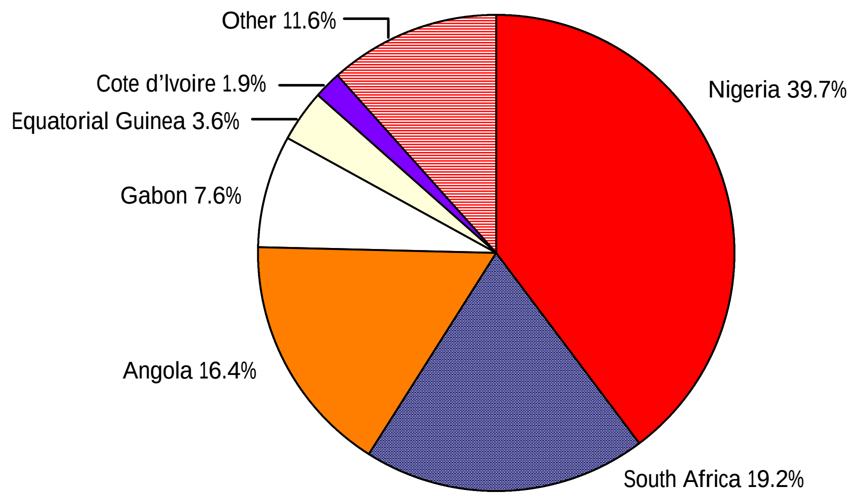
(Dollars)

Schedule B No.	Description	1999	2000	2001	2002	2003
8701.20	Road tractors for semi-trailers	22,563,549	30,751,285	30,591,017	14,933,330	46,397,542
8708.99	Parts and accessories for motor vehicles, nesoi	39,465,301	89,422,963	206,131,715	35,138,481	45,928,303
1901.90	Malt extract; food products of flour, meal, etc. with cocoa (if any) under 40% and milk or cream products with cocoa (if any) under 50%, nesoi	10,510,181	21,151,923	17,078,629	13,920,915	45,897,269
8802.12	Helicopters of an unladen weight exceeding 2,000 kg	4,180,000	0	11,863,690	150,000	43,031,889
8704.22	Motor vehicles for goods transport nesoi, with compression-ignition internal combustion piston engine (diesel), gvw over 5 but not over 20 metric tons	21,898,625	18,383,732	17,532,064	18,250,473	41,844,734
8401.30	Fuel elements (cartridges), non-irradiated, for nuclear reactors, and parts thereof	8,702	0	23,496,871	34,765,794	40,760,650
8701.90	Tractors, nesoi	15,052,864	18,557,284	15,788,873	25,765,741	39,424,633
8703.33	Passenger motor vehicles with compression-ignition internal combustion piston engine (diesel), cylinder capacity over 2,500 cc	1,221,793	362,738	9,654,378	23,173,427	38,418,280
3100.00	Fertilizers (exports only; includes crude fertilizers from other areas)	47,245,848	42,599,378	49,930,451	35,550,193	38,023,699
	Subtotal	2,021,953,037	2,227,223,882	3,255,869,068	2,442,646,536	3,104,247,703
	All other	3,309,743,670	3,336,060,651	3,494,295,167	3,449,113,335	3,560,463,091
	Total	5,331,696,707	5,563,284,533	6,750,164,235	5,891,759,871	6,664,710,794

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "nesoi" stands for "not elsewhere specified or included."

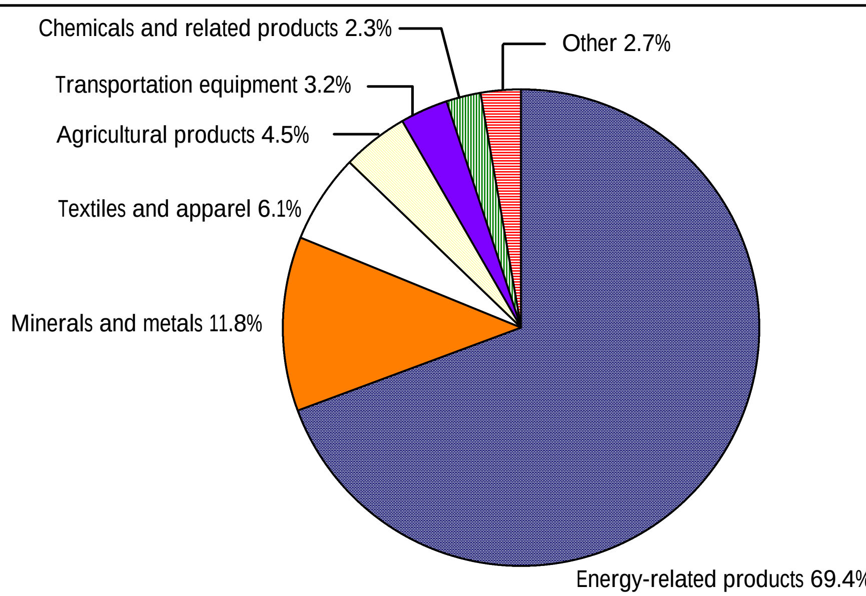
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 1-6
U.S. imports from sub-Saharan Africa by trading partners, by shares, 2003



Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 1-7
U.S. imports from sub-Saharan Africa by commodity sectors, by shares, 2003



Source: Compiled from official statistics of the U.S. Department of Commerce.

In absolute terms, significant increases in U.S. imports from the region were recorded for energy-related products (up by $6.0 billion or by 50.9 percent), textiles and apparel (up by $415.7 million or by 36.6 percent), agricultural products (up by $226.2 million or by 24.8 percent), and transportation equipment (up by $202.2 million or by 32.6 percent). The only decrease in U.S. imports from SSA in 2003 was in the machinery sector (down by $49.0 million or by 21.2 percent). Table 1-3 shows major U.S. commodity imports from SSA at the HTS six-digit level for 1999-2003. Growth rates by commodity sectors are shown in figure 1-8.

Merchandise Trade Balance[8]

In 2003, the U.S. merchandise trade deficit with SSA increased by $6.5 billion to $18.8 billion, compared with deficits of $12.3 billion in 2002 and $14.3 billion in 2001. Excluding energy-related products, the U.S. trade deficit with the region increased by $500.7 million, from $796.7 million in 2002 to $1.3 billion in 2003.

The SSA country with which the United States had the largest trade deficit in 2003 remained Nigeria, at $9.1 billion, up from $4.8 billion in 2002; followed by Angola ($3.7 billion, up from $2.9 billion in 2002); South Africa ($2.2 billion, up from $1.8 billion in 2002); and Gabon ($1.8 billion, up from $1.6 billion in 2002). The United States had trade surpluses with many SSA countries, including Ethiopia ($376.9 million), Ghana ($120.8 million), Senegal ($94.6 million), and Mozambique ($53.6 million).

On a sectoral basis, the largest U.S. trade deficit with SSA occurred in energy-related products, with a deficit of $17.5 billion, up from $11.5 billion in 2002. Second was minerals and metals, with a deficit of $2.7 billion, compared to $2.4 billion in 2002. The U.S. trade deficit in textiles and apparel increased to $1.4 billion in 2003, from $1.0 billion in 2002. Several sectors exhibited a U.S. trade surplus with the region. The U.S. surplus in transportation equipment was $1.5 billion, up from $1.3 billion in 2002. Electronic products registered a $711.4-million surplus, up from $587.2 million in 2002. Other significant U.S. trade surpluses were in machinery products ($532.1 million) and chemicals and related products ($118.3 million).

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[8] See app. B, table B-2 for complete data listing by country and sector.

Table 1-3
Sub-Saharan Africa: U.S. imports by major commodity items, 1999-2003

(Dollars)

HTS	Description	1999	2000	2001	2002	2003
2709.00	Petroleum oils and oils from bituminous minerals, crude	5,001,603,197	8,723,257,287	11,763,116,582	10,770,214,844	16,387,595,863
7110.11	Platinum, unwrought or in powder form	548,919,598	744,737,163	802,297,889	716,695,235	954,806,667
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps nesoi 70%+ by wt. from petroleum oils or bitum.	28,862,683	83,101,215	79,507,811	589,777,993	619,408,368
7102.31	Diamonds, nonindustrial, unworked or simply sawn, cleaved or bruted	284,056,284	272,590,846	339,710,363	433,827,817	542,088,412
1801.00	Cocoa beans, whole or broken, raw or roasted	296,213,426	270,307,532	246,750,210	265,683,220	383,057,809
6204.62	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton, not knitted or crocheted	111,721,076	116,430,404	195,983,989	205,269,218	340,233,125
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	11,545	22,245,447	54,427	339,059,452	320,893,588
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	82,066	1,022,134	255,636,991	132,831,189	303,861,811
6110.20	Sweaters, pullovers, sweatshirts, vests and similar articles of cotton, knitted or crocheted	90,608,399	139,655,644	214,516,754	241,858,340	299,756,819
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts of cotton, not knitted or crocheted	153,515,459	192,883,121	202,121,753	209,241,787	260,068,660
2711.11	Natural gas, liquefied	6,809	41,071,084	176,129,032	21,466,849	228,227,798
0905.00	Vanilla beans	19,950,548	32,746,566	90,245,008	125,531,900	202,210,098
2710.11	Light oils and preparations from petroleum oils & oils from bituminous min. or preps 70%+ by wt. from petro. oils or bitum	27,540,036	91,499,457	85,131,841	75,276,354	201,514,874
7110.21	Palladium, unwrought or in powder form	277,486,130	409,020,685	403,801,756	261,567,623	168,655,777
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	83,240,870	150,116,206	169,989,767	140,229,977	165,429,620
9801.00	Imports of articles exported and returned, not advanced in value or condition; imports of animals exported and returned within 8 months	194,089,224	194,542,730	238,519,496	129,938,954	149,656,011
2620.99	Ash and residues (other than from the manufacture of iron or steel), containing metals or their compounds, nesoi	0	0	0	159,398,071	141,577,044
7110.31	Rhodium, unwrought or in powder form	116,393,462	252,476,583	217,579,069	125,506,256	102,645,256
2905.11	Methanol (methyl alcohol)	0	0	25,255,933	51,906,186	93,573,979
7202.41	Ferrochromium, containing more than 4% (wt.) carbon	104,030,754	121,185,776	57,821,989	45,103,258	84,433,307
7606.12	Aluminum alloy rectangular (including square) plates, sheets and strip, over 0.2 mm thick	9,997,112	44,760,229	56,293,882	70,723,927	79,888,894
2901.29	Acyclic hydrocarbons, unsaturated, nesoi	39,106,809	75,367,179	77,156,835	55,999,622	70,597,793
6110.30	Sweaters, pullovers, sweatshirts, vests and similar articles of manmade fibers, knitted or crocheted	10,961,052	14,410,254	23,574,038	41,885,287	64,506,669
2401.20	Tobacco, partly or wholly stemmed/stripped	63,060,117	58,641,003	53,627,470	59,490,677	59,392,084

Table 1-3—*Continued*
Sub-Saharan Africa: U.S. imports by major commodity items, 1999-2003

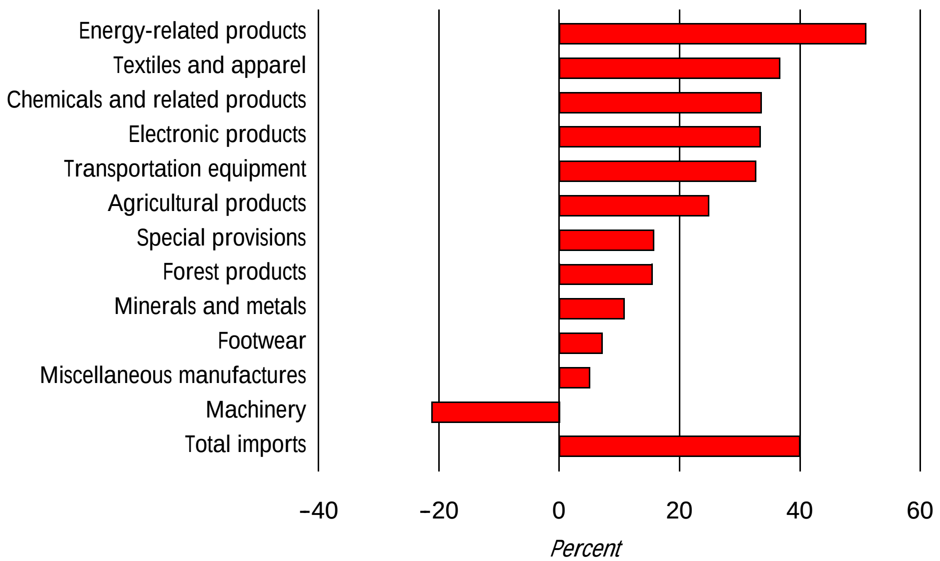
(Dollars)

HTS	Description	1999	2000	2001	2002	2003
2614.00	Titanium ores and concentrates	51,959,802	58,468,622	61,110,160	57,450,989	58,045,706
	Subtotal	7,513,416,458	12,110,537,167	15,835,933,045	15,325,935,025	22,282,126,032
	All other	6,236,297,961	10,102,111,716	5,224,566,127	2,882,108,712	3,188,216,356
	Total	13,749,714,419	22,212,648,883	21,060,499,172	18,208,043,737	25,470,342,388

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "nesoi" stands for "not elsewhere specified or included."

Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 1-8
U.S. imports from sub-Saharan Africa: Annual growth rate, by commodity, 2002-03



Source: Compiled from official statistics of the U.S.Department of Commerce.

U.S.-Africa Services Trade[9]

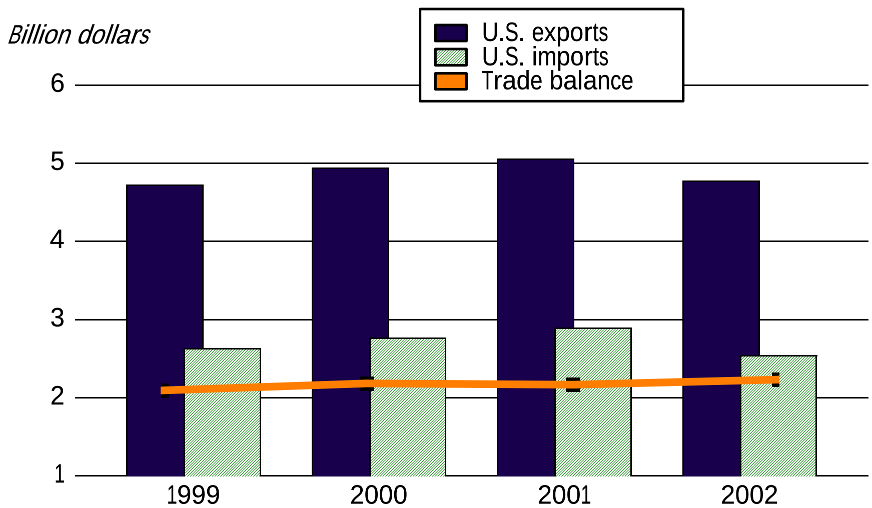
The United States recorded a cross-border services trade surplus with Africa of $2.2 billion in 2002 (figure 1-9),[10] reflecting U.S. cross-border services exports of $4.8 billion, and cross-border imports of $2.5 billion. Following steady growth in U.S.-Africa services trade during 1997-2001, U.S. services imports and exports to Africa fell by 12.1 percent and 5.7 percent, respectively, in 2002. Declines largely reflected sharply reduced tourism and passenger transport trade. Despite the decline in tourism, the industry continued to account for the largest share of U.S. cross-border service exports to Africa in 2002, followed by business services, education, and freight transport and port services (table 1-4).[11] Tourism generated $1.1 billion in U.S. exports in 2002, or 23.3 percent of all U.S. exports of services to Africa.

[9] Services are provided to foreign consumers through cross-border trade and affiliate transactions. Cross-border sales of services occur when a service, or the providers or purchasers of a service, cross national borders. When a service provider establishes a commercial presence (an affiliate) in a foreign market, sales are recorded as affiliate transactions.

[10] Data regarding cross-border services trade with the African continent are available through 2002. There are no data specific to the SSA region, or to individual countries other than South Africa.

[11] USDOC, BEA, *Survey of Current Business*, Oct. 2003, pp. 80-101, and Nov. 2001, pp. 66-77.

Figure 1-9
U.S. cross-border trade in services with Africa: Exports, imports, and trade balance, 1999-2002



Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Oct. 2003, pp. 80-81.

Table 1-4
Total Africa and South Africa: U.S. cross-border services exports, 1997 and 2002

	Africa			South Africa		
Service	1997	2002	Average annual growth	1997	2002	Average annual growth
	(Million dollars)		*(Percent)*	*(Million dollars)*		*(Percent)*
Business[1]	825	991	3.7	117	178	8.8
Education	400	826	15.6	36	55	8.8
Financial services	128	143	2.2	27	58	16.5
Freight transport and port services	389	562	7.6	132	121	-1.7
Insurance[2]	7	14	14.9	4	3	-5.6
Passenger transport	65	19	-21.8	0	9	([3])
Royalties and license fees	232	305	5.6	160	196	4.1
Telecommunications	143	158	2.0	60	57	-1.0
Tourism	1,054	1,114	1.1	370	248	-7.7
Other[4]	238	639	21.8	88	205	18.4
Total[5]	3,481	4,771	6.5	994	1,130	2.4

[1] Data also reflect professional and technical services.

[2] Insurance exports are defined as the difference between premiums received from foreign policy-holders and claims collected by foreign policy-holders.

[3] Not a meaningful number.

[4] Includes intracorporate transactions, i.e., U.S. parent firms' receipts from foreign-based affiliates, and U.S.-based affiliates' receipts from foreign parent firms. Large shares of these receipts are in exchange for financial, computer and information, and transportation services. Also includes expenditures of foreign governments and international organizations in the United States, and expenditures of foreign residents employed temporarily in the United States.

[5] Due to rounding or suppression of individual company data, figures may not add to totals shown.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Oct. 2003, pp. 80-101, and Nov. 2001, pp. 66-77.

Tourism also figured prominently among imports, accounting for $1.0 billion or 41.2 percent of U.S. service imports from Africa (table 1-5). Passenger fares, business services, and freight transport and port services accounted for significant shares of U.S. imports from Africa as well, representing 17.9 percent, 14.5 percent, and 8.5 percent, respectively, of total services imports from Africa in 2002.

South Africa remained the largest U.S. services trading partner in Africa in 2002, accounting for 23.7 percent of U.S. exports to and 30.7 percent of U.S. imports from the continent. Tourism accounted for the largest share of U.S. cross-border exports to South Africa (21.9 percent), followed by royalties and license fees (17.3 percent), and business services (15.8 percent). Financial services registered the most rapid growth rate of U.S. cross-border services exports to South Africa during 1997-2002, increasing 16.5 percent on an average annual basis, compared to 2.4 percent for all service exports. The largest component of U.S. cross-border service imports from South Africa was tourism services (32.0 percent), followed by passenger transport (29.0 percent). Business services registered the fastest growth, with average annual growth of 39.4 percent during 1997-2002, compared to 1.5-percent average annual growth for all services imports.[12]

In 2001, majority-owned affiliates of U.S. firms in Africa recorded sales of services totaling $3.3 billion. In South Africa, such firms recorded sales of $1.1 billion, or 34.6 percent of total sales of services. Data on purchases from African-owned affiliates operating in the United States, as well as South African-owned affiliates, are not publicly available for 2001, the data having been suppressed or withheld to avoid disclosure of individual company information.[13]

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[12] USDOC, BEA, *Survey of Current Business*, Oct. 2003, pp. 80-101, and Nov. 2001, pp. 66-77.
[13] Ibid., p. 114.

Box 1-1
Services Trade in Sub-Saharan Africa, Selected Investments

In 2002, trade in services accounted for more than 20 percent of total merchandise and services trade with SSA. As a net exporter of energy, the petroleum sector remains one of the largest in SSA, resulting in investment opportunities for foreign service providers, particularly in the areas of construction services and pipeline transport services. Firms may construct oil or natural gas pipelines, or facilities where gas is treated and compressed for transport. In addition, they may manage the pipeline transport of petroleum products. For example, an international consortium consisting of ExxonMobil (U.S.), Petronas (Malaysia), and Chevron Texaco (U.S.) invested approximately $3.5 billion in the Chad-Cameroon Development Project. In cooperation with the Governments of Chad and Cameroon, and the World Bank, the consortium developed oil fields in the Doba region of Chad, and constructed a pipeline to the coast of Cameroon.[14] The project came online in October 2003, and is expected to produce approximately 1 billion barrels of oil during its 25-30 year expected life span. ExxonMobil has the largest equity stake in the project with 40 percent, and Petronas and Chevron Texaco have 35 percent and 25 percent, respectively. ExxonMobil (EssoChad) is the operator.[15] Since coming online, the project has exported 50 million barrels of oil, resulting in royalties of $109 million for Chad.[16]

Similar investments include Sasol Limite Group's (South Africa) $80-million investment in Mozambique's petroleum industry in 2003, which created two wholly South African-owned firms: Sasol Petroleum Temane Limitada and Mozambique Pipeline Investment Company Ltd. These firms will develop the Temane and Pande gas fields, and build a treatment plant and pipeline to South Africa.[17]

Trade liberalization and privatization have also resulted in various investment opportunities. Privatization of state-owned service providers, such as telecommunications firms, utilities, and banks, has increased as countries are becoming unable or unwilling to manage debt-ridden firms in light of declining foreign aid and new economic policies.[18] For example, in 2001, Tanzania sold Tanzania

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[14] The World Bank Group, "The Chad-Cameroon Petroleum Development and Pipeline Project: Project Overview," Apr. 10, 2003, found at Internet address *http://www.worldbank.org/afr/ccproj/project/pro_overview.htm/*, retrieved July 20, 2004.

[15] EssoChad, "ExxonMobile Announces Change of Consortium," Apr. 3, 2000, found at Internet address *http://www.essochad.com/Chad/Library/News./Chad_NW_030400.asp/*, retrieved Aug. 9, 2004; and EssoChad, "Chad/Cameroon Development Project - News Media Fact Sheet," Oct. 2003, found at Internet address *http://www.essochad.com/*, retrieved Aug. 9, 2004.

[16] EssoChad, "Chad/Cameroon Development Project, Report No. 16, Third Quarter 2004," found at Internet address *http://www.essochad.com/Chad/Files/Chad/16_allchapters.pdf/*, retrieved Nov. 21, 2004.

[17] MIGA, *2003 Annual Report*, "Guarantee Activities: Sub-Saharan Africa," found at Internet address *http://www.miga.org/screens/pubs/annrep03/regions.htm#5/*, retrieved July 20, 2004.

Box 1-1
Services Trade in Sub-Saharan Africa, Selected Investments—Continued

Telecommunications Corporation Ltd. to Detecom (Germany) and MSI (Netherlands).[19] By 2000, Cameroon had privatized all of its banks and insurance companies.[20] In 2000, the International Finance Corporation, Enterprise Insurance Company (Ghana), and African Life Assurance Company (South Africa) established a joint venture creating Enterprise Life Assurance Company in Ghana.[21] In addition, Telenor Management Partners (Norway) contracted to manage Ghana Telecom in 2003,[22] and the Uganda Communications Commission stated its intention to open the country's fixed line market duopoly to full competition by the end of 2005.[23]

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[18] The World Bank Group, "Privatization in Sub-Saharan Africa: Regional Fact Sheet," found at Internet address *http://www.ipanet.net/documents/worldbank/databases/plink/factshe.../*, retrieved July 20, 2004.

[19] Privatization Link, "Privatization in Tanzania, Country Fact Sheet," found at Internet address *http://www.ipanet.net/documents/WorldBank/databases/plink/factsheets/tanzania.htm/*, retrieved Aug. 10, 2004.

[20] Ibid.

[21] Ghana Homepage, "Enterprise Insurance in Joint Venture," Nov. 1, 2000, found at Internet address *http://www.ghanaweb.com/GhanaHomePage/economy/artikel.php?ID=11798/*, retrieved Aug. 10, 2004; and The World Bank Group, *World Bank Brief*, "Africa: A Regional Perspective," Apr. 2002, found at Internet address *http://www.worldbank.org/afr/africabrief.pdf/*, retrieved July 20, 2004.

[22] "GT Announces Major Network Expansion to Compete on International Stage," *Communications Update*, June 25, 2004, found at Internet address *http://www.primetrica.com*, retrieved July 28, 2004.

[23] "Wireline Duopoly to End Next Year," *Communications Update*, July 20, 2004, found at Internet address *http://www.primetrica.com*, retrieved July 20, 2004.

Table 1-5
Total Africa and South Africa: U.S. cross-border services imports, 1997 and 2002

Service	Africa 1997	Africa 2002	Africa Average annual growth	South Africa 1997	South Africa 2002	South Africa Average annual growth
	(Million dollars)		*(Percent)*	*(Million dollars)*		*(Percent)*
Business[1]	171	368	16.6	21	111	39.4
Education	33	62	13.4	4	15	30.3
Financial services	37	29	-4.8	9	19	16.1
Freight transport and port services	147	217	8.1	29	51	12.0
Insurance[2]	5	0	([3])	-1	0	([3])
Passenger transport	435	455	0.9	239	227	-1.0
Royalties and license fees	18	9	-12.9	12	4	-19.7
Telecommunications	345	161	-14.1	54	16	-21.6
Tourism	1,269	1,048	-3.8	272	250	-1.7
Other[4]	90	197	17.0	87	89	0.5
Total[5]	2,550	2,546	0.0	726	782	1.5

[1] Data also reflect professional and technical services.

[2] Insurance imports are defined as the difference between premiums paid to foreign insurers and claims received by U.S. policy-holders. Imports are entered as credits on the balance of payments when claims received by U.S. policy-holders exceed premiums paid to foreign insurers.

[3] Not a meaningful number.

[4] Includes intracorporate transactions, i.e., U.S. parent firms' payments to foreign-based affiliates, and U.S.-based affiliates' payments to foreign parent firms. Also includes earnings of foreign residents who are employed temporarily in the United States.

[5] Due to rounding or suppression of individual company data, figures may not add to totals shown.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Oct. 2003, pp. 80-101, and Nov. 2001, pp. 66-77.

Global Investment in Sub-Saharan Africa

In 2003, SSA attracted an estimated $8.5 billion in new foreign direct investment (FDI) from all sources, an increase of 9.0 percent over the previous year (table 1-6). FDI as a percentage of GDP, however, declined slightly to 2.2 percent from 2.5 percent. Angola, Nigeria, and Sudan together accounted for approximately one-half of all inbound FDI to SSA, which was destined for new investment in the petroleum sector.[24] Although the region attracted just 6.3 percent of total FDI to the world's developing countries in 2003, its share of FDI directed toward developing countries represents an increase of 18.9 percent over the 2002 level.[25] According to the World Bank, returns from FDI in the SSA region were higher than anywhere else in the world in 2002, with U.S. investors in the region reporting average annual investment returns of 25 percent, compared with 12 percent worldwide.[26]

Foreign portfolio investment flows to SSA measured $500 million in 2003, reversing a $400-million net outflow of portfolio investment flows in 2002,[27] but fell well below the 1999 and 2000 levels of $9.0 billion and $4.1 billion, respectively. South Africa is the only SSA country among the top 20 recipients of portfolio equity flows worldwide, and accounts for virtually all portfolio equity flows to the region.[28] In 2003, the privatization of Telecom SA Ltd. attracted $502 million in portfolio equity flows to South Africa, and a stock offering by Steinhoff International Holdings Ltd., a retail and consumer products firm, attracted $156 million.[29]

The low level of FDI in SSA, compared with FDI in other developing country regions, reportedly reflects investor perceptions of the African investment climate, affected by concerns regarding political crises and the HIV/AIDS pandemic.[30] Investors have also cited taxation, labor laws, and excessive regulation as factors that discourage investment in the region.[31] South Africa, Angola, and Tanzania were cited by investors in one survey as the three most favorable destinations for FDI in SSA, with FDI prospects for Africa expected to improve between 2004 and 2007.[32]

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[24] World Bank, *Global Development Finance 2004*, vol. 1, p. 81.

[25] Ibid., pp. 184 and 198.

[26] "Funding the Technology Dream," *African Investor Magazine*, Mar.-May 2002, p. 54.

[27] During 1999-2002, South Africa accounted for almost all portfolio equity inflows to SSA. It is likely that this is also the case in 2003, but country-specific data for 2003 are not yet available. World Bank, *Global Development Finance 2004*, vol. 2, p. 472.

[28] World Bank, *Global Development Finance 2004*, vol. 1, pp. 91 and 184.

[29] Ibid., p. 101.

[30] "Funding the Technology Dream," *African Investor Magazine*, Mar.-May 2002, p. 54.

[31] World Bank, *Global Development Finance 2004*, vol. 1, p. 30.

[32] UNCTAD, "New Take-Off Predicted for FDI," press release, UNCTAD/PRESS/PR/2004/005, Apr. 14, 2004, found at Internet address *http://www.unctad.org/Templates/*, retrieved July 2, 2004.

Table 1-6
Global investment flows to sub-Saharan Africa and developing countries, 1999-2003

Country/Region	1999	2000	2001	2002	2003 (est.)
	Value *(Billion dollars)*				
SSA:					
Net inward FDI	9.3	5.8	14.3	7.8	8.5
Net inward portfolio equity flows	9.0	4.1	-1.0	-0.4	0.5
Total	18.3	9.9	13.3	7.4	9.0
Developing countries:					
Net inward FDI	181.7	162.2	175.0	147.1	135.2
Net inward portfolio equity flows	12.6	12.6	4.4	4.9	14.3
Total	194.3	174.8	179.4	152.0	149.5
	Share of total *(Percent)*				
Share of SSA:					
Net inward FDI	5.1	3.6	8.2	5.3	6.3
Net inward portfolio equity flows	71.4	32.5	-22.7	-8.2	3.5
Total	9.4	5.7	7.4	4.9	6.0

Source: The World Bank, *Global Development Finance 2004, vol. 1: Analysis and Summary Tables,* Washington, D.C., 2004, pp. 184 and 198.

U.S. Investment in Sub-Saharan Africa

Net U.S. direct investment flows to SSA measured $1.4 billion in 2003, which was less than 1 percent of total U.S. direct investment abroad (table 1-7). Equatorial Guinea, Nigeria, and Gabon, all petroleum-exporting countries, together accounted for 94 percent of total U.S. direct investment flows into SSA. Investment flows into South Africa totaled $89 million in 2003.[33] The continuation of positive flows of U.S. direct investment into SSA yielded an increase of 37.2 percent in the U.S. direct investment position, which measured $11.4 billion in 2003 (table 1-8). South Africa accounted for $3.9 billion, or 34.4 percent of the overall U.S. direct investment position in SSA. The four largest petroleum-exporting countries, Angola, Equatorial Guinea, Gabon, and Nigeria, together accounted for $6.2 billion, or 54.9 percent of the overall U.S. direct investment position.[34]

Investment by Country and by Sector

According to one survey of existing investors in SSA, the largest number of investments in the region originate with European parent companies, although new investment from Europe has lagged behind new investment from African and Asian investors

[33] USDOC, BEA, "U.S. Direct Investment Abroad: Country Detail for Selected Items," found at Internet address *http://www.bea.gov,* retrieved July 26, 2004.
[34] USDOC, BEA, "U.S. Direct Investment Abroad: Country Detail for Selected Items."

Table 1-7
U.S. direct investment abroad: Capital flows,[1] 1999-2003

(Million dollars)

Country/Region	1999	2000	2001	2002	2003
All countries	209,392	142,627	124,873	115,340	151,884
All SSA[2]	1,766	249	37	788	1,379
Petroleum-exporting countries:					
Equatorial Guinea	261	-48	114	-462	823
Nigeria	-524	137	-192	1,440	340
Gabon	129	73	2	-42	139
Angola	443	79	342	120	39
Nonpetroleum-exporting countries:					
South Africa	1,155	346	-86	103	89
Cameroon	94	-68	-120	-6	73
Côte d'Ivoire	8	-8	-64	40	34
Kenya	27	-19	([3])	([3])	9
Mauritius	12	-9	29	-121	-34
ROC	97	-48	-8	5	-78
Other	64	-186	22	-287	-55

[1] Negative numbers indicate inflows of capital into the United States.
[2] Includes data for Libya, which could not be removed due to suppression of data.
[3] Suppressed to avoid disclosure of data for individual companies.
Source: USDOC, BEA, "U.S. Direct Investment Abroad: Country Detail for Selected Items," found at Internet address *http://www.bea.gov*, retrieved July 26, 2004.

Table 1-8
U.S. direct investment position on a historical cost basis, 1999-2003

(Million dollars)

Country/Region	1999	2000	2001	2002	2003
All countries	1,215,960	1,316,247	1,460,352	1,601,414	1,788,911
All SSA[1]	8,431	6,969	8,350	8,274	11,355
Petroleum-exporting countries:					
Nigeria	233	470	260	1,753	2,082
Equatorial Guinea	1,249	1,144	2,316	1,127	1,949
Angola	1,535	585	1,220	1,493	1,524
Gabon	469	546	555	528	680
Nonpetroleum-exporting countries:					
South Africa	3,474	3,562	3,070	3,366	3,902
Côte d'Ivoire	206	194	136	194	237
Cameroon	313	257	148	135	217
Kenya	89	66	([2])	73	92
ROC	222	133	126	152	74
Mauritius	119	97	124	([3])	-28
Other	522	-85	399	-544	626

[1] Includes data for Libya, which could not be removed due to suppression of data.
[2] Not available.
[3] Less than $500,000 (+/-).
Source: USDOC, BEA, "U.S. Direct Investment Abroad: Country Detail for Selected Items," found at Internet address *http://www.bea.gov*, retrieved July 26, 2004.

since 2000.[35] African companies, most notably South African, represent the second-largest source of investment in SSA. According to one estimate, since sanctions were lifted in 1994, South African firms have invested approximately $1 billion annually, on average, in other African countries.[36] In 2002, for example, South African Airways paid $20 million for a 49-percent stake in Air Tanzania, and is expected to invest an additional $410 million in the Tanzanian airline.[37] Nigeria's state-owned oil company, NNPC, has also announced plans to invest in oil exploration outside of the country, with Angola, Gabon, and Equatorial Guinea cited as likely destinations.[38]

In 2002, the primary sector[39] accounted for 53 percent of all African inbound foreign direct investment stock,[40] followed by services with 29 percent, and manufacturing with 19 percent.[41] Primary sector investment is concentrated in petroleum, followed by agriculture. Service sector investment in SSA is wide ranging. In telecommunications, for example, Econet Wireless announced plans to invest approximately $100 million in Kenya's third mobile phone company.[42] Nigerian government officials have estimated that investment in the country's telecommunications industry had reached $3 billion in December 2003.[43] In the tourism industry, IFA Hotels & Resorts announced plans in 2003 to build luxury hotel and beach resorts in South Africa and Zanzibar, Tanzania.[44] In the banking industry, Tanzania, Zambia, and Kenya all have plans to privatize their national banks, which are expected to draw millions of dollars in foreign investment. Standard Chartered and HSBC, two of the world's largest private commercial banks, have also recently opened new branches focused on commercial lending in South Africa, with a view to funding new investment throughout the SSA region.[45]

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[35] UNIDO, "Africa Foreign Investor Survey 2003," p. 17, found at Internet address *http://www.unido.org*, retrieved May 2004.

[36] "Opportunities, Mostly Missed," *The Economist*, Jan. 17, 2004, p. 11, found at Internet address *http://web5.epnet.com/*, retrieved July 16, 2004.

[37] Economist Intelligence Unite (EIU), "What's New in Your Industry," *Business Africa*, Oct. 16th-31st, 2002, p. 10.

[38] "Nigerian Oil Giant Plans to Buy Oil Blocs," *Business Day (Johannesburg)*, found at Internet address *http://www.bday.co/za/bday/content/direct/1,3523,1657513-6078-0,00.html*, retrieved July 14, 2004.

[39] Primary sector includes agriculture and extractive industries.

[40] Separate data for SSA were not available.

[41] World Bank, *Global Development Finance 2004*, vol. 1, p. 82.

[42] "Econet Increases Stake in Kenya," *Emerging Markets Economy*, Jan. 21, 2004, found at Internet address *http://web5.epnet.com/*, retrieved July 16, 2004.

[43] Cletus Akwaya, "$3BN Invested in Telecoms, Says Adebayo," *This Day* (Lagos), May 18, 2004, found at Internet address *http://allafrica.com/stories/printable/200405180230.html*, retrieved July 22, 2004.

[44] "IFA Aims High with Major Growth Plan," *Hotels*, June 2004, p. 18, found at Internet address *http://web5.epnet.com/*, retrieved July 17, 2004.

[45] Philip Moore, "Setting Standards for Africa," *Euromoney*, May 2004, p. 140, found at Internet address *http://web5.epnet.com/*, retrieved July 16, 2004.

Most manufacturing sector investment in SSA is aimed at production for the local market, rather than for export. This situation is beginning to change, however, in large part because of the U.S. AGOA legislation passed in 2000,[46] which reduces barriers to U.S. imports from a number of African countries.[47] In the apparel sector, for example, investors from Mauritius, Germany, and Pakistan have invested in textile and footwear manufacturing for export from Mozambique.[48] In the agro-processing sector, export opportunities linked to foreign investment exist in seafood canning and freezing. Several agricultural crops also present investment opportunities linked to exports, including peanuts in Senegal, and cotton, citrus, and tea in Mozambique.[49] In Ghana, the government removed the state monopoly on cocoa production in 1999, a main export industry, which has drawn investment from at least one Swiss company.[50]

Investment Agreements Between Sub-Saharan African Countries and Foreign Investment Partners

Potential foreign investors cite trade agreements as an important consideration in their choice of investment destination.[51] A number of free trade agreements (FTAs), as well as trade initiatives such as AGOA, have helped to create investment opportunities for export-oriented industries.[52] Consistent with the high level of European direct investment in SSA, European countries have concluded the largest number of bilateral investment treaties (BITs) with SSA countries (table 1-9). For instance, Germany, Switzerland, and the Netherlands have concluded 33, 25, and 18 BITs, respectively, with SSA countries. By contrast, the United States has concluded BITs with only 4 SSA countries, and Japan has not concluded any such agreements. SSA countries have concluded 34 BITs with other SSA countries.[53] The lack of a BIT can act as a disincentive to foreign investment, as these treaties provide a framework of investment regulations and protections of investor rights. Establishment of a BIT is particularly important in developing countries, where the legislative framework surrounding foreign investment may not be highly developed, and the investment climate is perceived to be unstable. The closer investment relationship between SSA and Europe likely reflects both the historic political and trading relationships and the geographic proximity of the two regions.

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[46] UNIDO, "Africa Foreign Investor Survey 2003," p. xix.
[47] Ibid., pp. 14-15.
[48] MIGA, "Shedding New Light on Africa's Investment Opportunities," p. 14, found at Internet address *http://www.ipanet.net/*, retrieved July 12, 2004.
[49] Ibid., pp. 12-14.
[50] Ibid., p. 11.
[51] UNIDO, "Africa Foreign Investor Survey 2003," p. xix.
[52] MIGA, "Shedding New Light on Africa's Investment Opportunities," p. 6.
[53] Compiled by the Commission based on data obtained from UNCTAD, found at Internet address *http://www.unctadxi.org/templates/DocSearch.aspx?id=779*, retrieved Aug. 2, 2004.

Table 1-9
Bilateral investment treaties with sub-Saharan Africa, by selected investment partner country, 2004

	China	France	Germany	Netherlands	Switzerland	United Kingdom	United States
Angola						X	
Benin			X	X	X	X	
Botswana	X		X		X		
Burkina Faso			X	X	X		
Burundi			X			X	
Cameroon	X		X	X	X	X	X
Cape Verde			X	X	X		
Central African Republic			X		X		
Chad			X		X		
Côte d'Ivoire	X		X	X			
Democratic Republic of the Congo		X	X		X	X	X
Djibouti	X				X		
Eritrea				X			
Ethiopia	X		X	X			
Equatorial Guinea		X					
Gabon			X				
The Gambia				X	X		
Ghana	X		X	X	X	X	
Guinea		X	X			X	
Kenya			X			X	
Lesotho			X			X	
Liberia		X	X		X		
Madagascar		X	X		X		
Mali			X		X		
Mauritania			X		X		
Mauritius					X	X	
Mozambique				X		X	
Namibia		X	X	X	X		
Niger			X		X		
Nigeria		X	X	X		X	
Republic of the Congo		na	na	na	na	na	X
Rwanda			X				
Senegal			X	X	X	X	X
Sierra Leone						X	
Somalia			X				
South Africa		X	X	X	X	X	
Sudan		X	X	X	X		
Swaziland	X		X			X	
Togo			X		X		
Uganda		X	X	X	X	X	
Zambia			X	X	X		
Zimbabwe		X	X	X	X		

Note.—"na" = information not available in UNCTAD database.

Source: Compiled by the Commission using information obtained from the UNCTAD database on bilateral investment treaties, found at Internet address *http://www.unctadXi.org/templates/DocSearch.aspX?id=779*, retrieved Aug. 2, 2004, and Export.gov, "Bilateral Investment Treaties," found at Internet address *http://www.tcc.mac.doc.gov*, retrieved Dec. 2004.

International Investment Initiatives Focused on Sub-Saharan Africa

Several investment-related initiatives by multilateral organizations[54] also act to facilitate private sector investment. Under the New Partnership for African Development (NEPAD), African leaders are endeavoring to improve civil and corporate governance and to enhance regulatory transparency and political stability, all important factors in attracting foreign investment and other types of assistance to the region.[55] A joint initiative between NEPAD and the International Chamber of Commerce to promote private investment in SSA has resulted in Business for Africa, a coalition of business organizations focused on boosting private sector investment in the region. Business for Africa has launched a website (www.africaplc.com) that supplies country information and promotes dialogue among private sector investors, and is working with NEPAD to stimulate investment flows to the region.[56]

The Multilateral Investment Guarantee Agency (MIGA), part of the World Bank Group,[57] provides investment guarantees and political risk insurance to facilitate private sector investment in developing countries. Such investment guarantees can act as essential catalysts to foreign investment, particularly in developing countries where the risk of war or civil disturbance is an important deterrent. MIGA has made concerted efforts to increase its operations in Africa. The African share of MIGA's trade portfolio of guarantees was 17 percent in 2002, with MIGA providing guarantees for $793 million in African investments by the end of its 2002 fiscal year. MIGA's highest exposure levels in the region are in Tanzania, Mozambique, Kenya, and Nigeria, which together account for 67 percent of its total African exposure.[58] Political risk insurance is also available on the private insurance market, but often at higher rates that may be prohibitive for smaller investors; therefore, MIGA's involvement fulfills a need that might otherwise not be met.

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[54] For further detail on the involvement of multilateral government organizations in Africa, see chapter 4 of this report.

[55] See OECD, "The First Advisory Board Meeting of the OECD-Africa Investment Initiative for Growth and Development," DAFFE/IME/RD(2003)19, Sept. 16, 2003; and *NEPAD Annual Report 2002*, found at Internet address *http://www.nepad.org/*, retrieved July 16, 2004. For additional information on NEPAD, see chapter 4 of this report.

[56] Maria Livanos Cattaui, "Africa Aims to Blend into Global Economy," *Business Day* (South Africa), Feb. 5, 2003, found at Internet address *http://www.uscib.org/index.asp?DocumentID=2482*, retrieved June 23, 2004; and International Chamber of Commerce, "Business Counterpart to Africa's NEPAD Development Initiative Launched," Mar. 19, 2002.

[57] See chapter 4 of this report for more information on the World Bank Group and MIGA.

[58] Separate data for SSA are not available. MIGA, "Shedding New Light on Africa's Investment Opportunities," p. 15.

Because the lack of available information on the investment environment in SSA countries is likely a deterrent to foreign investment, the UNDP is working with SSA countries and Standard & Poor's (S&P) to help the countries secure long-term sovereign ratings from the international ratings agency. As of June 2004, eight SSA countries had been rated by S&P, with additional ratings expected soon.[59] S&P ratings are widely used by investors to assess risk levels and to price bonds and other sovereign financial instruments. The existence of the ratings helps to integrate countries into the international financial markets, even if they do not immediately use them to issue bonds or other financial instruments.[60]

[59] Benin, Burkina Faso, Cameroon, Ghana, Madagascar, and Mali have been rated as a result of the joint UNDP/S&P initiative. Senegal and South Africa had previously received S&P ratings. Kenya is among the countries expected to be rated in the near future. "Sub-Saharan: Ratings Mark Progress," *Emerging Markets Monitor*, June 7, 2004, p. 17, found at Internet address *http://web5.epnet.com/*, retrieved July 16, 2004.

[60] Philip Moore, "Setting Standards for Africa."

CHAPTER 2
AGOA-Related Imports and Investment

This chapter provides information on U.S. trade with SSA beneficiaries of the African Growth and Opportunity Act (AGOA), including its GSP provisions. U.S. trade under AGOA is presented by major trading partner and commodity sector, as well as for the SSA region as a whole. Trade data were compiled from official statistics of the U.S. Department of Commerce. The chapter also discusses the AGOA legislation and recent changes, as well as investment developments related to AGOA. Information on AGOA-related investment was obtained primarily from various publications, such as the EIU Viewswire, and article databases, such as All Africa.com. AGOA-related investment examples represent reported information from the above-referenced sources, and are not Commission statements, opinions, or assessments.

African Growth and Opportunity Act

The African Growth and Opportunity Act was enacted in May 2000.[1] The Act amended the GSP program and authorized the President to provide duty-free and quota-free treatment for certain African products until September 30, 2008, if, after receiving advice from the USITC, the President determines that such products are not import sensitive. On August 2, 2002, President Bush signed the Trade Act of 2002, modifying certain provisions of AGOA and expanding preferential access for imports from SSA beneficiary countries.[2] Table 2-1 lists the 37 SSA countries designated as eligible for AGOA trade preferences on December 31, 2003.[3]

On July 13, 2004, President Bush signed the AGOA Acceleration Act of 2004 (AGOA III) into law (Public Law 108-274).[4] AGOA III extends the overall program from 2008 to 2015. A substantial focus of AGOA III relates to provisions regarding textile and apparel imports. AGOA III extended the regional fabric provision for 7 more years,

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[1] Trade and Development Act of 2000, Pub. L. 106-200, Title I, May 18, 2000, 114 Stat. 252.

[2] For additional information, see USITC, *U.S. Trade and Investment With Sub-Saharan Africa, Third Annual Report*, USITC pub. 3552, chapter 2, pp. 19-21.

[3] Unless otherwise indicated, AGOA trade data include the 38 countries designated as eligible for trade benefits during 2003 under general note 16 to the HTS. In December 2003, Angola became eligible for AGOA trade preferences, and Eritrea and the Central African Republic were removed from the eligibility list. For detailed information on AGOA eligibility requirements, see Internet address *http://www.agoa.gov/eligibility/country_eligibility.html*.

[4] "Summary of AGOA III," found at Internet address *http://www.agoa.gov/agoa_legislation/agoa_legislation3.html*, retrieved Aug. 19, 2004.

through September 30, 2015, and the third-country fabric provision for least developed beneficiary countries (LDBCs) for 3 more years, through September 30, 2007. The extension of the LDBC third-country fabric provision was "considered by many to be the most important feature" of AGOA III.[5] The cap on duty-free benefits for LDBC apparel made with third-country fabrics will remain at 2.3571 percent of total U.S. apparel imports in the 1-year period beginning October 1, 2003, rise to about 2.6 percent and 2.9 percent in the first two 1-year periods of the extension, and then decline by almost one-half to 1.6 percent in the third and final 1-year period. AGOA III reduced the cap on duty-free benefits for apparel of regional fabrics for the 1-year period beginning on October 1, 2003, from 4.7931 percent to 4.747 percent of total U.S. apparel imports; however, the cap will increase annually in equal increments to 7 percent for the 1-year period beginning on October 1, 2007, and remain at that level for the duration of AGOA.

AGOA III amended the textile provisions of AGOA to grant duty-free benefits to apparel made with certain nonoriginating, or third-country, components (namely, collars, cuffs, drawstrings, waistbands, belts attached to garments, patches, straps using elastic, and padding and shoulder pads). This provision is in addition to an existing AGOA rule that permits the use of third-country findings and trimmings (e.g., zippers) if their value is not more than 25 percent of the cost of the components of the article. AGOA III also amended the textile provisions of AGOA to increase the de minimis level for nonoriginating, or third-country, fibers and yarns in apparel from the

Table 2-1
Sub-Saharan African countries designated as beneficiary countries of AGOA as of December 31, 2003

Angola	Guinea-Bissau	São Tomé & Principe
Benin	Kenya	Senegal
Botswana	Lesotho	Seychelles
Cameroon	Madagascar	Sierra Leone
Cape Verde	Malawi	South Africa
Chad	Mali	Swaziland
Côte d'Ivoire	Mauritania	Tanzania
Djibouti	Mauritius	Uganda
DROC[1]	Mozambique	Zambia
Ethiopia	Namibia	
Gabon	Niger	
The Gambia	Nigeria	
Ghana	ROC	
Guinea	Rwanda	

[1] On Dec. 31, 2002, DROC was added to the eligibility list with delayed implementation of AGOA duty-free trade benefits. On Oct. 31, 2003, DROC was granted AGOA trade preferences.

Note.—Angola became eligible for trade preferences in Dec. 2003, effective 2004. Eritrea and the Central African Republic were designated as eligible for AGOA benefits during 2003, but removed from eligibility in 2004.

Source: USDOC, "AGOA Eligibility: Country Eligibility," found at Internet address *http://www.agoa.gov/eligibility/country_eligibility.html*, retrieved Mar. 31, 2004.

[5] U.S. House of Representatives, Committee on Ways and Means, *AGOA Acceleration Act of 2004: Report to Accompany H.R. 4103*, 108th Cong., 2nd sess., H. Rept. 108-501, p. 19.

original level of 7 percent to not more than 10 percent of the total weight of the article, which would provide AGOA countries with additional sourcing flexibility.[6] AGOA III clarifies that AGOA duty-free benefits apply to apparel made in SSA from a combination of U.S. and AGOA fabrics or components. It also clarifies that AGOA benefits apply to African ethnic printed fabric, even if made by machine, provided such fabric meets certain criteria. In addition, AGOA III extends duty-free benefits retroactively to the date of enactment of AGOA on October 1, 2000, for apparel knit-to-shape in AGOA-eligible countries (the Trade Act of 2002 extended duty-free benefits to such apparel, but only on a prospective basis).

AGOA III also expressed the sense of Congress that the Executive Branch, including the Bureau of Customs and Border Protection, the Committee for the Implementation of Textile Agreements, and the U.S. Department of Commerce, should implement and enforce the textile and apparel provisions of AGOA "broadly to expand trade by maximizing opportunities for imports of such articles" from eligible SSA countries.

In addition to the textile and apparel-related provisions, AGOA III mandates a number of additional, trade-facilitating provisions.[7] The legislation encourages SSA countries to support international trade liberalization efforts, particularly WTO negotiations, and encourages the U.S. government and SSA countries to pursue U.S.-SSA bilateral investment agreements. AGOA III also addresses the need for increased trade capacity-building by encouraging the development of infrastructure projects that support the ecotourism industry. Further, the legislation mandates the promotion of infrastructure investment to improve and expand roads, railways, and ports. The legislation also identifies the expansion of information and communications technology infrastructure in SSA as an important objective. The U.S. government is also mandated to encourage the expansion of the agriculture sector in SSA countries. To reinforce the attainment of this goal, another legislation provision requires the U.S. government to assign personnel to SSA to provide assistance in increasing agriculture exports to the United States and to advise countries on meeting sanitary and phytosanitary standards. To further SSA countries' access to the U.S. market, AGOA III mandates increased coordination between U.S. and SSA customs services in order to reduce transit time and to increase efficiency and safety procedures.

AGOA Forum

The African Growth and Opportunity Act also established an annual U.S.-Africa Trade and Economic Cooperation Forum (AGOA Forum). The AGOA Forum provides an opportunity for regular dialogue to strengthen the economic and political relations between the United States and SSA. The inaugural meeting of the Forum was hosted by

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[6] U.S. House of Representatives, Committee on Ways and Means, *AGOA Acceleration Act of 2004*, p. 20.

[7] "Summary of AGOA III."

the Secretaries of State, Treasury, and Commerce, and the USTR on October 29-30, 2001, in Washington, D.C. The second Forum was held from January 15-17, 2003, in Mauritius. The USTR led the U.S. delegation of senior officials from the Departments of Commerce, Treasury, Agriculture, and State. Trade, finance, and economic ministers from the 38 AGOA-eligible countries also participated, along with representatives from African regional organizations. The second AGOA Forum focused on trade, investment, and socio-economic development issues, including measures that the United States and SSA countries can jointly take to stimulate trade and investment flows, to enhance democracy and good governance, and to combat HIV/AIDS.

AGOA mandates increased contact between senior-level officials of the United States and SSA governments. Accordingly, the third annual AGOA Forum took place on December 9, 2003. Ministers discussed how to strengthen AGOA, as well as market access and regulatory issues. Forum workshops also addressed small- and medium-enterprise financing in Africa, infrastructure development, initiatives to end hunger, and transportation security. In his opening remarks, Secretary of State Colin Powell indicated that President Bush had requested that the Congress extend AGOA beyond 2008 to support long-term investments in SSA countries. Secretary Powell estimated that, in the 3 years since AGOA was implemented, direct benefits included the creation of 190,000 jobs and the attraction of $340 million in new investment to SSA.[8]

U.S. Imports under AGOA

U.S. imports under AGOA (including its GSP provisions) totaled over $14.1 billion in 2003, an increase of 36.3 percent from almost $9.0 billion in 2002 (table 2-2). In 2003, Nigeria ($9.4 billion or 66.3 percent), South Africa ($1.7 billion or 11.8 percent), and Gabon ($1.2 billion or 8.3 percent) accounted for 86.4 percent of total AGOA imports. Other major SSA AGOA suppliers included Lesotho ($372.7 million), ROC ($340.8 million), Madagascar ($187.9 million), and Kenya ($184.4 million). During the first half of 2004, combined imports from Nigeria, Angola, Gabon, and South Africa accounted for 89.2 percent of the total, and other countries including Lesotho, Chad, Kenya, Cameroon, and Madagascar continued to increase their exports under the AGOA program.

AGOA (including GSP) imports continued to be dominated by U.S. purchases of energy-related products ($11.2 billion), which represented 79.5 percent of the total in 2003, compared to 75.9 percent in 2002 (table 2-3). The second-largest import sector under AGOA (including GSP) was textiles and apparel ($1.2 billion), which

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[8] U.S. Department of State, "Sec. Powell and Foreign Minister of Mauritius Cuttaree Open Third AGOA Forum," Dec. 9, 2003, found at Internet address *http://www.usinfo.state.gov*, retrieved Sept. 23, 2004.

Table 2-2

U.S. imports under AGOA,[1] by sources, 2002, 2003, Jan.-June 2003, and Jan.-June 2004

(1,000 dollars)

Country Name	2002		2003		Jan.-June 2003		Jan.-June 2004	
	AGOA[1]	GSP	AGOA[1]	GSP	AGOA[1]	GSP	AGOA[1]	GSP
Angola	([2])	([2])	([2])	([2])	([2])	([2])	1,858,102	1,375,161
Benin	0	0	0	0	0	0	3	3
Botswana	4,578	871	6,324	0	2,209	0	7,936	0
Cameroon	115,804	262	147,011	265	33,862	78	125,039	127
Cape Verde	51	51	2,465	13	870	13	1,160	0
Central African Republic	192	192	43	43	0	0	([2])	([2])
Chad	0	0	14,478	40	36	36	187,056	95,664
Congo (DROC)	0	0	119,471	119,471	60,257	60,257	47,997	47,997
Congo (ROC)	106,633	2,825	340,790	2,891	163,090	2,881	100,916	2,312
Côte d'Ivoire	49,733	22,468	88,037	41,676	25,585	20,013	64,968	19,946
Djibouti	23	23	27	27	9	9	33	33
Eritrea	11	11	0	0	0	0	([2])	([2])
Ethiopia	2,320	1,001	2,885	1,113	1,448	642	2,717	764
Gabon	1,145,627	149	1,177,458	26	499,642	8	800,108	0
The Gambia	0	0	20	20	7	7	14	14
Ghana	34,830	11,829	40,586	11,429	25,718	5,095	28,642	5,750
Guinea	68	68	194	194	99	99	34	34
Guinea-Bissau	0	0	0	0	0	0	0	0
Kenya	129,210	4,873	184,441	3,842	89,661	2,124	131,773	2,855
Lesotho	318,029	226	372,674	130	166,497	77	198,189	166
Madagascar	79,728	3,890	187,879	1,692	60,870	753	121,816	1,270
Malawi	46,904	5,584	59,256	23,420	19,232	4,624	33,204	13,022
Mali	342	341	262	262	112	112	34	34
Mauritania	35	35	3	3	0	0	0	0
Mauritius	114,292	7,764	143,077	7,966	64,238	1,886	75,713	2,545
Mozambique	5,916	5,729	7,917	5,401	1,707	14	803	0
Namibia	1,717	174	46,755	14,623	9,203	56	56,499	32,307
Niger	22	21	63	61	60	60	22	22
Nigeria	5,409,660	483	9,356,012	2,098	4,634,726	1,603	6,932,363	429
Rwanda	10	10	6	6	0	0	4	4
São Tomé & Principe	0	0	0	0	0	0	0	0
Senegal	499	499	720	709	472	465	296	293

See footnotes at end of table.

Table 2-2—*Continued*
U.S. imports under AGOA,[1] by sources, 2002, 2003, Jan.-June 2003, and Jan.-June 2004

(1,000 dollars)

	2002		2003		Jan.-June 2003		Jan.-June 2004	
Country Name	AGOA[1]	GSP	AGOA[1]	GSP	AGOA[1]	GSP	AGOA[1]	GSP
Seychelles	0	0	3	3	3	3	3	3
Sierra Leone	217	217	75	75	0	0	197	197
South Africa	1,342,594	553,042	1,668,573	670,152	744,904	295,345	790,336	411,574
Swaziland	81,252	6,939	133,975	6,970	53,914	140	72,892	234
Tanzania	1,293	654	1,569	459	769	157	1,630	234
Uganda	32	19	1,509	67	487	25	2,628	1,030
Zambia	83	31	510	510	104	104	254	254
Total	8,991,705	630,283	14,105,065	915,656	6,659,792	396,685	11,643,380	2,014,276

[1] AGOA including GSP.

[2] Not AGOA eligible.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 2-3

Major U.S. imports under AGOA[1], by major commodity sectors, 2002, 2003, Jan.-June 2003, and Jan.-June 2004

Sector	2002		2003		Jan.-June 2003		Jan.-June 2004	
	AGOA[1]	GSP	AGOA[1]	GSP	AGOA[1]	GSP	AGOA[1]	GSP
	(1,000 dollars)							
Energy-related products	6,824,776	0	11,223,684	119,220	5,413,882	60,127	10,111,969	1,518,292
Textiles and apparel	803,332	3,638	1,202,077	4,807	513,121	2,082	700,982	2,654
Transportation equipment	544,711	61,358	731,637	97,251	326,412	40,350	287,759	53,573
Minerals and metals	372,961	234,429	412,519	293,364	185,890	118,875	274,699	231,841
Agricultural products	212,436	103,523	240,932	119,243	80,807	40,886	103,209	55,207
Chemicals and related products	136,164	131,459	176,786	167,319	91,062	87,085	107,543	97,647
Miscellaneous manufactures	40,593	39,712	59,188	57,372	21,440	20,716	28,419	26,946
Forest products	29,771	29,515	33,370	33,110	15,968	15,777	14,700	14,471
Electronic products	8,832	8,828	12,934	12,834	4,790	4,786	7,717	7,708
Machinery	17,828	17,820	11,140	11,137	6,003	6,003	5,939	5,936
Footwear	300	0	800	0	419	0	443	0
Total	8,991,704	630,282	14,105,067	915,657	6,659,794	396,687	11,643,379	2,014,275
	AGOA imports as a percentage of total sector imports from SSA							
Energy-related products	66.33	0.00	70.82	2.51	72.30	2.82	178.00	83.47
Textiles and apparel	64.82	0.83	71.20	0.98	68.06	0.86	76.25	1.20
Transportation equipment	29.13	4.42	32.82	6.10	31.72	5.43	25.95	6.12
Minerals and metals	12.42	8.19	12.40	9.15	11.74	7.84	15.18	13.12
Agricultural products	13.36	6.99	12.22	6.44	9.11	4.83	10.55	5.93
Chemicals and related products	6.48	6.27	7.04	6.69	7.28	6.98	8.07	7.38
Miscellaneous manufactures	1.72	1.68	1.95	1.89	1.74	1.69	1.70	1.61
Forest products	2.77	2.75	2.69	2.67	2.75	2.72	3.08	3.04
Electronic products	0.78	0.78	1.31	1.30	1.04	1.04	0.07	0.42
Machinery	1.30	1.30	0.69	0.69	0.87	0.87	0.63	0.63
Footwear	12.85	0.00	30.91	0.00	28.78	0.00	21.37	0.00
Total	34.55	3.57	40.92	4.30	41.74	4.09	45.96	17.01

[1] AGOA including GSP.

Note.-Because of rounding, figures may not add to totals shown.

Source: Compiled from official statistics of the U.S. Department of Commerce.

accounted for an 8.5-percent share of the total in 2003, compared with an 8.9-percent share in 2002. Transportation equipment ($731.6 million) represented 5.2 percent of total AGOA imports in 2003, down from 6.1 percent in 2002; minerals and metals ($412.5 million) accounted for 2.9 percent in 2003, compared to 4.1 percent in 2002; and the share of agricultural products decreased to 1.7 percent in 2003, from 2.4 percent in 2002. The remaining AGOA (including GSP) imports consisted of smaller quantities of chemicals, miscellaneous manufactures, forest products, and machinery equipment.

During the first half of 2004, U.S. imports under AGOA (including GSP) increased by $5.0 billion, or by 74.8 percent, to $11.6 billion as compared to the first half of 2003, primarily because of a significant increase in energy-related qualifying imports from Nigeria and Angola. During the first half of 2004, AGOA imports of energy-related products totaled $10.1 billion, or 86.8 percent of the total, compared to $5.4 billion or 82.0 percent during the first half of 2003. Significant increases were also recorded for AGOA imports of textiles and apparel (up by $187.9 million, or by 36.6 percent), minerals and metals (up by $88.8 million, or by 74.8 percent), and agricultural products (up by $22.4 million, or by 27.7 percent) during this period. Chapter 5 provides additional details on production, trade, and investment for six sectors: agriculture, fisheries, and forest products; chemicals; petroleum and energy-related products; minerals and metals; textiles and apparel; and certain transportation equipment. Table 2-4 shows the major commodity items imported under AGOA (including GSP) at the HTS six-digit level.

AGOA-Related Investment

As government officials, companies, and international firms become more familiar with the advantages of AGOA, SSA continues to benefit from investment driven by country access to AGOA benefits. In addition to tariff and quota reductions, the program provides for various facilitating services. For example, trade capacity-building initiatives facilitate SSA exports to the United States by reducing information barriers, and the AGOA Forum provides networking opportunities by bringing SSA suppliers and U.S. purchasers together. For example, the East and Central Africa Hub sponsored 13 SSA handicrafts firms to attend the AGOA Forum on December 2003. In addition to exposure to the U.S. market, the firms also met with buyers. As a result, the companies' orders from and business relations with U.S. companies increased, including several companies supplying the Smithsonian African Art Museum with merchandise, such as candle holders, ebony carvings, paper mache animal sculptures, and letter openers.[9]

[9] USAID, "Trade for African Development and Enterprise (TRADE) Initiative," found at Internet address *http://www.usaid.gov/locations/sub-saharan_africa/initiatives/trade.html*, retrieved July 14, 2004.

Table 2-4
Leading U.S. imports under AGOA[1], by HTS descriptions, 2002, 2003, Jan.-June 2003, and Jan.-June 2004

(1,000 dollars)

HTS6	Description	2002 AGOA[1]	2002 GSP	2003 AGOA[1]	2003 GSP	Jan.-June 2003 AGOA[1]	Jan.-June 2003 GSP	Jan.-June 2004 AGOA[1]	Jan.-June 2004 GSP
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	6,453,099	-	10,620,548	76,482	5,079,797	29,321	9,697,251	1,467,041
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	316,497	-	444,733	42,728	251,551	30,797	315,179	51,251
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	338,959	-	319,362	-	281,040	-	35,397	-
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	132,784	-	303,862	-	-	-	193,365	-
6204.62	Women's or girls' trousers, etc., of cotton, not knitted or crocheted	153,938	-	254,654	-	122,320	-	162,284	-
6110.20	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton	160,695	-	233,464	-	86,319	-	127,155	-
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts not knitted or crocheted, of cotton	161,721	-	214,197	-	98,755	-	124,894	-
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	55,180	-	158,394	-	82,524	-	99,539	-
7606.12	Rectangular plates, sheets and strip, over 0.2 mm thick, of aluminum alloy	70,519	70,519	79,790	79,790	35,693	35,693	42,932	42,932
7202.41	Ferrochromium, containing by weight more than 4 percent of carbon	36,531	36,531	72,549	72,549	30,947	30,947	59,552	59,552
6110.30	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of man-made fibers	39,547	-	60,677	-	14,941	-	24,553	-
7202.30	Ferrosilicon manganese	50,749	50,749	49,910	49,910	16,526	16,526	46,937	46,937
6109.10	T-shirts, singlets, tank tops, and similar garments, of cotton, knitted or crocheted	30,350	-	46,343	-	30,160	-	45,691	-
6205.20	Men's or boys' shirts of cotton, not knitted or crocheted	29,657	-	45,845	-	18,667	-	34,728	-
7113.19	Articles of jewelry and parts thereof, of precious metal (excluding silver)	30,612	30,612	43,319	43,319	15,038	15,038	21,333	21,333

See footnotes at end of table.

Table 2-4—*Continued*

Leading U.S. imports under AGOA[1], by HTS descriptions, 2002, 2003, Jan.-June 2003, and Jan.-June 2004

(1,000 dollars)

HTS6	Description	2002 AGOA[1]	2002 GSP	2003 AGOA[1]	2003 GSP	Jan.-June 2003 AGOA[1]	Jan.-June 2003 GSP	Jan.-June 2004 AGOA[1]	Jan.-June 2004 GSP
6104.62	Women's or girls' trousers, bib and brace overalls, breeches and shorts, of cotton, knitted or crocheted	25,209	-	43,026	-	18,988	-	29,882	-
7202.11	Ferromanganese, containing by weight more than 2 percent of carbon	43,305	-	39,394	-	16,552	-	37,476	-
8708.70	Road wheels and parts and accessories thereof, for motor vehicles	18,423	18,423	35,527	35,527	14,571	14,571	15,899	15,899
2804.69	Silicon, containing by weight less than 99.99 percent of silicon	22,753	22,753	32,314	32,314	16,926	16,926	19,922	19,922
2401.20	Tobacco, partly or wholly stemmed/stripped	31,193	1,729	30,482	19,226	7,976	4,624	19,254	13,556
1701.11	Cane sugar, raw, in solid form, not containing added flavoring or coloring matter	43,774	43,774	30,211	30,211	3,293	3,293	3,293	3,293
6103.43	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibers, knitted or crocheted	11,952	-	25,237	-	10,966	-	16,234	-
0802.90	Nuts, nesio, fresh or dried whether or not shelled	13,109	2,702	24,360	5,587	7,283	4,388	13,129	6,753
0805.10	Oranges, fresh or dried	15,335	-	23,612	-	1,797	-	2,077	-
1805.00	Cocoa powder, not containing added sugar or other sweetening matter	11,399	11,399	23,589	23,589	10,847	10,847	6,352	6,352
	Subtotal	8,297,292	289,193	13,255,399	511,231	6,273,477	212,971	11,194,309	1,754,821
	All other	694,413	341,090	849,667	404,425	386,314	183,714	449,071	259,455
	Total	8,991,705	630,283	14,105,065	915,656	6,659,792	396,685	11,643,380	2,014,276

[1] AGOA including GSP.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "nesoi" stands for "not elsewhere specified or included."

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 2-5 provides selected examples of investments that have, at least in part, been attributed to AGOA program benefits. A substantial portion of new investment continues to target the apparel sector. For example, apparel-related and AGOA-related investment has begun in Ghana and Ethiopia, and continued in Kenya, Madagascar, Mali, and Namibia. Recent examples also underscore increasing investment in the textile industry. Textile firms have been investing in Cameroon, Côte d'Ivoire, and Mali. Sectors outside the textile and apparel sector have also attracted AGOA-related investment. For example, AGOA has been credited with increasing mining sector investment in Cameroon, coffee industry investment in Kenya, and motor vehicle industry investment in South Africa. Recent investments, such as in the shea butter and banana crisps industries in Uganda, also highlight the extension of AGOA-related investment into small- and medium-sized businesses in SSA. Particularly encouraging for long-term economic development is AGOA-related technology investment. For example, a Kenyan firm's installation of a satellite-based link is not only expected to increase the firm's efficiency, but could also provide an example to other firms on the benefits of increased technology use.

Table 2-5
Selected examples of recent AGOA-related investment and events, 2003 to mid-2004

Country	Examples
Cameroon	"The major AGOA related investment has been in the mining sector. A U.S. firm, Geovic Ltd., has obtained a mining permit to extract nickel and cobalt in the eastern part of the country. Once this project gets underway in 2007, Geovic expects exports in the range of 8,000 tons of minerals a year. ... Of equal importance to Cameroon's overall trade ability is the new operations by two shipping companies [with direct links to New York,] which reduces costs and delivery time to the United States."[1] "The first Cameroonian venture to take advantage of the [AGOA] provisions is about to be realized. The foundation stone of a textile industrial complex was laid in the little locality of Balevonli near Dschang in the Menoua Division.... The complex, GICATIC-Texile... represents a veritable breakthrough for Cameroon in the AGOA project. ... GICATIC-Textile comprises a knitting mill, a dyeing and finishing section, a garment component producing section, a garment sewing factory and an embroidery section. The project when completed is estimated to cost 10 billion frs and will create 36,000 jobs."[2]
Côte d'Ivoire	A Chinese/Ivoirian joint venture has invested $9 million in a textile factory to export under AGOA.[3]
Ethiopia	"Ethiopia's textile sector has benefitted from easier access to US markets under the terms of the Africa Growth and Opportunity Act (AGOA), passed in the US in 2001. The government is encouraging investment in export-oriented textile plants at the Addis Industrial Village, and in 2003 gave the go-ahead to nine local investors to establish enterprises on the site."[4] Menbere Alemayehu is one of several women taking advantage of AGOA to export traditional woven fabrics to the United States. She has also established a partnership with an American entrepreneur, and they "now have their products in about 35 stores throughout the united states (sic)."[5]
Ghana	"Impact Clothing Ghana Ltd has acquired 20 acres of land within the Presidential Special Initiative (PSI) Garment Village for the construction of a garment factory. A lease agreement was signed...for the project aimed at taking advantage of the Africa Growth and Opportunity Act (AGOA). ...An estimate of over three billion cedis is to be generated in export revenue over 5 years [from the Garment Village]. The [Impact Clothing] project is estimated to bring into the economy an investment capital of US$3-4 million and also bring export revenue of US$20 million. The company, expected to start operations from July 2004 would bring employment opportunities for over 1000 people."[6] Belin Textiles International, a Ghana-Mauritius partnership company established to export products to the United States under the AGOA program, opened its first factory in July 2004. The Ghanaian President added that, "another company from Mauritius had expressed the desire to invest about $100 million in sugar production in the Northern part of Ghana."[7]
Kenya	AGOA has stimulated approximately $12.8 million in FDI in Kenya.[8] According to government officials, Kenya is expected to start exporting coffee to the United States under AGOA. As a result of the agreement signed between Kenya and the United States, "plans were underway to give the Kenya Planters Cooperative Union the capacity to roast, grade and pack coffee for export" in order to get the higher returns associated with processed coffee.[9]

See footnotes at end of table.

Table 2-5—*Continued*
Selected examples of recent AGOA-related investment and events, 2003 to mid-2004

Country	Examples
Kenya—*Continued*	According to the EPZ management, investment is expected to increase by Sh20 billion (approximately $263 million) over the next 2 years, increasing the number of workers from just over 45,000 to 52,000. The manager "attributed the steady growth in the apparels industry to improved access of Kenyan exports in the US market under the African Growth and Opportunity Act."[10] "Jar Kenya (EPZ) Limited has installed an SH8 million [approximately $105,000] advanced satellite based link for its local operations. The move comes ahead of the anticipated extension of the African Growth and Opportunity Act (Agoa). Mr. Michel Mouyart, the company's general manager, said the satellite link would help improve the firm's efficiency. ... This, he said, would facilitate faster communication between its warehouse in the United States and the local factory."[11]
Madagascar	A significant example of U.S.-origin AGOA-related investment is the Cottonline apparel factory, formally opened in January 2003 as part of the Groupe Socota-Cotona fabric and apparel complex in Antsirabe. A U.S. investor is a one-quarter joint venture partner in the Cottonline factory, along with Madagascar-based Groupe Socota and two Sri Lankan textile firms. The factory is a model of vertical integration and remains unique in Madagascar.[12] As a result of the political crisis in 2002, "there was, understandably, a sharp dip in the number of firms engaged in EPZ exports to the US under the terms of AGOA in 2002. But as of July 2003 some 37 companies were active in such exports, compared with 30 in December 2001, before the political crisis. Moreover, export sales to the US under AGOA doubled from US$93m in 2001 to US$186m in 2003."[13]
Malawi	Malawi's benefit under AGOA has mainly been in the textiles and garment sector. Over 7,045 jobs have been created as a result of AGOA-related expansion.[14]
Mali	In February 2004, the President of Mali opened a new spinning factory. It represents a $10.7-million investment by Malian, Mauritian, and French entrepreneurs. The facility is "one of the few outside of South Africa capable of producing quality thread for use in manufacturing apparel for export to the United States under AGOA... The factory, the first of its kind in Mali, created 200 new jobs."[15]
Mauritius	AGOA has stimulated approximately $78 million in FDI in Mauritius.[16]
Namibia	The $300 million "Ramatex, Tai Wah and Rhino [textile and apparel company] investments currently employ some 8,000 Namibians and produce exports worth US$100 million under the terms of the AGOA."[17] The U.S. Embassy in Namibia, USAID, and the Namibian government have sponsored various workshops focused on helping Namibian handicraft companies benefit under AGOA. Among the companies that attended the workshop, one company that produces Karakul wool carpets will export its first AGOA shipment in 2004.[18]
Nigeria	"One of the largest shoe manufacturers in Italy, Filanto s.p.a, has announced its intention to set up a plant in Kano [Nigeria] with an initial capacity of between 2,000 and 3,000 shoes per day. ... [The plant would] provide export opportunities for Africa, America and Europe. ... [This] is an important step towards diversification of the economy away from over-dependence on oil.... [Nigeria's AGOA advisor] said the footwear industry in the United States alone stands at $40 billion [and the] AGOA tariff advantage on footwear and foot wear parts are as high as 51 percent."[19]
South Africa	DaimlerChrysler SA plans to invest in the assembly of left-hand-drive cars at its East London plant. "Large scale assembly of the C-Class... would attract several billion rands' worth of investment." An attractive aspect of the proposal is duty-free access into the United States under AGOA. If the group's South African arm wins the contract, foreign direct investment in South Africa could total 2 billion rand (approximately $230 million) for retooling requirements at the East London Plant, with additional investment of up to 6 billion rand (approximately $695 million) for supplier operations.[20]

See footnotes at end of table.

Table 2-5—*Continued*
Selected examples of recent AGOA-related investment and events, 2003 to mid-2004

Country	Examples
Tanzania	A factory producing garments for export under AGOA opened in Tanzania. "After investing nearly $2 million in machinery and training, production began in December 2003. The factory now has 600 machines operated by 650 workers, who can produce up to 6,000 garments per day. By the end of 2004, Korff said, the factory expects to have hired over 1,000 employees with a potential to produce $4 million worth of apparel per year." The company is supplying Wal-Mart and plans to supply J.C. Penney.[21]
Uganda	"[The] presidential assistant on AGOA, told Parliament on Tuesday that Tri-Star had signed a new agreement with Sunquest Apparel, a US firm to supply garments worth nearly $10m. She said Sunquest had made a commitment to build a weaving and spinning plant in Uganda to utilise local cotton."[22] "RED House Company, Ltd, a Hong Kong firm plans to set up a state-of-the-art spinning mill in Uganda. The mill will process raw cotton and blend polyester to produce garments for export to the regional and international markets. It will also manufacture garments and fabrics. ... $Our customers from the US chain stores are interested in working with Africa to benefit from imports under AGOA.' "[23] "After experimenting with Shea Nut Butter for over four years, [the Ugandan company] is targeting the American markets, whose doors have been opened by the African Growth and Opportunity Act."[24] "[The] Kagugube women's group in Kampala Central, who have organized themselves in a group of 20 to make banana crisps for local and foreign markets [stated that their] aim is to export to the AGOA market. ... The women use local tools in Katwe. Their business has boosted the local banana market."[25]
Zambia	According to the executive director of the Export Board of Zambia, "Unity Garments has a substantial order from the US which is being serviced. Zambia-China Mulungushi Textiles has ordered machinery to facilitate production of export quality garments under AGOA."[26]
SSA	"Consequently, many African countries are set to benefit from AGOA, for instance Kenya estimates that AGOA will create 50,000 new jobs directly and more than 100,000 jobs indirectly. South Africa anticipates about 100 million dollars in investment in its textile and apparel factories creating 13,000 jobs. Lesotho, one of the smallest countries in sub-Saharan Africa, has become one of the biggest beneficiaries of AGOA, attracting over 120 million dollars in new investment."[27] "[The United Nations Industrial Development Report shows that there] has been an encouraging increase in the inflow of large export-driven investors, one-third of which were established during the past four years. One key explanation for this is the US's Africa Growth and Opportunity Act (AGOA), which has stimulated new foreign direct investment (FDI), in the clothing and textiles sector particularly. ... A growing number of AGOA-related investors are focusing on exports, but clothing is one of only two industries – the other being agribusiness – to export upward of 75% of output."[28] "A local thread manufacturer has bagged licensing rights for a key American brand in its efforts to crack the Agoa market. The deal...will enable [Fine Spinners] to sell thread to local garment manufacturers, which sell exclusively to the US under the tariff-free terms of the African Growth and Opportunity Act (Agoa). ... $For the first time we're giving the 38 EPZ manufacturers, who have hitherto relied on imports for their stitching thread, a local option,' [said the managing director]. ... Under the terms of the partnership,... Fine Spinners will manufacture threads for the rest of the region...."[29]

See footnotes at end of table.

Table 2-5—*Continued*
Selected examples of recent AGOA-related investment and events, 2003 to mid-2004

[1] U.S. Department of State telegram, "Cameroon: USITC Study on U.S.-Sub-Saharan African Trade and Investment," message reference No. YAOUND01060, prepared by U.S. Embassy, Yaounde, July 2004.

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[5] Muluneh Gebre, "Introducing Local Products with Foreign Tastes and Preferences," *Addis Tribune (Addis Ababa)*, May 28, 2004, found at Internet address *http://www.allafrica.com*, retrieved Aug. 25, 2004.

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[11] James Anyanzwa, "Garment Company Upgrades Operations," *The East African Standard (Nairobi)*, found at Internet address *http://www.allafrica.com*, retrieved Aug. 25, 2004.

[12] U.S. Department of State telegram, "USITC Study on U.S.-Sub-Saharan African Trade and Investment," message reference No. ANTANANARIVO 000949, prepared by U.S. Embassy, Antananarivo, Sept. 2003.

[13] EIU, "Madagascar: Business: Industry overview: Manufacturing," Aug. 6, 2004, found at Internet address *http://www.viewswire.com*, retrieved Aug. 25, 2004.

[14] U.S. Department of State telegram, "Malawi: USITC Information Request," message reference No. LILONG 00664, prepared by U.S. Embassy, Lilongwe, July 2004.

[15] EIU, "Mali: Regulations: News analysis," May 4, 2004, found at Internet address *http://viewswire.com*, retrieved Aug. 25, 2004.

[16] EIU, "Business Africa: Foreign investment: picking up."

[17] "IPPR Sees More that 4 % Economic Growth this Year," *Namibia Economist*, Mar. 26, 2004, found at Internet address *http://www.economist.com.na/2004/26mar/03-26-22.htm,* retrieved Aug. 18, 2004.

[18] U.S. Department of State telegram, "2004 USITC Study on U.S.-Sub-Saharan Trade: Namibian Update," message reference No. WINDHOEK 000561, prepared by U.S. Embassy, Windhoek, Aug. 2004.

[19] Reuben Yunana, "Italian Shoe Firm to Establish Plant in Kano," *Daily Trust (Nigeria)*, May 13, 2004, found at Internet address *http://www.allafrica.com*, retrieved Aug. 25, 2004.

[20] Carli Lourens, "SA Vies for a Bigger Slice of Daimlerchrysler Pie," *Business Day (Johannesburg)*, May 26, 2003, found at Internet address *http://allafrica.com/stories/printable/200305260321.html*, retrieved June 18, 2003.

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Table 2-5—*Continued*
Selected examples of AGOA-related investment and events, 2003 to mid-2004

[23] Stephen Ilungole, "Hong Kong Firm Eyes Local Textile Potential," *New Vision (Kampala)*, Nov. 21, 2003, found at Internet address *http://allafrica.com/stories/printable/200311210624.html*, retrieved Feb. 23, 2004.

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CHAPTER 3
Regional Integration in Sub-Saharan Africa

This chapter provides information on the African Union (AU), as well as background, recent developments, and trade and investment information for the nine regional organizations that operate in sub-Saharan Africa:

- the Economic Community of West African States (ECOWAS);
- the Union Economique et Monétaire Ouest Africaine (UEMOA);
- the Common Market for Eastern and Southern Africa (COMESA);
- the Southern African Development Community (SADC);
- the Southern African Customs Union (SACU);
- the East African Community (EAC);
- the Intergovernmental Authority on Development (IGAD);
- the Indian Ocean Commission (IOC); and
- the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC).

The data presented have been taken primarily from the U.S. Department of Commerce (trade statistics) and the World Bank (FDI). Qualitative information was drawn from a variety of sources, including the Economist Intelligence Unit, United Nations Integrated Regional Information Network, AllAfrica.com articles, and official regional organizations websites. The analysis presented focuses, whenever possible, on developments that occurred from the beginning of 2003 to mid-2004.

Regional Integration in 2003

In September 1999, the heads of state and government for the Organization of African Unity (OAU) declared their intent to accelerate regional integration efforts that seek to provide solutions to regional economic, political, and social problems. In July 2002, the AU, successor to the OAU, was launched at a meeting of heads of state in South Africa. The stated purpose of the AU is to support socio-economic integration within the continent and to promote peace, security, and stability. Primary goals include the creation of an African Common Market, to be phased in six stages, the promotion of peace and economic stability through conflict resolution, and the improvement of humanitarian conditions.[1] The AU has 53 member states, and is headquartered in Addis Ababa, Ethiopia.

The AU seeks to harmonize domestic policies and to renew focus on diversification of Africa's agricultural sector through the 2004-2007 Strategic Framework of the

African Union Commission that was developed in October 2003. Other activities include a project with the UNDP Regional Bureau for Africa that was signed in May 2004.[2] The project, with an estimated cost of $4.3 million, seeks to improve trade capacity building, to reduce poverty, and to encourage sustainable development. The AU also signed an agreement with the Government of the Republic of Finland in December 2003 and received approximately $848,000 to be used for conflict prevention and peace building. This contribution will also help the Protocol on Peace and Security Council, which entered into force in early December 2003. In July 2003, the AU voted to integrate NEPAD into its framework.[3]

Regional trade agreements within SSA focus on common sectoral policies that will lead to the creation of customs unions and a common currency. One way to achieve this goal is to create a common external tariff and to remove existing tariffs between regional trading members. Intra-regional trade and common investment policies have been increasing and can be attributed to such regional agreements. For example, ECOWAS members are seeking to merge by July 1, 2005, into the CFA Franc Zone created by members of UEMOA, and South Africa is coordinating finance and investment decisions for SADC members.[4] Various regional organizations have received outside assistance for such efforts. For example, the EU, through the WTO's trade-related technical assistance program, granted ECOWAS $1.8 million to be used to accelerate the elimination of tariffs for the creation of an economic union by 2005 and a common customs union by 2007. The EU also granted $1.9 million to CEMAC for a macroeconomic surveillance program to be completed by July 2006. The program activities include studies, workshops, and staff training on customs union harmonization policies.[5]

Conflict management is an important policy area for SSA regional organizations. For example, CEMAC has hosted numerous summits to examine conflict management and to propose solutions to the civil unrest in Chad and Sudan.[6] SADC has also pledged to reduce civil unrest within member states and in the Southern African region. Within the SADC Regional Indicative Strategic Development Plan, common policies include the Protocol on Politics, Defense, Security and Cooperation. Objectives include the protection of people, promotion of political cooperation, and promotion of democratic institutions and practices. In August 2003, the SADC member states signed a mutual defense pact that facilitates interaction, joint operations, and a collective response for security in southern Africa.[7] IGAD has set a July 2004 deadline for the establishment of a transitional federal government for Somalia as part of its efforts to resolve regional conflict and to provide security and a stable environment for attracting foreign investment into member states. In May 2004, IGAD also played a central role in conflict resolution when it chaired peace talks between rebels and the government in the ongoing conflict in Sudan. The peace talks led to the signing of three accords between the Sudan People's Liberation Army and the existing government, which will together form an interim government for 6 years before devolving power to the states.[8]

The United Nations Economic Commission for Africa (UNECA) has participated in numerous regional organization meetings and provided technical assistance for the intergovernmental bodies through five subregional offices. These subregional offices promote dialogue and support initiatives for harmonization in a number of different sectors, including poverty reduction, infrastructure development, employment and labor market growth, export diversification, and the attraction of private sector investment. In 2003, UNECA participated in various heads-of-state summits related to policy planning, including the SADC Annual Summit, the 13th Meeting of Trade and Customs Committee of COMESA, the NEPAD Chief Executives Meeting, and the 16th Meeting of the Council of Ministers of COMESA. UNECA also provides technical assistance. For example, the subregional office in southern Africa provided technical assistance to SADC and COMESA during the development stage of the SSA Transport Program Inter-REC Task Force.[9] UNECA helped develop terms of reference for the African countries undertaking institutional reforms and staff training within civil service roles. Other efforts have included assisting the SADC Mining Program and offering recommendations to facilitate implementation.[10]

ECOWAS

Economic Community of West African States

Members: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.[11]

Population: 249.4 million

GDP: $102.2 billion

Goals: To establish an economic union within West Africa by July 1, 2005, and to focus on transport and communication networks in order to facilitate the free movement of people, goods, and services.

Status and Structure:

ECOWAS was established in 1975 to promote regional economic integration in the transport, telecom, energy, commerce, and agriculture sectors, and to foster trade among its 15 member states. ECOWAS seeks to reduce intra-regional customs duties, to establish an external common tariff, to harmonize economic and financial policies, and to create a monetary union within West Africa.

The Office of the Chairman of ECOWAS is headed by an elected official from a member state. This position is currently held by Dr. Mohamed Ibn Chambas, a former minister from Ghana. The Secretariat and the Fund for Cooperation, Compensation, and Development are the two main institutions designed to implement policies and to ensure progressive development in the member states.

ECOWAS has a 115-member parliament that convenes twice per year to consider issues regarding economic cooperation; and includes a community court of justice aimed at peaceful settlement of disputes and a Council of Ministers.

In March 2001, the West African Monetary Institute was created to provide technical assistance that will allow member states to harmonize monetary policies as they establish a common West African Central Bank to pave the way for a second monetary zone in West Africa.

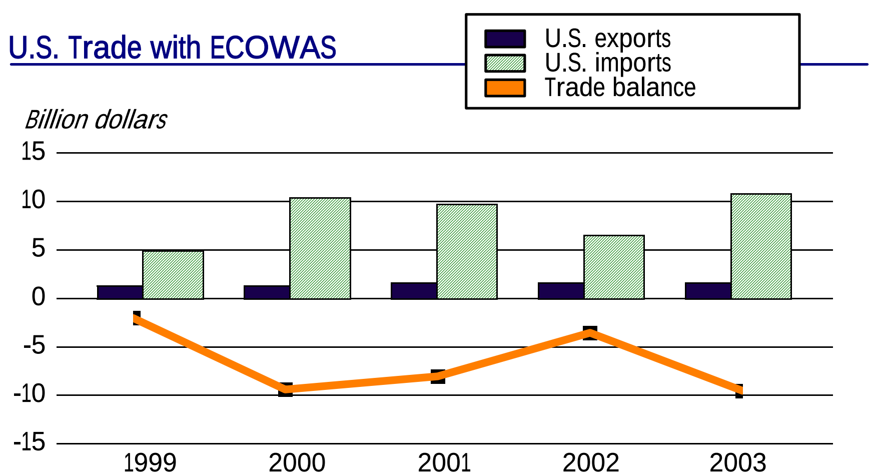
General Developments:

Although progress has been hampered by political instability in a handful of member states such as Côte d'Ivoire, progress has been made in the transportation sector with many projects near completion. For example, the West African highway network, one of many priority road transport programs, is 83-percent completed, and the trans-Sahelian highway is 87-percent completed.

The deadline to merge with the CFA Franc Zone has been rescheduled for July 1, 2005, to allow member states to fully comply with requirements for their financial sectors.

ECOWAS members have pledged to form a common customs union by 2007.

A joint ECOWAS / World Bank task force is to be created to help implement programs as agreed under NEPAD.



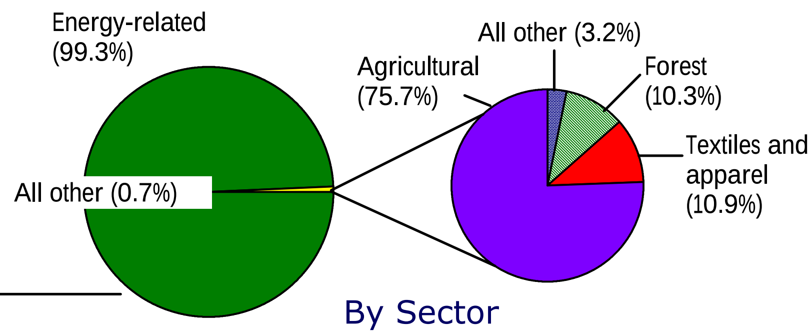
Economic Community of West African States

Trade and Investment:

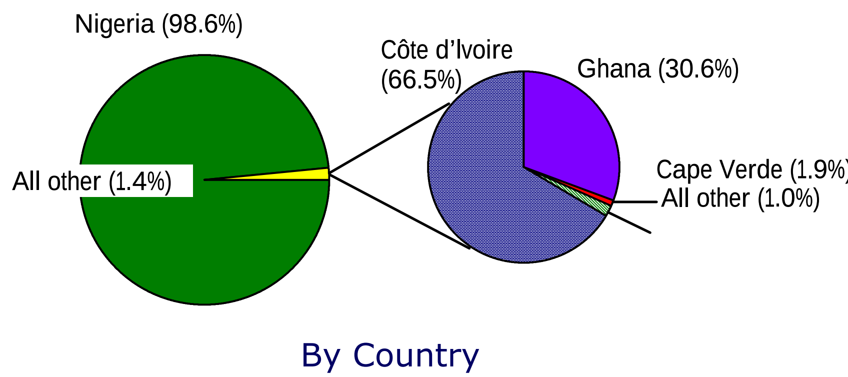
In 2003, the EU pledged approximately $12 million in loans for the private sector and governments to increase exports from the West African region to European markets.

The World Bank pledged $4.9 billion for projects aimed at improving infrastructure and capacity building in the energy and communications sectors.

AGOA Imports in 2003



$9.5 Billion



AGOA Imports from ECOWAS:

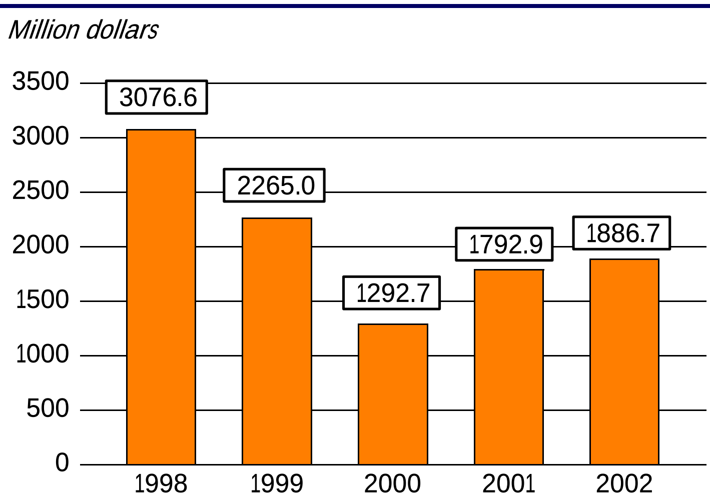
ECOWAS member countries that were AGOA eligible in 2003 were Benin, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

In 2003, AGOA imports from ECOWAS totaled $9.5 billion, an increase of 73 percent from 2002.

Imports from Cape Verde increased substantially, from $50,599 in 2002 to $2.5 million in 2003. Imports from Sierra Leone totaled $74,756 in 2003, a decrease of 66 percent compared to 2002 levels.

Imports of transportation equipment also increased substantially, from $4,303 in 2002 to $220,600 in 2003. U.S. minerals and metals sector imports decreased by nearly 50 percent, from $568,946 in 2002 to $291,080 in 2003.

ECOWAS Net Foreign Direct Investment, 1998-2002



UEMOA

Union Economique et Monétaire Ouest Africaine

Members: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.[12]

Population: 77.7 million

GDP: $36.3 billion

Goals: To increase economic and financial competitiveness through a common market, and to coordinate national policies relating to the agriculture, environment, transport, infrastructure, telecommunications, energy, industry, and mining sectors.

Status and Structure:

UEMOA was established in 1994 to develop a competitive market based on the free flow of goods, persons, services, and capital.

UEMOA is recognized by the WTO as a regional trade agreement.

In December 1995, UEMOA member countries concluded a preferential trade agreement that was a precursor to the establishment of a customs union and common external tariff in early 2000.

Members share a common currency, the CFA franc, pegged to the euro.

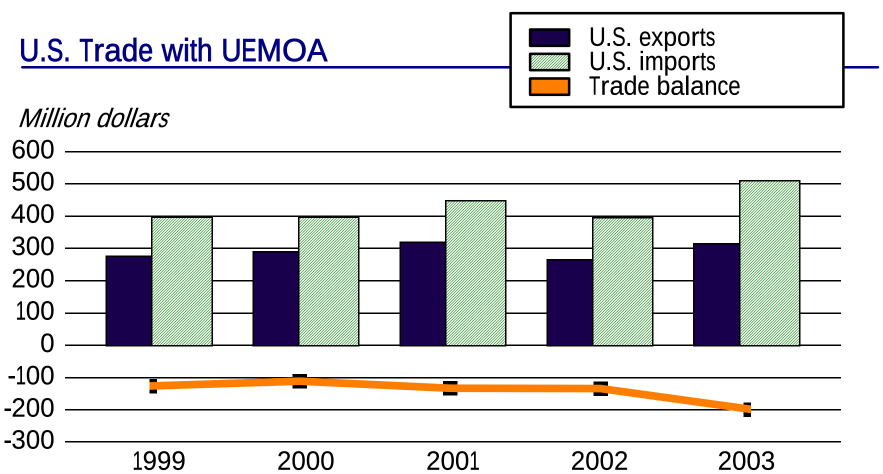
General Developments:

In early 2004, UEMOA members planned to merge their monetary union with the six members of the ECOWAS monetary union. The date for this merger has been delayed indefinitely.

At a March 2004 summit with ECOWAS ministers, UEMOA ministers declared a shift in priorities to focus on privatization of the energy sector through the elimination of monopolies.

UEMOA's common external tariff system will serve as the basis for the ECOWAS common external tariff system, which is anticipated to be in place by 2007.

U.S. Trade with UEMOA



Union Economique et Monétaire Ouest Africaine

Trade and Investment:

In April 2002, the United States signed a Trade and Investment Framework Agreement with the eight UEMOA members to promote trade, investment, and economic reform.

In June 2003, a common strategy was adopted by commerce and agriculture ministers from the member countries to promote cotton production in the UEMOA zone. UEMOA members anticipate that, by 2010, raw cotton processing will increase by 25 percent, creating 50,000 new jobs, and focus on thread production.

The World Bank has committed $408 million to the Capital Market Development Project. The goal of the project is to create a more stable economic environment for investors. Activities include mobilizing public and private sector financing for infrastructure improvement and providing technical assistance.

AGOA Imports from UEMOA:

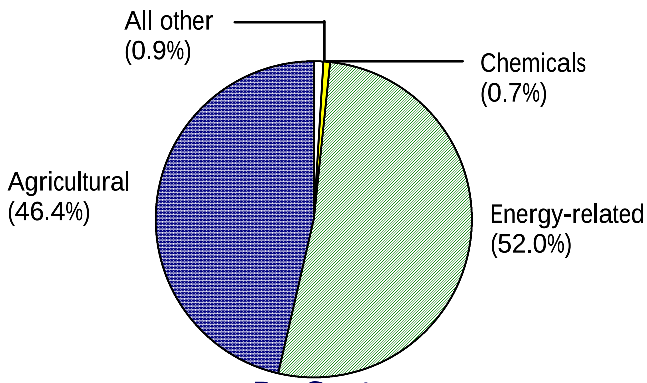
UEMOA member countries that were AGOA eligible in 2003 were Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, and Senegal.

In 2003, AGOA imports from UEMOA totaled $89.1 million, a 76-percent increase from 2002.

Niger experienced the largest percentage change, increasing AGOA exports to the United States by more than 100 percent from 2002 to 2003 (from $21,803 to $62,517).

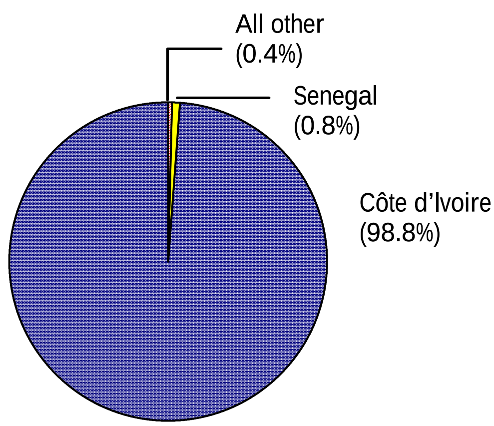
In 2003, AGOA imports of transportation equipment from UEMOA more than tripled from the level in 2002 (from $4,303 to $16,016), while minerals and metals sector imports decreased by more than 80 percent (from $211,000 to $39,372).

AGOA Imports in 2003



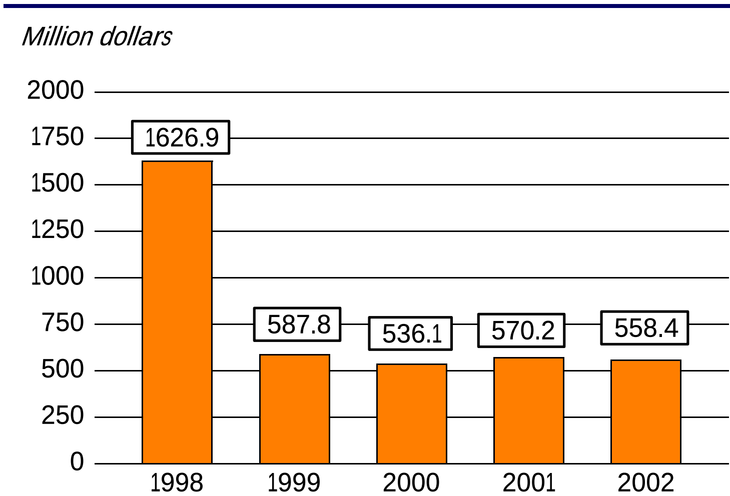
By Sector

$89.1 Million



By Country

UEMOA Net Foreign Direct Investment, 1998-2002



COMESA

Common Market for Eastern and Southern Africa

Members: Angola, Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.[13]

Population: 310.5 million (SSA countries only)

GDP: $91.5 billion (SSA countries only)

Goals: To implement a free trade area; to create a harmonized and competitive economic community for southern and eastern African nations through stronger communications and transport links; to coordinate regional monetary and macroeconomic policies, such as the creation of an FTA and a unified customs network; and to improve the movement of goods, services, and people across borders.

Status and Structure:

COMESA was founded in 1994 as a stepping stone for a regional trade area to replace the Preferential Trade Agreement that had been established in 1981; an FTA has been in place since 2000.

COMESA is recognized as a regional trade agreement by the WTO. The current chairman is emphasizing the export of processed products from the COMESA region.

The Authority of Heads of State and Government formulates general policy for all COMESA members. Interdisciplinary Committees are responsible for the development and implementation of programs within the following sectors: trade and customs, transport and communications, industry and investment, legal affairs, peace and security, and administrative and budgetary matters. A Court of Justice has also been established to arbitrate trade disputes in a peaceful manner.

COMESA hopes to achieve a common monetary area by 2025. As adopted in 1992, a formal exchange rate union will be established along with a central bank by 2004. Between 2005 and 2010, each member state will be required to fix its exchange rate within a given margin under the COMESA Exchange Rate Mechanism Plan.

During a meeting of the Council of Ministers in 2001, trade remedy regulations such as safeguard, anti-dumping, subsidy, and countervailing measures were adopted.

General Developments:

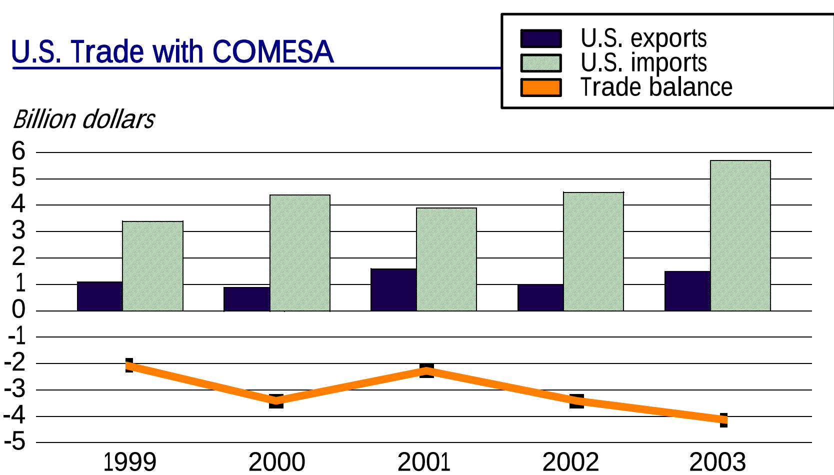
In mid-2004, Namibia withdrew from COMESA, deciding to focus on its SADC membership commitments.

In February 2003, COMESA launched negotiations with the EU to form an Economic Partnership Agreement (EPA).

In January 2003, the EU agreed to provide $2.4 million in grants to support capacity building for trade agreements throughout the region.

In June 2004, COMESA business leaders announced their support for common external tariff implementation by May 2005.

U.S. Trade with COMESA



Common Market for Eastern and Southern Africa

Trade and Investment:

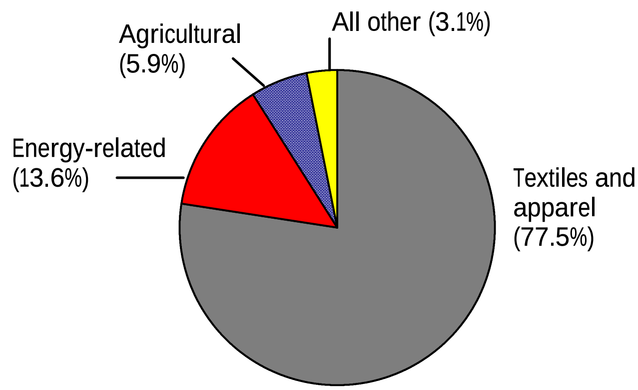
In March 2003, COMESA signed a Memorandum of Understanding (MOU) with the African Regional Intellectual Property Organization to facilitate capacity building in the pharmaceutical industry.

In 2003, a Ugandan-owned garment company, with $1 million in capital investment, opened in Kampala and aims to produce men's and women's clothing to be shipped predominantly to the COMESA market.

In January 2004, Rwanda and Burundi became members of the COMESA FTA. They continue, however, to impose their own national tariff rates on goods imported from outside the COMESA region.

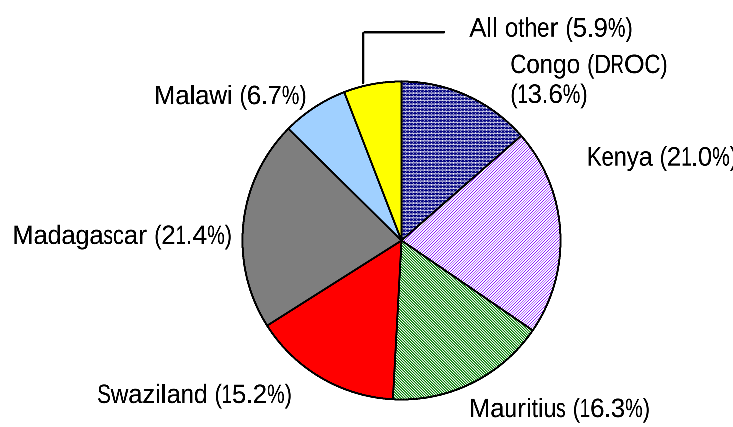
COMESA is to share a $24-million EU grant with EAC, IOC, and IGAD. Funding will enable the members to remove regulatory barriers and to improve communications technology connectivity.

AGOA Imports in 2003



By Sector

$879.8 Million



By Country

AGOA Imports from COMESA:

COMESA member countries that were AGOA eligible in 2003 were Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, Uganda, and Zambia.

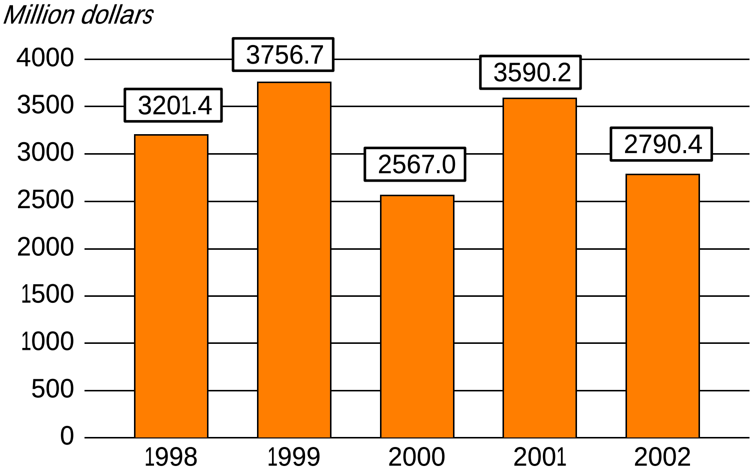
In 2003, AGOA imports from COMESA totaled $879.8 million, an increase of 46 percent from 2002.

The largest percentage increase in 2003 was in imports from Uganda, which increased from $31,886 in 2002 to $1.5 million in 2003. Imports from Eritrea decreased the most, falling to zero in 2003.

AGOA imports of miscellaneous manufactures more than tripled in 2003 (from $1.7 million in 2002 to $6.1 million in 2003). Minerals and metals imports increased substantially in 2003 (from $865,188 in 2002 to $15 million in 2003). AGOA imports of footwear, however, registered the largest percentage decline, falling 51.9 percent (from $17,904 in 2002 to $8,604 in 2003).

COMESA Net Foreign Direct Investment, 1998-2002

Million dollars



SADC

Southern African Development Community

Members: Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.[14]

Population: 215.4 million

GDP: $221.5 billion

Goals: To eliminate poverty, to promote economic development and growth while integrating political and social values, and to maximize employment through collective self-reliance policies and interdependence among member states while defending peace, security, and protection of the environment.

Status and Structure:

SADC was launched in 1980 by the governments of nine southern African nations. Five-year Regional Indicative Strategic Development Plans include development of the agriculture sector, creation of a common market, harmonization of macroeconomic policies, promotion of democratic governance, and improvement in the quality of health and social welfare.

In 2002, SADC created four "clusters" to centralize the promotion of trade and investment: Trade, Industry, Finance and Investment; Infrastructure and Services; Food, Agriculture and Natural Resources; and Social and Human Development and Special Programs. Final transfer of activities to the clusters was completed by mid-2004.

The SADC Protocol on Trade was signed in 1996, and was implemented by 11 countries by 2000. The Protocol aims to enhance the environment for domestic, cross-border, and foreign investment within the SADC region. The Protocol's specific goals include creating an FTA by 2008, a customs union and, ultimately, a common market by 2012. To date, all 14 countries have reduced tariffs under the Trade Protocol, including Angola, which was not an original signatory to the Protocol. In addition, common rules of origin were adopted in 2002, and members are currently adopting harmonized standards for customs and sanitary and phytosanitary regulations.

General Developments:

In 2004, the SADC Trade Protocol is set for a midterm review regarding the progress of tariff and nontariff barrier reduction. This review will also seek SADC member country central banks to achieve single digit inflation between 2004 and 2008 in the lead up to the creation of the FTA.

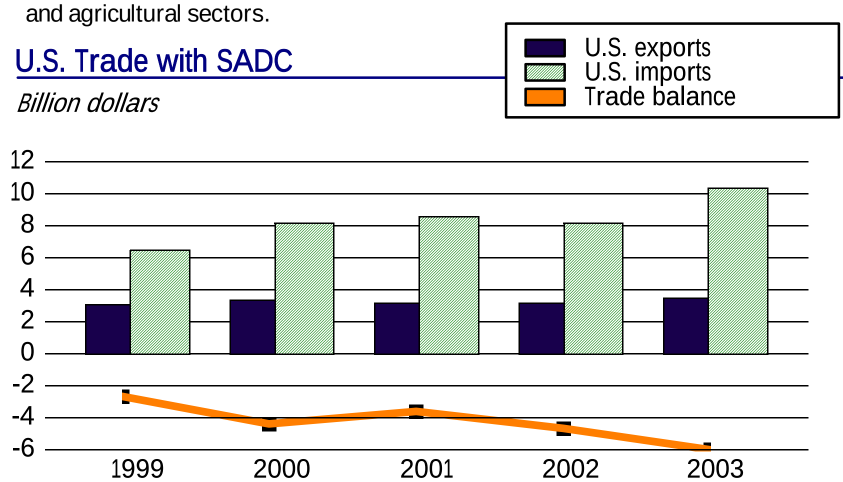
In early 2003, guidelines for reforming legislation in the transportation, communications, and meteorology sectors were finalized. The guidelines address legislative harmonization, the streamlining of licensing procedures and processes, and the promotion of small- to medium-sized enterprises.

In August 2003, Seychelles requested to withdraw from SADC, citing financial reasons.

In March 2004, SADC announced the launch of a Regional Indicative Strategic Development Plan to attract foreign investment in the mining and agricultural sectors.

U.S. Trade with SADC

Billion dollars



Southern African Development Community

Trade and Investment:

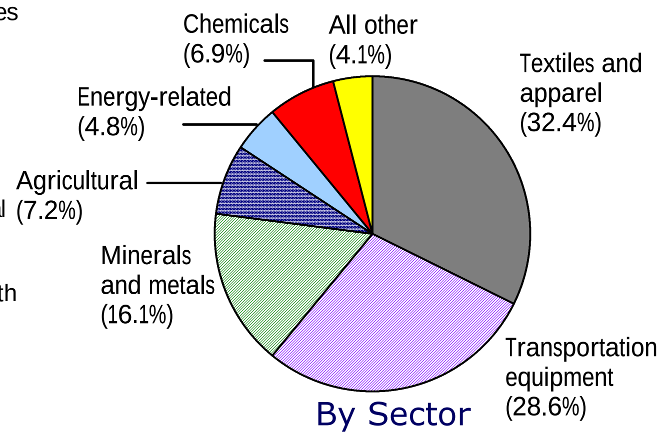
In August 2003, the Summit of SADC Heads of State explored the possibility of imposing a higher tariff scheme for products of South Africa until a free trade zone is achieved in 2008, to allow other member states to develop their manufacturing sectors.

In late 2002, the EU granted SADC $17 million for a 5-year Investment Promotion Program that will identify potential growth industries or sectors and encourage investment.

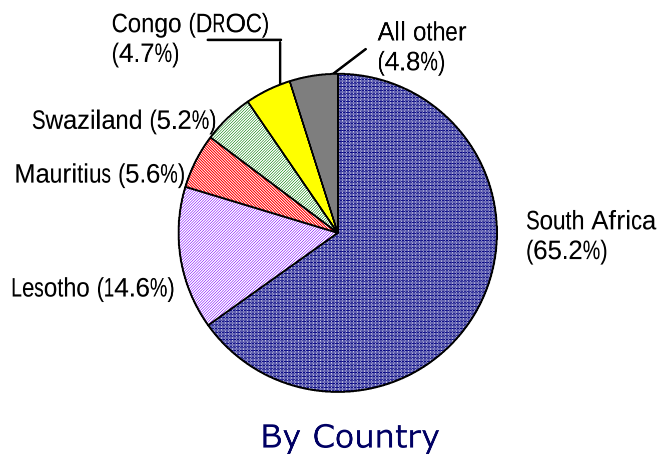
During 2000-05, the EU and SADC ministers are negotiating a potential EU-SADC FTA to begin after 2010.

In July 2004, the EU proposed an Economic Partnership Agreement with seven of the SADC members to promote trade and development. Initial talks will establish rules to remove the remaining EU trade barriers for these SADC countries. South Africa will participate as an observer.

AGOA Imports in 2003



$2.6 Billion



AGOA Imports from SADC:

SADC member countries that were AGOA eligible in 2003 were Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, and Zambia.

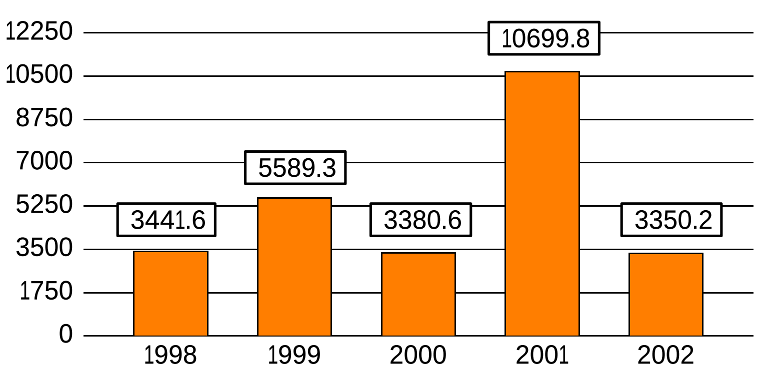
In 2003, AGOA imports from SADC totaled $2.6 billion, a 24-percent increase from 2002.

In 2003, AGOA imports increased by more than 25 percent from six SADC countries: Botswana, Malawi, Mauritius, Mozambique, Swaziland, and Zambia. AGOA imports from Namibia increased the most (from $1.7 million in 2002 to $46.8 million in 2003).

The footwear sector accounted for the greatest percentage gain in AGOA imports, increasing by more that 150 percent in 2003 (from $303,547 in 2002 to $789,389 in 2003). AGOA imports of miscellaneous manufactures were the second-highest gainer, with a nearly 50-percent increase (from $38.3 million in 2002 to $57.2 million in 2003). AGOA imports of machinery registered the greatest decline in 2003, decreasing by 38 percent (from $17.8 million in 2002 to $1.0 million in 2003).

SADC Net Foreign Direct Investment, 1998-2002

Million dollars



SACU

Southern African Customs Union

Members: Botswana, Lesotho, Namibia, South Africa, and Swaziland.[15]

Population: 52.4 million

GDP: $172.4 billion

Goals: To create a free trade area among member countries; to promote growth through common economic strategies for industry development, agricultural sector, competition policy; and to establish policies to address unfair trade practices.

Status and Structure:

SACU is the oldest regional agreement in southern Africa, dating back to 1910. In October 2002, after 8 years of negotiations between members, a revised framework for SACU was signed that would allow joint decision making for tariff and excise duty policies for all members, establish institutions to promote fair competition, and facilitate economic development through common policies.

SACU is recognized as a regional agreement by the WTO.

The Council of Ministers, which consists of one minister from each member, ratifies any change to external trade policy for the regional agreement that has been recommended by the SACU Tariff Board. A tribunal arbitrates disputes arising from changes in trade policy.

Botswana, Lesotho, Namibia, and Swaziland each will develop national tariff bodies that will conduct tariff and trade remedy investigations and present findings to the SACU Tariff Board.

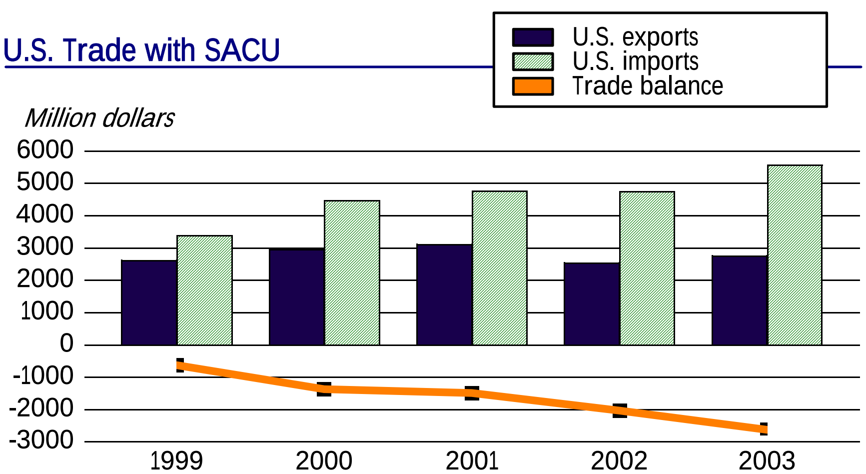
Because Botswana, Lesotho, Namibia, and Swaziland are significantly smaller and collect a larger portion of revenue from customs and excise duties, the 2002 agreement created a new Revenue Sharing Formula that changed the value of tariff revenue allocated them.

The 2002 agreement also maintains protection for infant industries in Botswana, Lesotho, Namibia, and Swaziland, allowing these countries to impose duties on imports from South Africa if they are also imposed on goods from outside the SACU region.[16] This protection is limited to 8 years, but may be extended by the Council of Ministers or coupled with additional measures.

General Developments:

In July 2003, the WTO released a trade policy review report emphasizing the importance of economic reform programs for the SACU region. The report commends the SACU members for continued policy harmonization, economic reform, and prudent fiscal policies that have led to a stable environment for investment.

U.S. Trade with SACU



Southern African Customs Union

Trade and Investment:

In November 2002, the United States notified Congress of its intent to launch FTA negotiations with SACU.[17] Negotiations began in June 2003 and should conclude by December 2004. In addition to addressing tariffs, the FTA is expected to cover services, investment, government procurement, electronic commerce, labor, and environment. In the June 2004 talks, SACU noted its concerns regarding investment, intellectual property rights, and services.

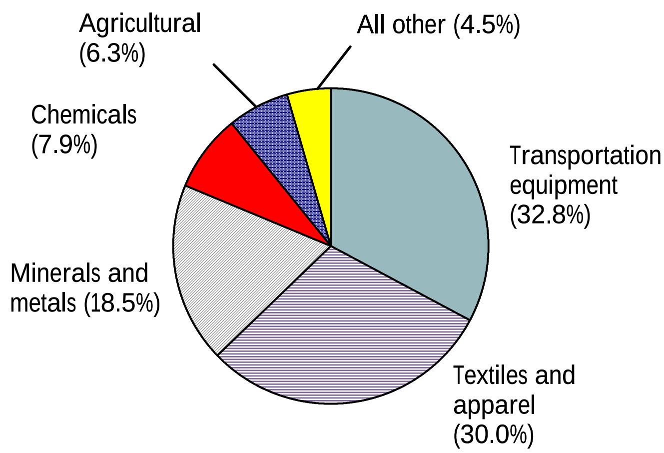
In January 2004, South Africa proposed that SACU initiate FTA talks with India and China, as well as consider such negotiations with other African and Middle Eastern nations.

In March 2004, SACU concluded its third round of negotiations with the EU regarding a potential FTA. SACU is seeking greater access for its agricultural exports to the EU market.

SACU and Mercosur expect that the framework of their FTA will be signed in 2004. Further talks regarding rules of origin will continue to take place. SACU is seeking to increase market access for industries such as engineering, agro-processing, and steel.

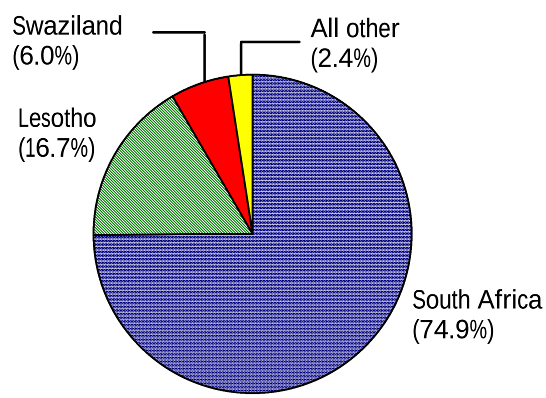
The United States is providing technical assistance to the SACU countries to help implement commitments under various WTO agreements.

AGOA Imports in 2003



By Sector

$2.2 Billion



By Country

AGOA Imports from SACU:

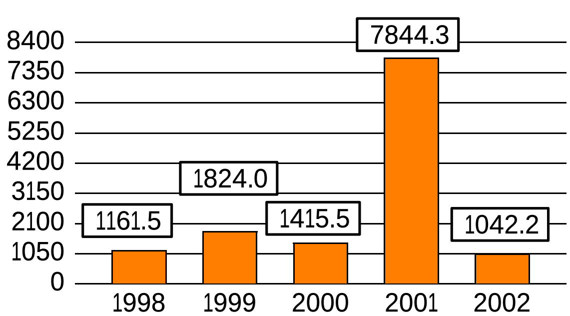
All SACU members were AGOA eligible in 2003.

In 2003, AGOA imports from SACU members totaled $2.2 billion, an increase of 27 percent from 2002. AGOA imports from Namibia experienced the greatest increase in 2003 at over 2,600 percent (from $1.7 million in 2002 to $46.8 million in 2003); Swaziland showed the second-largest increase, at 65 percent (from $81.3 million in 2002 to $134.0 million in 2003).

AGOA imports of energy-related products registered the largest percentage increase, over 200 percent (from $866,196 in 2002 to $2.8 million in 2003), followed by the footwear sector with growth in AGOA imports of 170 percent (from $289,997 in 2002 to $789,389 in 2003). AGOA imports of machinery registered the greatest percentage decline, decreasing by 38 percent (from $17.8 million in 2002 to $11.0 million in 2003).

SACU Net Foreign Direct Investment, 1998-2002

Million dollars



EAC

East African Community

Members: Kenya, Tanzania, and Uganda.[18]

Population: 94.7 million

GDP: $28.8 billion

Goals: To create a framework for regional cooperation and integration; to establish partnerships with the public sector; and to coordinate activities in a wide range of areas including trade, investment, industrial development, monetary and fiscal affairs, infrastructure, human resources, science and technology, agriculture and food security, environment and natural resources management, tourism, and wildlife management.

Status and Structure:

The EAC has its roots in the Agreement for Division of Assets and Liabilities of the East African Community, which was dissolved in 1977. In 1993, an agreement to establish the Tripartite Commission for East African Cooperation was signed.

The EAC is recognized as a regional trade agreement by the World Trade Organization.

The EAC operates on 5-year Development Strategies that detail policy guidelines, programs to be implemented, and timelines for their completion. A primary goal of EAC is sequentially creating a customs union, a common market, a monetary union, and a political federation.

Collaboration with other regional organizations such as the AU, COMESA, IGAD, and SADC help EAC realize its goals of regional cooperation and integration.

General Developments:

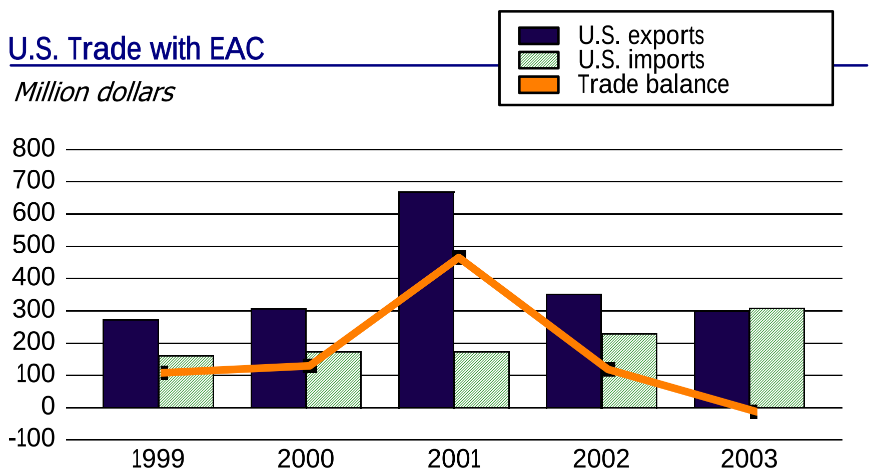
In March 2004, Burundi requested membership in the EAC. No affirmative date has been set for Burundi to make a formal application.

Uganda, Tanzania, and Kenya have agreed to a common external tariff, to enter into force in September 2004. The agreement, signed in March 2004, establishes duty-free imports of raw materials, a 10-percent tariff rate on intermediate goods, and a 25-percent tariff rate on finished goods entering the EAC markets. An agreement has also been reached on rules of origin.

Within the common external tariff scheme, Uganda and Tanzania will receive revenue from surcharges placed on goods from Kenya, which has a greater level of industrialization and development than its partners. Kenya will also allow duty-free access for imports from Uganda and Tanzania.

U.S. Trade with EAC

Million dollars



East African Community

Trade and Investment:

The EAC received a grant of approximately $670,000 from Germany to aid in the construction of new headquarters in Arusha, Tanzania.

Efforts are currently underway to create a joint stock market among EAC members.

The EAC has designated the Victoria basin as an economic zone. The EAC has plans to invest $600 million to improve fishing, to develop tourism facilities, and to improve transportation networks. The Swedish International Development Agency has also committed $160 million for development of the economic zone.

The World Bank has approved a loan of between $400 and $500 million that will help fund road transportation projects designed to link Tanzania, Kenya, and Uganda.

In July 2004, EAC member states representatives met to develop standards for goods and services originating from the common area. The project is to be funded by PTB (Germany), a national metrology institute, and will help improve the competitiveness of EAC goods and services.

AGOA Imports from EAC:

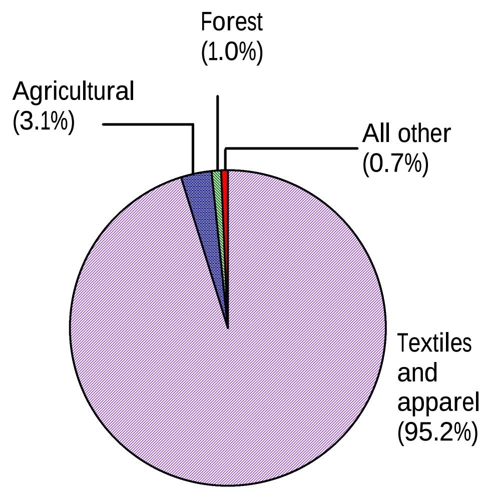
All EAC members were AGOA eligible in 2003.

In 2003, AGOA imports from the EAC totaled $187.5 million, an increase of over 40 percent from 2002.

The largest percentage increase was from Uganda; AGOA imports from Uganda increased from $31,886 in 2002 to $1.5 million in 2003.

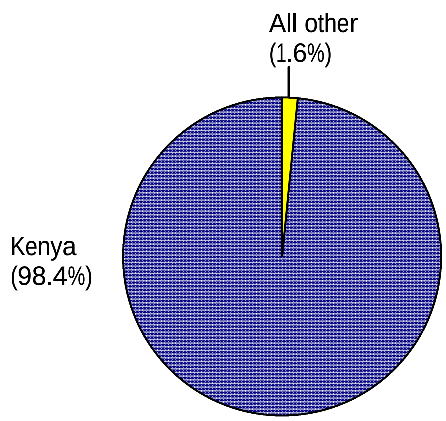
AGOA imports of electronic products registered an increase of over 500 percent (from $7,878 in 2002 to $48,890 in 2003), and AGOA imports of agricultural products, and textiles and apparel grew by 58 percent and 46 percent, respectively (from $3.7 million in 2002 to $5.8 million in 2003, and from $122.0 million in 2002 to $178.6 million in 2003, respectively). AGOA imports of chemicals and related products declined by 79 percent (from $734,224 in 2002 to $152,919 in 2003).

AGOA Imports in 2003



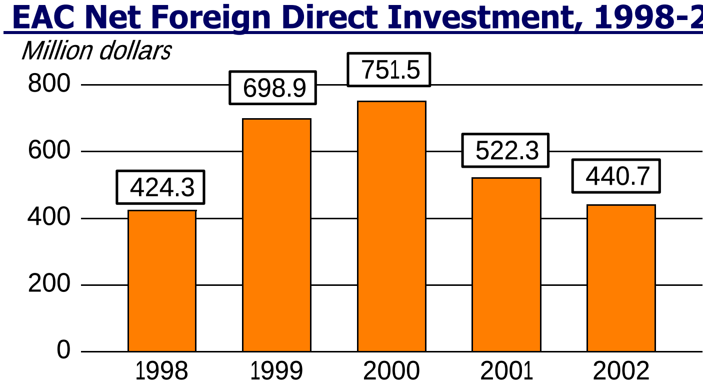
By Sector

$187.5 Million



By Country

EAC Net Foreign Direct Investment, 1998-2002



IGAD

Intergovernmental Authority on Development

Members: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, and Uganda.[19]

Population: 177.6 million

GDP: $42.2 billion

Goals: To resolve regional conflict, to provide regional security, to restore regional peace, to develop communications and transportation infrastructure, to protect the environment, and to ensure food security.

Status and Structure:

The original agreement, the Intergovernmental Authority on Drought and Development (IGADD), was established to focus on drought and desertification issues. Members favoring the expansion of this mandate adopted the IGAD charter following a meeting of Heads of State and Government in 1996.

In keeping with the objective of ensuring peace and security in support of economic stability and eventual integration, Somalia and Sudan have established subcommittees to oversee conflict prevention and resolution. These committees are also focused on reducing illegal arms flows within the region.

IGAD was revitalized in 1996 as a regional political, economic, development, and trade entity that would mirror other regional agreements such as ECOWAS and SADC.

General Developments:

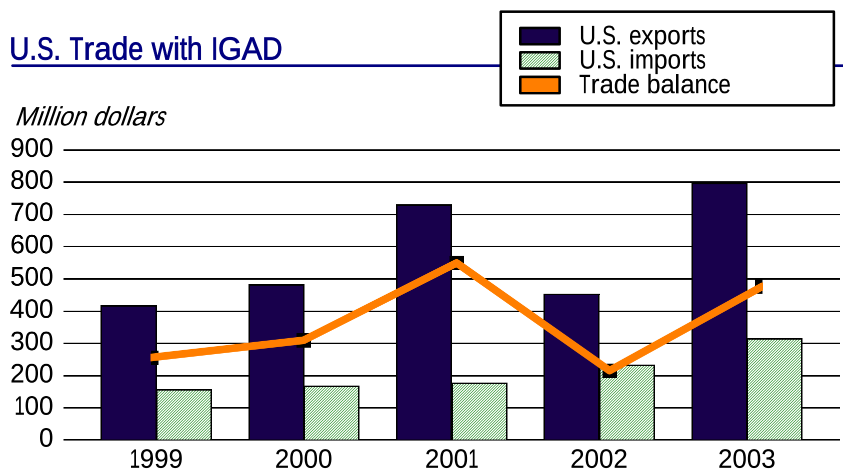
IGAD chaired negotiations between the Sudanese government and the Sudan People's Liberation Army that led to an agreement to create an integrated governing entity for a period of 6 years before granting power to the states.

To reduce dependence on imported food, IGAD plans to increase investment in the agriculture sector to ensure sustainable food production. IGAD also plans to promote the management of fresh water resources.

IGAD is currently implementing a 5-year strategy (beginning in 2004 and running through the end of 2008) to manage natural resources, including increasing crop production, food marketing efforts, water resources management, and environmental protection. Funding for sectoral projects has been requested from NEPAD.

The EU Development Fund has provided funding for infrastructure development projects, such as modernization of the railway between Kenya and Uganda, improvement and expansion of the Ethiopian railways container terminals, and rehabilitation of ports throughout the region.

U.S. Trade with IGAD



Intergovernmental Authority on Development

Trade and Investment:

In February 2004, IGAD participated in a meeting to launch the first session on Economic and Partnership Agreement (EPA) negotiations between 16 eastern and southern African countries and the EU.

Negotiations with the EU regarding the EPA will proceed in three phases. Phase I of the negotiations with the EU (March - August 2004) targeted a number of sectors for regional cooperation and policy harmonization. Phase II (September 2004 - December 2005) will include negotiations on the removal of tariffs and greater market access. The final phase, to begin in January 2006, will cover implementation of the EPA in 2008. IGAD plans to use the EPA to mobilize private sector investment in the region, and to increase its competitiveness in sectors such as tourism and agriculture.

AGOA Imports from IGAD:

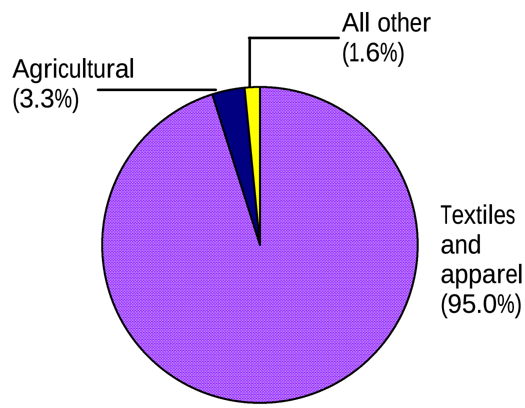
The IGAD member countries that were AGOA eligible in 2003 were Djibouti, Eritrea, Ethiopia, Kenya, and Uganda.

In 2003, AGOA imports from IGAD totaled $188.9 million, a 44-percent increase from 2002.

AGOA imports from Uganda registered the greatest percentage gain, increasing from $31,886 in 2002 to $1.5 million in 2003).

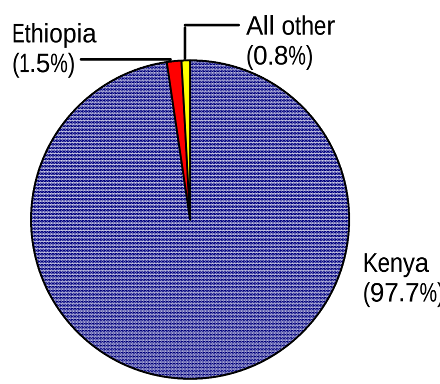
AGOA imports of electronic products accounted for the greatest percentage increase, with an 18-fold increase (from $7,878 in 2002 to $146,690 in 2003). AGOA imports of agricultural products also increased by over 50 percent and such textiles and apparel imports increased by 46 percent (from $3.9 million in 2002 to $6.3 million in 2003, and from $123.2 million in 2002 to $179.5 million in 2003, respectively).

AGOA Imports in 2003



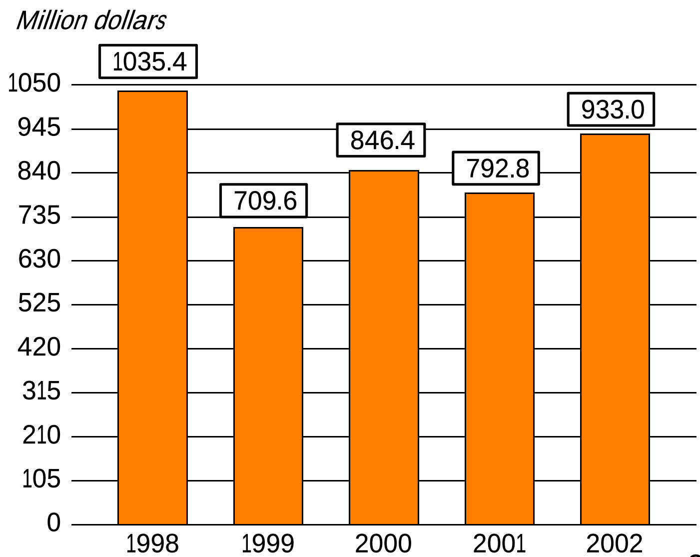
By Sector

$188.9 Million



By Country

IGAD Net Foreign Direct Investment, 1998-2002



IOC

Indian Ocean Commission

Members: Comoros, France (representing the French Overseas Department of Reunion), Madagascar, Mauritius, and Seychelles.[20]

Population: 19.4 million (SSA countries only)

GDP: $12.1 billion (SSA countries only)

Goals: To promote cooperation between members states in the areas of diplomacy, economy, trade, agriculture, maritime fishing, conservation of natural resources, education, and culture; and to promote tourism and conservation in coastal and coral reef regions.

Status and Structure:

The IOC was created in 1984, and original members included Madagascar, Mauritius, and Seychelles. Initially formed to strengthen links among the peoples of the member states and to improve the standard of living, the focus of the IOC is currently on promoting cooperation on social, economic, cultural, agricultural, and scientific policies.

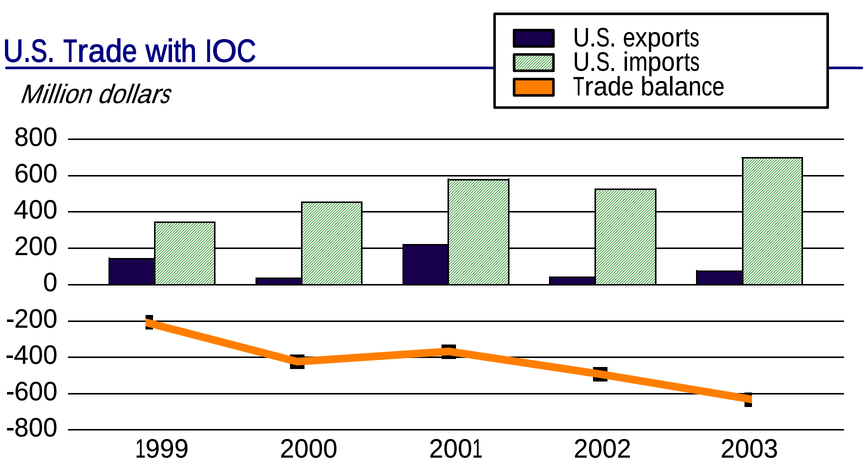
The foreign ministers of the five member states meet annually to discuss IOC policy direction. A council ratifies or vetoes any proposals submitted by the Committee of the Permanent Officers of Connection, which develops and coordinates policies.

General Developments:

As part of its focus on promoting social, economic, and cultural cooperation, the IOC is a member of the inter-regional Committee on Coordination that seeks to implement programs in the transportation and communication sectors, as well as to improve existing national education programs.

The EU provides a substantial part of IOC financing, and as mandated by the Lome Convention guidelines, funds are dispersed by the European Development Fund (EDF). Since 1975, the EDF has funded projects totaling 118 million or (approximately $134 million).

U.S. Trade with IOC



Indian Ocean Commission

Trade and Investment:

The ninth EDF plan is promoting economic integration among member states, natural resources development and conservation, and modernization of transport and communications. IOC also uses EDF funds for poverty reduction efforts.

The IOC is also involved in the Cross Border Initiative with COMESA, EAC, and SADC. The program seeks to identify and remove barriers to intra-regional trade and investment, and is funded by the African Development Bank, the EU, and the IMF.

AGOA Imports from IOC:

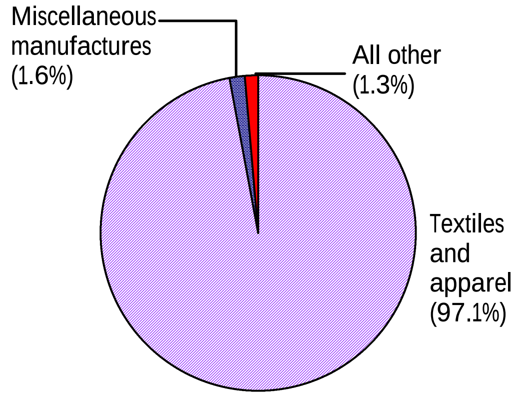
IOC members that were AGOA eligible in 2003 were Madagascar, Mauritius, and Seychelles.

In 2003, AGOA imports from IOC totaled $331.0 million, an increase of 71 percent from 2002.

The largest percentage increase in AGOA imports in 2003 was from Madagascar, with a 136-percent increase (from $79.7 million in 2002 to $187.9 million in 2003).

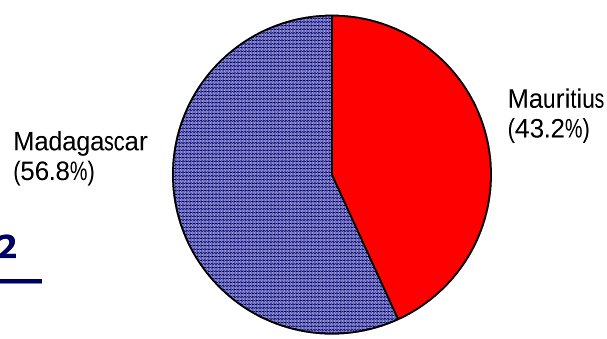
The sector with the largest percentage gain in AGOA imports in 2003 was miscellaneous manufactures, with a fivefold increase (from $1.0 million in 2002 to $5.3 million in 2003). The largest decline was registered by the agricultural sector, with AGOA imports declining by more than 80 percent in 2003 (from $7.4 million in 2002 to $1.4 million in 2003).

AGOA Imports in 2003



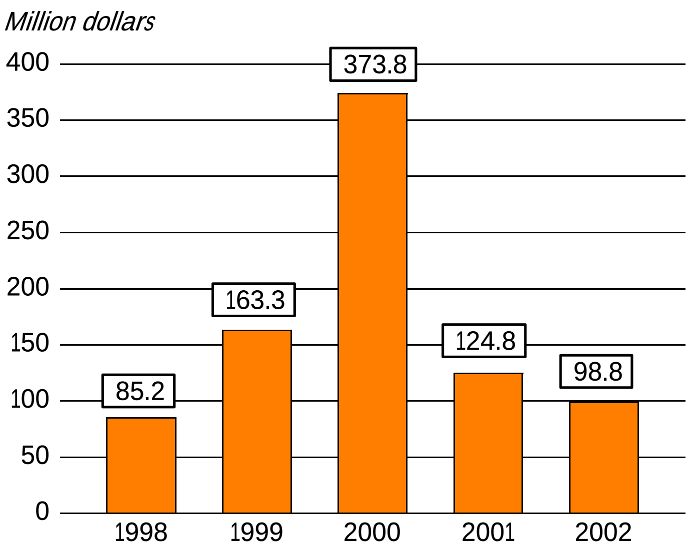
By Sector

$331.0 Million



By Country

IOC Net Foreign Direct Investment, 1998-2002



CEMAC

Communauté Economique et Monétaire de l'Afrique Centrale

Members: Cameroon, Central African Republic, Chad, Republic of the Congo, Equatorial Guinea, and Gabon.[21]

Population: 45.5 million

GDP: $30.1 billion

Goals: To promote the national markets of member states, to encourage regional and monetary integration through trade liberalization, to establish a common external tariff scheme, to harmonize development policies, and to facilitate the free movement of goods, services, and people.

Status and Structure:

CEMAC, one of Africa's oldest regional agreements, became an economic and monetary union in 1994.

CEMAC is composed of two unions, the Economic Union of Central Africa (UEAC) and the Monetary Union of Central Africa (UMAC). A Conference of Heads of State determines policy for member states, and a council of ministers develops CEMAC policies.

General Developments:

As regional infrastructure and collective security are priorities for CEMAC, in January 2003, the council of ministers stated its intent to create an airline to serve the CEMAC region.

In December 2003, a meeting of the council of ministers proposed a nonaggression pact and the provision of mutual assistance during periods of civil unrest.

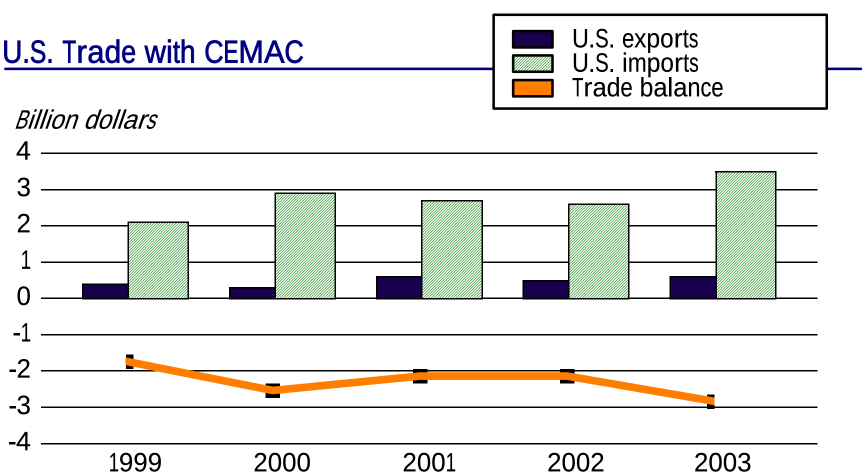
A CEMAC-wide passport scheme was proposed in January 2003, although progress has been slow.

CEMAC ministers are attempting to harmonize education policy. In January 2004, UNESCO organized a workshop for all education ministers from the CEMAC member states. The primary goal was to encourage education ministers to coordinate and integrate policies on new technology, HIV / AIDS education in schools, and teacher training.

Regulations governing money laundering have been adopted for the financial sector.

In early 2003, the World Bank announced a $100-million Regional Integration Assistance Strategy for CEMAC. The strategy aims to provide technical assistance for reforming customs practices and transit processes. Other investment projects to be funded include the improvement of existing road networks and the creation of new links to facilitate the flow of goods, services, and people.

U.S. Trade with CEMAC



Communauté Economique et Monétaire de l'Afrique Centrale

Trade and Investment:

Petroleum is the primary CEMAC export. Many members rely on this commodity for nearly 80 percent of revenues, followed by agricultural products such as wood, coffee, and cocoa. The Executive Secretariat has recognized the need to diversify exports and has encouraged members to diversify into the manufacturing sector.

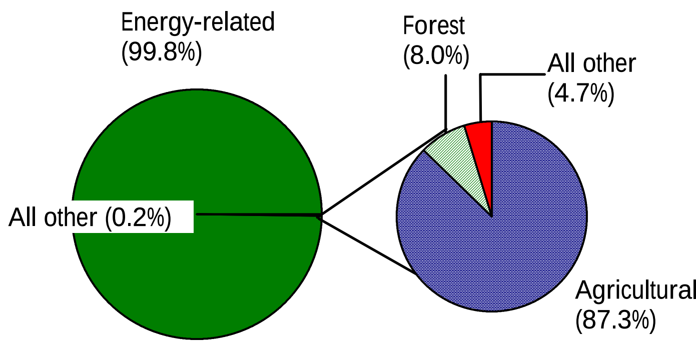
Formal regional trade remains relatively low because of high tariff rates between member countries.

In August 2003, work began on two bridges across the Ntem River and a highway section linking Equatorial Guinea, Cameroon, and Gabon. The project is scheduled for completion in 2006.

In May 2003, the management concession for the Transgabonais railway was awarded to Comilog (France). In September 2003, a Spanish firm was awarded a contract to manage the deepwater ports for Gabon, a key port for the Transgabonais railway.

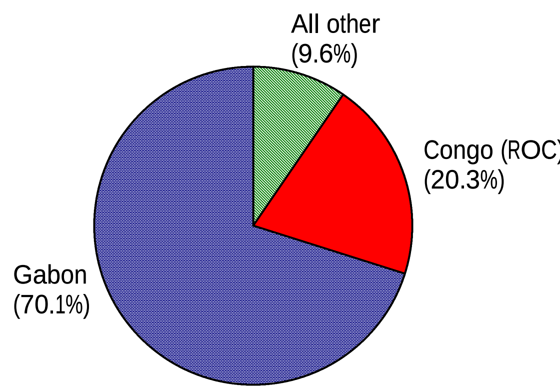
In June 2003, CEMAC inaugurated a small stock exchange, with trading expected to begin in mid-2004. The new exchange is expected to merge in late 2004 with another stock exchange that was opened in April 2003 in Cameroon.

AGOA Imports in 2003



By Sector

$1.7 Billion



By Country

AGOA Imports from CEMAC:

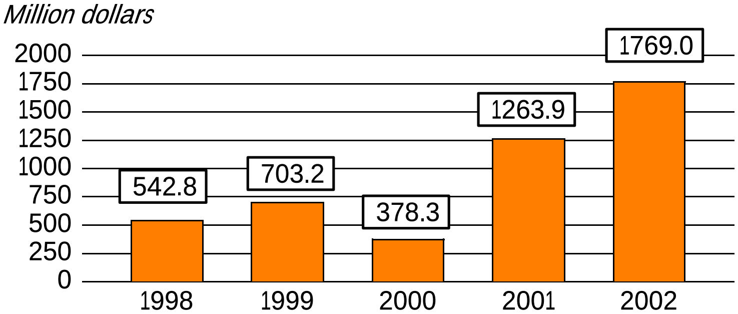
All CEMAC members were AGOA eligible in 2003.

In 2003, AGOA imports from CEMAC totaled $1.7 billion, an increase of 23 percent from 2002. AGOA imports from the Republic of the Congo registered the greatest percentage increase, over 200 percent (from $106.6 million in 2002 to $340.8 million in 2003); the second-largest increase, 27 percent, was in imports from Cameroon (from $115.8 million in 2002 to $147.0 million in 2003).

AGOA imports of energy-related products registered the largest increase, at over 22 percent (from $1.4 billion in 2002 to 1.7 billion in 2003), while miscellaneous manufactures sector imports registered the largest decline, falling by 70 percent (from $296,599 in 2002 to $86,651 in 2003).

CEMAC Net Foreign Direct Investment, 1998-2002

Million dollars



ENDNOTES

[1] African Union, "Advent of the AU," found at Internet address *http://www.african union.org*, retrieved July 2004.

[2] UNDP, *Annual Report 2003,* found at Internet address *http://www.undp.org/rba*, retrieved July 2004.

[3] For more information on NEPAD, see the NEPAD section in chapter 4 of this report.

[4] ECOWAS press release, "Summit of Second Monetary Zone for September," Aug. 2004, found at Internet address *http://www.ecowas.int*, retrieved Aug. 2004.

[5] CEMAC, "Les Bulletins Officiels de la CEMAC," found at Internet address *http://www.izf.net/izf/Documentation/Journal Officiel/Index%20CEMAC.htm*, retrieved July 2004.

[6] Ibid.

[7] SADC, "Regional Indicative Strategic Development Plan," found at Internet address *http://sadc.int*, retrieved July 2004.

[8] "Another Step Towards Lasting Peace," May 28, 2004, found at Internet address *http://www.allafrica.com*, retrieved July 2004.

[9] Reform programs under the SSATP Task Force include road management, railway management, urban transport, trade and transport, and rural travel transport programs.

[10] UNECA, *Annual Report 2004*, May 2004, found at Internet address *http://www.uneca.org*, retrieved July 2004.

[11] U.S. Department of State, Bureau of African Affairs Fact Sheet, "Economic Community of West African States," found at Internet address *http://www.state.gov*, retrieved June 2004.

[12] U.S. Department of State, Bureau of African Affairs, "Fact Sheet: West African Economic and Monetary Union," found at Internet address *http://www.state.gov*, retrieved June 2004.

[13] U.S. Department of State, Bureau of African Affairs, "Fact Sheet: Common Market for Eastern and Southern Africa," found at Internet address *http://www.state.gov*, retrieved June 2004. As Burundi and Rwanda did not become members of COMESA until 2004, and as Egypt is not classified as a part of SSA for this report, these countries' data are not included in trade and investment figures. As Namibia withdrew membership in mid-2004, it is included in 2003 data figures.

[14] U.S. Department of State, Bureau of African Affairs, "Fact Sheet: Southern African Development Community," found at Internet address *http://www.state.gov*, retrieved June 2004.

[15] U.S. Department of State, Bureau of African Affairs, "Southern African Customs Union," found at Internet address *http://www.state.gov*, retrieved June 2004.

[16] An infant industry is defined by SACU as having been established for no more than 8 years.

[17] The Commission conducted a classified study at the request of USTR concerning the probable economic effect of a U.S.-SACU FTA, USITC, *U.S. Southern African Customs Union Free Trade Agreement: Advice Concerning the Probable Economic Effect*, Inv. Nos. TA-131-23 and TA-2104-003, Apr. 2003.

[18] EAC, "EAC Membership," found at Internet address *http://www.eac.int*, retrieved June 2004.

[19] U.S. Department of State, Bureau of African Affairs, "Southern African Development Community," found at Internet address *http://www.state.gov*, retrieved June 2004.

[20] IOC, "IOC Membership," found at Internet address *http://www.coi info.org/memberstates*, retrieved June 2004.

[21] Secretariat of the Central African Economic and Monetary Union, "CEMAC Membership," found at Internet address *http://www.izf.net*, retrieved June 2004.

CHAPTER 4
Multilateral Assistance, U.S. Bilateral Assistance, and Other Trade-Related Initiatives

U.S. trade and investment with SSA is influenced by a number of factors, including programs that provide multilateral assistance, bilateral assistance, and other trade-related initiatives. U.S. trade and investment with countries in SSA are affected by the policies and programs of the Export-Import Bank (Ex-Im Bank), U.S. Trade and Development Agency (TDA), Overseas Private Investment Corporation (OPIC), and various programs operated by the U.S. Agency for International Development (USAID) and the U.S. Department of Agriculture.

Multilateral assistance, through the International Development Association of the World Bank and the African Development Fund of the African Development Bank (AfDB), is a significant source of financing for economic development programs in the region. The United States, as a shareholder in both the World Bank and the AfDB, is an important voice in the operations of these banks, and U.S. companies are eligible to bid on their funded procurement opportunities.

This chapter summarizes developments in multilateral assistance, U.S. bilateral assistance to SSA, and other trade-related initiatives. Table 4-1 provides a summary of these activities.

Sources of Multilateral Assistance to Sub-Saharan Africa

The World Bank Group and the African Development Bank Group are two major sources of multilateral assistance for SSA. Lending by the World Bank and AfDB finances specific projects, and therefore, can be generally classified by sector. In addition, the International Monetary Fund provides concessional loans to countries with balance-of-payments problems. These loans, however, are not classified by sector.

The World Bank Group

The World Bank/International Development Association

The World Bank is the leading multilateral institution dedicated to providing development assistance. The Bank's main goals are to strengthen the investment climate and to invest in poverty reduction. While focusing on project quality, the Bank

Table 4-1
Summary of general developments in multilateral and U.S. bilateral assistance for sub-Saharan Africa, 2003

Institution/activity	2003 assistance levels for sub-Saharan Africa	Other developments
The World Bank Group: International Development Association	Lending commitments made by the World Bank to countries in sub-Saharan Africa remained constant at $3.7 billion in 2002 and 2003.	Over 21 percent ($811 million) of the Bank's lending was for human development (notably HIV/AIDS), 15 percent for social protection, and 11 percent for education.
The World Bank Group: Multilateral Investment Guarantee Agency (MIGA)	In FY 2003, MIGA issued investment guarantees or coverage for nine projects in Africa totaling $953 million.	In conjunction with the Foreign Advisory Service, UNCTAD, and UNIDO, MIGA launched a Multi-Agency Initiative to increase investment in SSA.
The World Bank Group: International Finance Corporation (IFC)	The IFC committed to invest $164 million to support the expansion of SSA banks and financial institutions in FY 2003.	The IFC invested in a cellular operator in the Democratic Republic of the Congo and a bank in Angola.
African Development Bank Group (AfDB)	In 2003, the AfDB approved 16 new projects and programs with a combined value of $465.1 million.	In 2003, AfDB also signed 118 loan and grant agreements valued at $2.6 billion.
International Monetary Fund (IMF)	As of April 30, 2003, the IMF had committed $1.9 billion in grants to 23 SSA countries.	In FY 2003, the IMF approved Poverty Reduction and Growth Facility arrangements for the Democratic Republic of the Congo, The Gambia, Senegal, and Uganda.
Export-Import Bank of the United States (Ex-Im Bank)	In FY 2003, Ex-Im Bank support to SSA consisted of loan guarantees and insurance totaling $572 million. As of September 2003, Ex-Im Bank's total exposure in SSA was $3.6 billion.	The Democratic Republic of the Congo accounted for 24 percent, Nigeria represented 23 percent, and South Africa represented 16 percent of Ex-Im Bank's total SSA exposure.
U.S. Trade and Development Agency (TDA)	TDA's obligation in sub-Saharan Africa decreased to $5.9 million in FY 2003 from $9.9 million in FY 2002.	SSA funding accounted for 11.2 percent of all TDA funding in 2003.
Overseas Private Investment Corporation (OPIC)	In FY 2003, total investments in SSA were $384 million.	OPIC participated in increasing housing projects in South Africa and Kenya.
U.S. Agency for International Development (USAID): Development Assistance and other economic assistance programs	USAID obligation for SSA totaled $1.4 billion in FY 2003, compared to $1.1 billion in FY 2002.	USAID continued to support several programs that it started in 2002, including the Initiative to End Hunger in Africa, the African Education Initiative, and Anti-Corruption Initiative.

Source: Compiled by the Commission from tables and information detailed in this chapter.

seeks to improve procurement and financial management, and to reduce structural constraints to poverty reduction. The International Development Association (IDA), the Bank's concessional lending arm, provides long-term loans at no interest to eligible borrowers from developing countries. There are 37 countries in SSA that are eligible for World Bank loans.[1] The World Bank reports that aid flows to Africa declined by 40 percent per capita in the past decade. The Bank is, however, attempting to reverse this trend.[2] In 2003, SSA received $3.7 billion in interest-free loans, or 33 percent of the Bank's total lending to developing countries ($11.2 billion).

Whereas the World Bank raises funds through selling securities globally, the IDA is funded through donations from member countries. The IDA is an integral part of the Bank's poverty reduction mission, lending to and assisting those countries with limited access to capital.[3] To be eligible for an IDA loan, a country must be a member of the Bank and have an annual per capita income of less than $865. Eligible countries are ranked on the basis of their policy performance and effective use of financial aid. The IDA allocates more funds to the poorest eligible countries, with consideration for a country's level of policy performance and institutional capacity. The IDA provides less developed countries zero-interest rate loans with a 10-year grace period and maturities of 35 to 40 years.[4] SSA countries eligible to borrow from the IDA are listed in table 4-2.

Table 4-2
World Bank/IDA: Eligible borrowers in sub-Saharan Africa (37)

Angola	Ethiopia	Niger
Benin	The Gambia	Rwanda
Burkina Faso	Ghana	São Tomé and Principe
Burundi	Guinea	Senegal
Cameroon	Guinea-Bissau	Sierra Leone
Central African Republic	Kenya	Somalia
Chad	Lesotho	Sudan
Comoros	Liberia	Tanzania
Congo (DROC)	Madagascar	Togo
Congo (ROC)	Malawi	Uganda
Côte d'Ivoire	Mali	Zambia
Djibouti	Mauritania	
Eritrea	Mozambique	

Source: World Bank, *World Bank Annual Report 2003,* p. 132.

In 1999, the Poverty Reduction Strategy Program (PRSP) was launched by the World Bank. This program was designed to increase government participation in projects that use foreign aid. The Bank and IMF perform joint staff assessments on these plans to ensure that they are designed to move the country toward international development goals such as applying sound macroeconomic and sectoral policies, protecting the

[1] World Bank, "Countries of the Sub-Saharan Africa," found at Internet address *http://www.worldbank.org/afr/countries.htm*, retrieved Aug. 2, 2004.

[2] World Bank, *The World Bank Annual Report 2003*, p. 88.

[3] World Bank, *The World Bank Annual Report 2003,* p. 19.

[4] IDA, "International Development Association," found at Internet address *http://www.worldbank.org/ida/eligible.htm*, retrieved Aug. 9, 2004.

environment, and strengthening social sectors. The Bank then allocates Poverty Reduction Support Credits (PRSC) to assist these low-income countries in implementing their reforms.

IDA lending for SSA was valued at $3.7 billion in FY 2003 in support of 60 projects and 10 supplemental credits; this funding represented 21 percent of its total new commitments to all regions for the year.[5] In FY 2003, the IDA committed over 21 percent of its funds to SSA for human development, particularly the prevention and treatment of communicable diseases such as HIV/AIDS. IDA expects its SSA funding to increase to the point that SSA will eventually account for 50 percent of its resources.

At present, there are 95 projects under implementation in conflict-affected areas of SSA. For example, DROC received a grant of $50 million from the IDA to help stabilize its economy and to help address issues such as HIV/AIDS. To provide a framework for disarmament, demobilization, and re-integration, the Bank administers the multi-donor Trust Fund for Demobilization and Reintegration for the Great Lakes Region. Table 4-3 presents IDA's SSA commitments by theme, sector, and credits during FY 1998-2003. In terms of theme, human development received the largest loan commitment for FY 2003, with loans totaling $811.4 million, or 21.7 percent of total SSA loans. By sector, health and other social services received the largest allocation, totaling $775.9 million, or 20.8 percent of total loans to SSA.

Table 4-4 shows World Bank projects approved for SSA in FY 2003. There were 71 IDA projects undertaken in 27 African countries in 2003. The five countries that borrowed the most were DROC, Uganda, Ethiopia, Nigeria, and Ghana. DROC borrowed $454 million, which included $44 million in grants for economic recovery projects. Uganda borrowed $230 million, mostly for poverty reduction and local government development. Ethiopia borrowed $304 million for energy projects, road development, pastoral community development, drought recovery, social rehabilitation, and capacity building. Nigeria borrowed $230 million for basic education, Lagos urban transport projects, and polio eradication. Ghana's $215 million loan was designated for poverty reduction and health.

The Heavily Indebted Poor Countries (HIPC) Initiative, a joint effort of the IMF and the World Bank, plays an important role in ensuring and maintaining long-term debt sustainability in eligible countries. According to the World Bank, African economies have improved in recent years because they were supported by improved microeconomic polices and debt relief under the HIPC initiative. In order to qualify for the HIPC Initiative, countries must maintain a satisfactory track record in adopting World Bank and IMF adjustment and reform programs. Thirteen countries are in the process of meeting these criteria,[6] and nine countries have encountered difficulties in implementing these requirements.[7] Only Burkina Faso, Mali, Mauritania,

[5] Ibid.

[6] The 13 countries are Cameroon, Chad, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Madagascar, Malawi, São Tomé and Principe, Senegal, Sierra Leone, and Zambia.

[7] These countries are Burundi, Central African Republic, Côte d'Ivoire, DROC, Liberia, ROC, Somalia, Sudan, and Togo.

Table 4-3
World Bank (IDA and IBRD) lending commitments in sub-Saharan Africa, by theme and sector, average FY 1998-99 and FY 2000-03

(Million dollars)

Theme:	1998-99 (Average)	2000	2001	2002	2003
Human Development	267.7	208.5	399.4	739.0	811.4
Social Protection and Management	117.2	140.5	376.4	98.3	543.7
Public Sector Governance	291.7	495.3	429.6	851.9	432.4
Urban Development	253.8	154.9	206.1	279.6	425.5
Social Development, Gender, and Inclusion	167.6	210.5	491.8	347.4	420.0
Rural Development	393.6	151.8	296.3	329.2	384.1
Financial and Private Sector Development	509.0	466.7	625.8	780.7	383.6
Environmental and Natural Resource Management	156.0	172.4	110.0	159.9	227.0
Economic Management	165.0	78.2	138.5	138.7	37.8
Trade and Integration	120.5	53.7	261.5	46.4	37.2
Rule of Law	21.0	26.7	34.0	22.5	34.5
Total	2,463.2	2,159.1	3,369.6	3,793.5	3,737.2
Sector:					
Health and Other Social Services	273.6	183.1	889.9	616.6	775.9
Law and Justice and Public Administration	610.9	834.9	880.8	906.9	721.8
Transportation	533.5	263.9	229.8	491.1	690.5
Education	304.4	189.8	209.5	472.6	423.6
Energy and Mining	244.0	176.3	198.0	490.3	324.4
Agriculture, Fishing, and Forestry	170.0	111.5	212.0	210.4	303.4
Water, Sanitation, and Flood Protection	142.0	155.9	357.8	112.2	296.3
Industry and Trade	94.3	104.7	170.6	266.7	92.7
Finance	53.7	121.7	200.1	192.8	67.2
Information and Communication	36.7	17.3	21.1	33.8	41.4
Total	2,463.2	2,159.1	3,369.6	3,793.5	3,737.2

Note.–Because of rounding, figures may not add to the totals shown.
Source: World Bank, *The World Bank Annual Report*, *2003*, Vol. 1, table 5.1.

Mozambique, Tanzania, and Uganda have met the requirements and received most of their assistance under the HIPC Initiative. As of April 30, 2003, the Bank had committed $1.9 billion (SDR 1.4 billion) to 22 SSA countries. [8] In FY 2003, however, the global economic slowdown and a significant decline in many primary commodity prices weakened economic growth contributing to the deterioration of many countries' external debt indicators.[9] Furthermore, the United Nations reports that the HIPC Initiative is a costly process.[10]

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[8] IMF, *Annual Report 2003*, found at Internet address *http://www.imf.org/external/pubs/ft/ar/2003/eng/pdf/filed.pdf*, retrieved Aug. 9, 2004.

[9] World Bank, "The Enhanced HIPC Initiative and the Achievement of Long-Term External Debt Sustainability," found at Internet address *http://www.worldbank.org/hipc/hipc-review/Long-Term.pdf*, retrieved Aug. 9, 2004.

[10] United Nations, "Debt relief needs a bolder approach," found at Internet address *http://www.un.org/ecosocdev/geninfo/afrec/vol14no4/htm/debt_boxes.html*, retrieved July 10, 2003.

Table 4-4
World Bank projects approved in sub-Saharan Africa, FY 2003[1]

Country/project name	Date of approval	Maturity dates	Principle amount *Million dollars*
Angola			
Emergency Demobilization and Reintegration Grant	March 27, 2003	n.a.	33.0
Economic Management Technical Assistance Credit	March 27, 2003	2013/2042	16.6
Benin			
Pubic Expenditure Reform Supplemental Credit	October 27, 2003	2013/2042	10.0
Burkina Faso			
Transport Sector Investment Credit/Grant	April 8, 2003	n.a.	92.1
Utility Reform and Investment Credit	March 4, 2003	2013/2042	30.7
Learning Center and Innovation Credit	July 29, 2002	2012/2042	2.3
Poverty Reduction Support Credit	July 11, 2002	2012/2042	35.0
Burundi			
Social Action Supplemental Grant	April 8, 2003	n.a.	14.2
Health and Population Supplemental Grant	January 16, 2003	n.a.	9.5
Economic Rehabilitation Credit	August 29, 2003	2013/2042	54.0
Cameroon			
Railway Investment Credit	July 18, 2002	2012/2042	21.4
Structural Adjustment Credit	June 6, 2003	2008/2038	3.3
Douala Infrastructure Investment Credit	July 18, 2003	2012/2042	56.4
Cape Verde			
Growth and Competitiveness Credit	May 13, 2003	n.a.	11.5
Structural Adjustment Supplemental Credit	December 12, 2002	2013/2042	4.0
Chad			
Education Sector Reform Investment Credit/Grant	March 18, 2003	2013/2042	42.3
Structural Adjustment Credit	March 18, 2003	2013/2043	40.0
Electricity and Water Service Rehabilitation Credit	October 10, 2002	2013/2042	54.8
Democratic Republic of the Congo			
Multi-sector Rehabilitation and Reconstruction Credit	August 6, 2002	2012/2042	454.0
Republic of the Congo			
Recovery and Community Support Credit/Grant	June 24, 2003	2013/2043	41.0
Eritrea			
Education Sector Credit	June 19, 2003	2013/2043	45.0
Emergency Reconstruction Supplemental Grant	June 19, 2003	n.a.	15.0
Ethiopia			
Road Sector Development Phase I Grant	June 17, 2003	n.a.	126.8
Pastoral Community Development Grant	May 20, 2003	n.a.	30.0
Drought Recovery Grant	March 27, 2003	n.a.	60.0
Social Rehabilitation and Development Fund I Credit	December 17, 2002	2013/2042	28.3
Energy Access Investment Credit	September 19, 2002	2012/2042	132.7
Capacity Building for Service Delivery Credit	July 23, 2002	2013/2042	26.2
Ghana			
Poverty Reduction Support Credit/Grant	June 24, 2003	2013/2043	125.0
Health Program Specific Credit/Grant	February 6, 2003	2013/2042	89.6
Guinea			
Multi-sector AIDS Grant	December 13, 2002	n.a.	20.3
Rural Electrification Learning and Innovation Credit	July 2, 2002	2012/2042	5.0

See footnote at end of table.

Table 4-4—*Continued*
World Bank projects approved in sub-Saharan Africa, FY 2003[1]

Country/project name	Date of approval	Maturity dates	Principle amount *Million dollars*
Kenya			
Arid Lands Resource Management Phase 2 Credit	June 19, 2003	2013/2043	60.0
Free Primary Education Support Credit	June 19, 2003	n.a.	50.0
Economic and Public Sector Reform Credit	June 5, 2003	2010/2040	0.5
Madagascar			
Mineral Resources Governance Credit	May 13, 2003	n.a.	32.0
Emergency Economic Recovery Credit	November 11, 2002	2013/2042	50.0
Rural Transport Adaptable Program Credit	November 14, 2003	2012/2042	80.0
Malawi			
Social Action Fund Adaptable Program Credit/Grant	June 10, 2003	2013/2043	60.0
Financial Management, Transparency Credit/Grant	March 16, 2003	2013/2043	23.7
Drought Recovery Credit/Grant	November 15, 2002	2013/2042	50.0
National Water Development Credit	August 8, 2002	2005/2035	3.2
Mozambique			
HIV/AIDS Response Grant	March 28, 2003	n.a.	55.0
Public Sector Reform Adjustable Program Grant	March 18, 2003	n.a.	25.6
Economic Management-Private Sector Credit	August 29, 2002	2012/2042	120.0
Niger			
Multi-sectoral STI/HIV/AIDS Support Grant	April 4, 2004	n.a.	25.0
Community Action Program Adjustment Grant	March 20, 2003	n.a.	35.0
Nigeria			
Polio Eradication Credit	April 29, 2003	n.a.	28.7
Lagos Urban Transport Investment Credit	November 21, 2002	2013/2037	100.0
Basic Education Investment Credit	September 12, 2002	2013/2037	101.0
Rwanda			
Multi-country AIDS Grant	March 31, 2003	n.a.	30.5
Institutional Reform Credit	December 3, 2002	2013/2042	85.0
Senegal			
Private Investment Promotion Credit	May 20, 2003	n.a.	46.0
Sierra Leone			
Economic Rehabilitation and Recovery Credit	May 20, 2003	n.a.	30.0
National Social Action Credit	April 24, 2003	n.a.	35.0
Health Sector Grant	February 25, 2003	n.a.	20.0
Basic Education Specific Investment Grant	February 25, 2003	n.a.	20.0
South Africa			
Municipal Financial Management Assistance Loan	September 12, 2002	2007/2011	15.0
Tanzania			
Programmatic Structural Adjustment Credit	June 27, 2003	2010/2040	0.4
Agricultural Development and Empowerment Credit	May 27, 2003	2013/2043	56.6
Dar es Salaam Water and Sanitation Credit	May 27, 2003	2013/2043	61.5
Uganda			
Local Government Development Credit/Grant	May 29, 2003	2013/2043	125.0
Northern Uganda Social Action Investment Credit	July 23, 2002	2012/2042	100.0
Poverty Reduction Support Credit	July 23, 2002	2012/2042	150.0
Protected Areas Investment Credit	July 9, 2002	2012/2042	27.0
Lake Victoria Supplemental Credit	July 9, 2002	2012/2042	4.5

See footnote at end of table.

Table 4-4—*Continued*
World Bank projects approved in sub-Saharan Africa, FY 2003[1]

Country/project name	Date of approval	Maturity dates	Principle amount *Million dollars*
Zambia			
Economic Recovery and Investment Credit	June 17, 2003	2013/2043	10.0
Copperbelt Environment Investment Credit/Grant	March 20, 2003	2013/2043	40.0
ZANARA HIV/AIDS Grant	December 30, 2002	n.a.	42.0
Emergency Drought Recovery Grant/Credit	November 19, 2002	2013/2042	50.0
Economic Recovery and Investment Credit	September 19, 2002	2012/2042	7.5
Total			3,585.7

[1] July 2002 to June 2003
n.a. = not available

Source: World Bank, *World Bank Annual Report 2003,* pp.141-149.

Multilateral Investment Guarantee Agency

The Multilateral Investment Guarantee Agency (MIGA) was established in 1998 as a member of the World Bank Group to address the issue of political instability for investors. The purpose of MIGA is to encourage foreign direct investment in developing countries by providing investment guarantees and technical assistance. Investment guarantees act as insurance for investors against situations in a host country considered too risky to be profitable by private-sector insurance firms. Examples of economic and social risks include expropriation, breach of contract, and war and civil disturbance. In addition, MIGA provides technical assistance, online dissemination of information on investment opportunities, and investment dispute mediation services.

In 2003, MIGA's membership included 154 industrialized and developing countries.[11] Table 4-5 lists those countries in SSA that are currently members of MIGA and those that are in the process of fulfilling membership requirements. MIGA issued investment guarantees to cover eight projects in Africa totaling $953 million during FY 2003, an increase from $272 million in 2002.[12] Table 4-6 outlines these projects, which typically involve privatization efforts and capacity-building activities. In 2003, MIGA allocated over 19 percent of its outstanding portfolio to the SSA region.[13] In order to help investors benefit from recent economic reforms, MIGA opened several mobile offices in central, western, and southern Africa. In addition, the agency organized a U.S.-Africa Business Summit to attract new investment and to build greater institutional capacity in the region. MIGA also actively supports the New Partnership for Africa's Development (NEPAD).[14]

[11] MIGA, "Miga Membership," found at Internet address *http://www.miga.org/screens/pubs/annrep01/members.pdf*, retrieved June 3, 2002.
[12] World Bank Fact Sheet, "Heavily Indebted Poor Countries Initiative," March 2003.
[13] Ibid.
[14] For additional details, see following section of this chapter on NEPAD.

Table 4-5
Sub-Saharan African MIGA members and countries in the process of fulfilling membership requirements, 2003

MIGA Member countries		
Angola	Gabon	Seychelles
Benin	The Gambia	Sierra Leone
Botswana	Ghana	South Africa
Burkina Faso	Guinea	Sudan
Burundi	Kenya	Swaziland
Cameroon	Lesotho	Tanzania
Cape Verde	Madagascar	Togo
Central African Republic	Malawi	Uganda
Chad	Mali	Zambia
Congo (DROC)	Mauritania	Zimbabwe
Congo (ROC)	Mauritius	
Côte d'Ivoire	Mozambique	
Equatorial Guinea	Namibia	
Eritrea	Nigeria	
Ethiopia	Senegal	
Countries in the Process of Fulfilling Membership Requirements		
Guinea-Bissau	Niger	
Liberia	Rwanda	

Source: MIGA, "MIGA Member Countries," found at Internet address *http://www.miga.org/screens/pubs/annrep01/members.pdf*, retrieved Aug. 1, 2004.

MIGA initiated assistance programs in 16 of the 40 SSA MIGA member countries during FY 2003. Ghana, Mozambique, Senegal, and Tanzania have been selected for prioritized technical assistance programs, focusing on capacity-building efforts in these nations to enable investors to take advantage of increased access to the U.S. market through AGOA, and the EU market through the Cotonou Agreement.[15] MIGA, with the Foreign Investment Advisory Service, United Nations Conference on Trade and Development, and United Nations Industrial Development Organization, launched a multiagency initiative to assist Mali, Mozambique, Tanzania, and Uganda to attract more FDI. Projects in Benin, Mauritania, Nigeria, and Senegal received first-time coverage from MIGA.

International Finance Corporation

The International Financial Corporation (IFC) was founded in 1956 as a legally and financially independent member of the World Bank Group. The main objective of the IFC is to promote sustainable private sector investments.[16] The IFC's strategy, developed in 1998, emphasizes three areas: strengthening the financial sector, expanding private investment in infrastructure, and supporting indigenous entrepreneurship.[17]

[15] MIGA, "Miga Membership," p. 49.

[16] IFC, "Introduction," found at Internet address *http://www.ifc.org/ar2003/annual/intro.html*, retrieved Aug. 9, 2004.

[17] IFC, *Annual Report 2003*, p. 32.

Table 4-6
MIGA guarantees issued in sub-Saharan Africa, FY 2003

Country	Investor	Investor country	Guarantee amount *(Million dollars)*	Sector
Angola	Barlows Tractor	United Kingdom	18.4	Manufacturing
Cameroon	Societe Internationale de Plantations d'Hevas	France	5.4	Agribusiness
Equatorial Guinea .	UMC Equatorial Guinea Corp.	United States	24.0	Oil and gas
Ghana	Unatrac International	Egypt	18.0	Services
Guinea	Agro-Industrial Investment and Development	Panama	9.0	Flour Milling
Kenya	Mersey Docks and Harbour Company	United Kingdom	4.7	Services
Madagascar	Hydelec	France	2.1	Thermal peaking power station
Mauritania	Tunisie Télécom	Tunisia	68.3	Telecommunication services
Mozambique	Industrial Development Corporation	South Africa	40.0	Aluminum Smelter
Mozambique	Industrial Development Corporation	South Africa	40.0	Agribusiness
Mozambique / Swaziland	Eskom	South Africa	69.4	Power
Nigeria	MTN International	Mauritius	50.0	Telecommunications
South Africa	Harsco Corp., Multiserv International	United States, Netherlands	4.5	Manufacturing
	Habib Bank AG	Switzerland	12.3	Financial
Tanzania	Barrick Gold Corp.	Canada	56.3	Mining
Uganda	Starlight Telecommunications	United States	2.6	Telecommunications
	Clovergem AG	Switzerland	0.4	Manufacturing

Source: MIGA, *2003 Annual Report*, found at Internet address *http://www.miga.org*, retrieved Aug. 2004.

In 2003, 47 SSA countries in sub-Saharan Africa were members of the IFC. The number of IFC projects approved for SSA increased from 27 in 2002 to 37 in 2003,[18] but the value of financial commitments signed by the IFC declined, from $256 million in FY 2002 to $167 million in FY 2003.[19] The IFC's total commitment to the SSA region also declined, from $1.8 billion in FY 2002 to $1.7 billion in FY 2003.[20] IFC-supported lending in areas of Africa beset by violence include Angola, where it funded a new micro-finance bank, and DROC, where it funded a cellular telephone operator. The IFC also assisted Kenyan Airways to enlarge its fleet of aircraft, and the Government of Tanzania to privatize Air Tanzania.

[18] IFC, "Sub-Saharan Africa, Building Local Capacity and Regional Businesses," found at Internet address *http://www.ifc.org/ar2003/pdf/Africa.pdf*, retrieved July 2, 2003.
[19] IFC, *Annual Report 2003*, p. 31.
[20] Ibid.

The IFC also supports small and medium enterprises in Africa by allowing smaller firms to provide intermediary financial support for direct investments. For example, the IFC assisted in the establishment of a regional holding company to acquire banks through privatization that will, in turn, establish micro-finance networks on a national level. In Chad, the IFC provided funding for two commercial banks, a new micro-finance bank, and assisted in the implementation of Chad's small- and medium-enterprises initiative.

The African Development Bank Group

The African Development Bank Group (AfDB Group) consists of the African Development Bank (AfDB), the African Development Fund (ADF), and the Nigerian Trust Fund (NTF). Shareholders include 53 African and 24 non-African countries. The main goals of the AfDB Group are to promote sustainable economic growth and to reduce poverty in Africa through capital resources and funds raised from capital markets. In addition to dispersing loans, the AfDB Group plays a catalyst role for large capital flows into Africa through cofinancing, and increases development effectiveness through project preparation and supervision. The AfDB offers financial assistance on nonconcessional terms directed towards low-risk African countries, such as the northern African countries, South Africa, and Gabon. To complement AfDB, the ADF and NTF lend on concessional terms to low-income regional member countries.

In 2003, the AfDB Group approved 16 new projects and programs valued at approximately $473 million, and it signed 118 loan and grant agreements totaling $2.6 billion. The AfDB attributes this decrease to fewer countries qualifying for the HIPC debt relief program; sociopolitical disruption in Côte d'Ivoire, its host country; and a delay in replenishing the ADF's reserves which, in turn, led to a decline in ADF operations in 2002.[21] However, the AfDB Group states that its total reserve has consistently grown.[22]

The AfDB Group mandate emphasizes a rigorous development effort in debt relief, health, education, regional integration, agriculture, and rural issues. The largest share of loans (40 percent) went to the finance sector; 24 percent to water supply and sanitation; 16 percent to power supply; and 15 percent to the transportation sector. In addition, AfDB contributed $370 million to NEPAD projects in 2003.[23]

The AfDB Group agenda addresses human capital-building needs and private sector development. Projects in these areas aim to facilitate the integration of African economies with the global economy and enhance African workers' employment prospects. To this end, several mechanisms, including venture capital funds,

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[21] AfDB, *2002 Annual Report*, p. 26.

[22] AfDB, "Financial and Operation Analysis, 2002," p. 17, found at Internet address *http://www.afdb.org/financial/pdf/adb_financial_presentation_june2003e.pdf*, retrieved July 2, 2003.

[23] AfDB, "ADB to provide US $600 million in support for NEPAD projects," Press Release, No. SEGL3/B/63/04, July 8, 2004, found at *http://www.afdb.org/knowdlege/pressreleases2004/adb_63_2004e.htm*, retrieved Aug. 11, 2004.

infrastructure funds, and development financial institutions are devoted to expanding and cultivating various segments of the private sector. Additionally, ADF technical assistance operations continue to assist countries in project-related activities such as feasibility studies, environmental impact assessments, sector and multisector studies, and detailed engineering studies.

The AfDB Group is actively involved in the movement to provide African countries with debt relief. The AfDB Group's collaboration with the World Bank and IMF on the Enhanced HIPC Initiative complements its efforts in that area. Under the Enhanced HIPC Initiative, the AfDB Group relieves regional member countries of up to 80 percent of their annual debt. The AfDB Group uses the PRSPs to monitor projects, and poverty reduction strategies are implemented with available funds.[24]

Table 4-7 summarizes AfDB and ADF approvals of loans and grants for SSA projects in 2003 (including multinational projects). In 2003, the AfDB Group authorized funding for 16 projects at a total cost of $473 million. South Africa received the single largest amount of loans and grants, $158 million, with 67 percent designated for a line of credit for the Development Bank of South Africa. In 2003, over $2 million was authorized for drought relief and $169 million for lines of credit.

International Monetary Fund

The IMF is composed of several lending facilities that tailor their assistance to respond to specific balance-of-payments problems and to help cushion the impact of structural adjustment. Stand-By Arrangements (SBA) and the Extended Fund Facility (EFF) are two traditional examples of such assistance. Member countries requiring a line of credit on a short-term basis rely on the SBA; member countries requiring long-term funding (at least 3 years) rely on the EFF. In FY 2001, the IMF changed the repurchase schedule for the EFF. Payments must still begin in 4.5 years, but must be repaid after 7 years instead of 10. The Supplemental Reserve Facility and the Contingent Credit Lines, established in 1999, provide additional resources to prevent loss of market confidence in a member country or to sustain those experiencing abrupt reversals of investment flows.[25]

The IMF has two mechanisms through which it addresses protracted payments arrears: the HIPC Initiative and the Poverty Reduction and Growth Facility (PRGF). In 1996, the World Bank and the IMF combined their resources to provide debt relief more effectively through the HIPC Initiative. In 1999, the World Bank and IMF governing boards adopted the Enhanced HIPC Initiative to shorten the time it takes for a country to qualify for relief. The PRGF is the most recent incarnation of the IMF's concessional

[24] AfDB, *2001 Annual Report*, pp. 37-40.
[25] IMF, *Annual Report 2001*, pp. 38-40.

Table 4-7
Total ADF and AfDB projects and programs approved during 2003, by country

Country	Sector	Project	ADF and AfDB Loan & Grant Amounts (Million dollars) Total cost	Loan & grant amounts
Cape Verde	Social	Assistance to Drought Victims	n.a.	0.52
Djibouti	Transportation	Bulk Terminal Project	n.a.	10.30
Eritrea	Social	Relief to victims of 2002 Drought	n.a.	0.53
Ethiopia	Social	Relief to victims of 2002 Drought	n.a.	0.53
The Gambia	Social	Relief to flood victims	n.a.	0.53
Kenya	Finance	Line of Credit to CFC Bank PLC	n.a.	7.28
	Social	Assistance to 2002 Drought Victims	n.a.	0.53
Liberia	Social	Assistance to Civil War Victims	n.a.	0.52
Mozambique	Industry	Moma Mineral Sands Project	252.91	42.90
Republic of the Congo	Social	Fight Against Ebola Fever Epidemic	n.a.	0.53
South Africa	Finance	Line of Credit to Development Bank of Southern Africa	n.a.	106.10
	Finance	Line of Credit to Industrial Development Corporation	n.a.	51.90
Sudan	Social	Relief for 2003 Flood Victims	n.a.	0.52
Swaziland	Agriculture and rural development	Lower Usuthu Smallholder Irrigation Project Phase I	86.04	14.80
	Transportation	Mbabane Bypass Road	49.60	59.40
Togo	Finance	Line of Credit to Ecobank Transnational Inc.	n.a.	21.60
Multinational (PTA Bank)	Finance	Line of Credit to PTA Bank	n.a.	30.90
Multinational (EADB)	Finance	Line of Credit to East African Development Bank (EADB)	n.a.	41.30
Multinational (South Africa/ Mozambique)	Power Supply	Sasol Natural Gas Project	858.88	82.50
Multinational (South Africa/ Mauritius)	Finance	Line of Credit to First Rand Bank Limited and RMB (Mauritius) Limited	n.a.	53.54

n.a. = Not available.

Note.–Total does not include multicountry programs and projects approved by the AfDB Group in 2000.

Source: Derived from data in AfDB, *Annual Report 2003*. U.S. dollar figures calculated by the Commission using a Unit of Account (1AU=US$1.43958).

lending facility (formerly known as the Structural Adjustment Facility (SAF) in 1986, and the Enhanced SAF in 1987). Launched in November 1999, the PRGF reflects the new primary objective of the IMF's concessional lending arm–poverty reduction in low-income countries. Loan approvals are linked to anti-poverty programs developed by the recipient country in its PRSP.[26] To qualify for support, the anti-poverty programs must be developed by member countries in collaboration with civil society and bilateral and multilateral donors.[27]

As of April 30, 2003, the IMF had committed $1.9 billion in grants to Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, São Tomé and Principe, Senegal, Sierra Leone, Tanzania, Uganda, and Zambia. In FY 2003, the IMF approved new PRGF arrangements for DROC, The Gambia, Senegal, and Uganda, and it also established regional Africa Technical Assistance Centers in Tanzania and Mali.

New Partnership for African Development

NEPAD was launched in 2001 as a comprehensive, integrated, strategic framework for African socioeconomic development. The primary goals of NEPAD are to promote accelerated growth and sustainable development, to eradicate widespread and severe poverty, and to increase Africa's participation in the globalization process. To achieve these goals, NEPAD has undertaken a number of initiatives during 2003 and early 2004.

NEPAD launched a major policy initiative to increase social and food security on the continent. In May 2004, it announced a plan to promote cassava and nerica (a new rice variety for Africa) as part of its food security initiative. The intended effect of the program is wider distribution of these foods to increase crop and seed production yields and provide stable food sources. One of the constraints to food security in Africa is low levels of production, a result of the AIDS pandemic.[28] NEPAD adopted a new health strategy in July 2003 in which African governments agreed to allocate 15 percent of their national budgets to health concerns, including the prevention and treatment of HIV/AIDS. Additional funding for health initiatives came from the World Health Organization and the Global AIDS Fund.[29]

One of NEPAD's goals is to facilitate relations between Africa and industrialized countries, especially with respect to development assistance and market access. In June 2004, the G8 countries reaffirmed their commitments to NEPAD. The United States has renewed AGOA through 2015[30] and provided assistance to eight African

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[26] The PRSP is a tool first used by the World Bank as part of its strategy to increase the effectiveness of financial assistance. For more information, see the World Bank Group section of this chapter.

[27] IMF, *Annual Report 2001*, p. 38.

[28] "Nepad in Food Security Bid," found at Internet address *http://www.news24.com/News24/Africa/News/0,,2-11-1447_1553041,00.html*, retrieved July 15, 2003.

[29] Ibrahim A. Gambari, "Progress in the Implementation of NEPAD: Issues and Perspectives," speech presented to the Council on Foreign Relations, Mar. 25, 2004, found at Internet address *http://www.un.org/esa/africa/speeches/council.htm*, retrieved July 19, 2004.

[30] "G8 Reaffirms Support for NEPAD, African Action Plan," *The Daily Champion (Lagos)*, found at Internet address *http://allafrica.com/storeies/printable/200407090760.html,* retrieved July 19, 2004.

countries through the Millennium Challenge program.[31] France pledged to increase its development assistance to Africa by 50 percent and pledged support for NEPAD's development objectives. Germany also pledged greater support and expressed an interest in providing greater market access to the OECD market for African countries.[32] Ties between the Asian economies and Africa were also strengthened; India committed $200 million to the NEPAD Secretariat in the form of loans to be used toward NEPAD objectives.[33] In addition, Japan continued to support development work, and a forum on China-Africa cooperation in late 2003 generated over $460 million in business partnerships.[34]

Strengthening intra-African relations and market development is another of NEPAD's goals. The African Union (AU) adopted a plan for continental integration with NEPAD programs at its core.[35] NEPAD is also supporting efforts to integrate Africa's scientific community through the creation of a Center of Excellence with a priority in researching high yield, disease resistant crops.[36] Additionally, NEPAD has served as a forum for interested groups to cooperate across African borders. For example, the Kenyan and South African investment agencies signed an MOU on joint ventures and exchanges of employees between the two countries.[37]

Central to the African integration efforts of NEPAD has been the improvement of infrastructure, with special emphasis on transportation, communication, and technological infrastructure. NEPAD has 20 priority infrastructure projects on the continent.[38] In November 2003, the World Bank approved $1.2 billion in funding for two energy sector projects under the NEPAD short-term action plan for infrastructure.[39] A road network project in East Africa was also initiated with $500 million from the World Bank over the next 3 years.[40] NEPAD also adopted an action plan for science and technology, with member countries pledging to commit 1 percent of GDP to science and technology funding.[41] Funding also came from the AfDB, which

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[31] "US Ties Aid Boost to Policy," *Business Day (Johannesburg)*, found at Internet address *http://allafrica.com/stories/printable/200405100638.html*, retrieved July 2004. The eight countries eligible for Millennium Challenge funding are Benin, Cape Verde, Ghana, Lesotho, Madagascar, Mozambique, Mali, and Senegal.

[32] "German Leader, At ECOWAS Parliament, Backs NEPAD," *Vanguard (Lagos)*, found at Internet address *http://allafrica.com/stories/printable/200404260307.html*, retrieved July 19, 2004.

[33] "France to Increase Her Development Assistance," *General News (Accra)*, found at Internet address *http://www.ghanaweb.com*, retrieved July 23, 2004.

[34] "Asia Seizing New Opportunities in Africa," *The Japan Times*, found at Internet address *http://www.japantimes.co.jp/cgi-bin/geted.pl5?eo20040717a1.htm*, retrieved July 23, 2004.

[35] "African Leaders Endorse Integration Plan, Balk at 1.7b dollar budget," found at Internet address *http://www.channelnewsasia.com/stories/afp_world/view/94473/1/.html*, retrieved July 23, 2004.

[36] "Preparations on to Establish SADC Center of Excellence," *Daily News Online*, found at Internet address *http://www.gov.bw/cgi-bin/news.cgi?d=20040629&i=Preparations_on_to_establish_SADC_centre_of_excellence*, retrieved July 23, 2004.

[37] "Investment Agencies Sign Agreement," *The Nation (Nairobi)*, found at Internet address *http://allafrica.com/stories/printable/200404230026.html*, retrieved July 23, 2004.

[38] NEPAD's infrastructure development plans include electricity power supply, water, gas pipelines, and transportation.

[39] Ibrahim A. Gambari, "Progress in the Implementation of NEPAD: Issues and Perspectives."

[40] "NEPAD Highlights Infrastructure Needs," *Inter Press Services*, found at Internet address *http://ipsnews.net/interna.asp?idnews=24578*, retrieved July 23, 2004.

[41] "NEPAD Adopts Science, Tech Action Plan," *I.T. Web*, found at Internet address *http://allafrica.com/stories/printable/200311110274.html*, retrieved July 23, 2004.

provided $300 million for NEPAD infrastructure projects in 2003, and earmarked $600 million for 2004 to fund NEPAD's short-term action plan, especially in the areas of agriculture, power, tourism, industry, and rural development.[42]

Increasing the flow of investment into SSA is one of NEPAD's central development goals. This goal dovetails with NEPAD's infrastructure development efforts, as basic infrastructure is necessary to increase investment levels.[43] In November 2003, NEPAD and the OECD jointly launched the African Investment Initiative to attract private investment to the continent.[44] To date, NEPAD's 20 priority infrastructure projects have not attracted private funding.[45] NEPAD has, however, contributed to increasing investment in the energy sector. In August 2003, Chevron/Texaco announced plans to invest $20 billion in African projects; the company cited changes in the investment climate and infrastructure development resulting from NEPAD efforts as factors in its decision.[46]

A significant deterrent to investing in Africa has been political instability. To address this concern, NEPAD has supported the expansion of the African Peer Review Mechanism (APRM) of the AU. The APRM is a self-monitoring, voluntary mechanism designed to ensure that the Declaration on Democracy, Political, Economic, and Corporate Governance is enforced.[47] There are now 23 APRM countries.[48] In 2003, the process of reviewing all member countries was initiated, and each member country agreed to fund the APRM with a minimum of $100,000.[49] By December 2004, the first two reviews (Rwanda and Mozambique) under the APRM are expected to be completed.[50] The APRM is considered by NEPAD and many industrialized countries as

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[42] Omar Kabbaj, "Statement to the 11 Heads of State and Government Implementation Committee on ADB Support to NEPAD," July 7, 2004 (Addis Ababa, Ethiopia), found at Internet address *http://www.afdb.org/knowledge/speeches2004/pdt_speech_nepad_addis_7jul2004e.doc*, retrieved Aug. 2, 2004.

[43] "Poor Infrastructure Scares Off Investors, Says NEPAD Official," *New Vision*, found at Internet address *http://allafrica.com/stories/printable/200308210329.html*, retrieved July 23, 2004.

[44] "Initiative to Attract Investment into Africa," *Bau News*, found at Internet address *http://allafrica.com/stories/printable/200311200486.html,* retrieved July 23, 2004.

[45] "Access to Capital: Financing Infrastructure Development," Africa Economic Summit 2004, found at Internet address *http://www.weforum.org/site/knowledgenavigator.nsf/Content/B2F2CE68972109B7C1256EA8003877CBopen&event_id=1166&year_id=2004&PreviewStyle=B4BAD35E15AF148BC1256AC5002CD321&Preview=1,* retrieved July 19, 2004.

[46] U.S. Department of State, "Chevron Texaco President Points to New Projects for Investment Opportunities," found at Internet address *http://allafrica.com/stories/printable/200308150591.html,* retrieved July 23, 2004.

[47] African Union, "38th Ordinary Session of the Assembly of Heads of State and Government of the OAU," found at Internet address *http://www.au2002.gov.za/docs/summit_council/aprm.htm*, retrieved July 27, 2004.

[48] Listed in order of ascension, the APRM countries are Algeria, Burkina Faso, Republic of the Congo, Ethiopia, Ghana, Kenya, Cameroon, Gabon, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa, Uganda, Egypt, Benin, Malawi, Lesotho, Tanzania, Angola, and Sierra Leone.

[49] Ibrahim A. Gambari, "Progress in the Implementation of NEPAD: Issues and Perspectives."

[50] "Africa Sees First Political Report Cards by December," *Reuters*, found at Internet address *http://www.alertnet.org/printable.htm?URL=/thenews/newsdesk/L07372671.htm*, retrieved July 23, 2004.

a strong sign of Africa's commitment to reform and an important prerequisite to increased investment.

Trade Capacity-Building Initiatives of U.S. Government Agencies

The United States is one of the largest providers of trade capacity-building assistance in the world, implementing a broad range of trade capacity-building initiatives with the goal of increasing economic growth and reducing poverty through competition, human resources development, technology transfer, and technological innovation. USAID surveys and maintains a database of U.S. government agencies' trade capacity-building initiatives in developing and transitional economies.[51] The survey includes data covering FY 1999 through FY 2003. In FY 2003, U.S. government agencies distributed $761 million toward trade capacity-building efforts, an increase of 19.3 percent over FY 2002. Table 4-8 illustrates that SSA received $133 million in FY 2003, which represents 17.4 percent of total U.S. trade capacity-building funding. SSA funding in FY 2003 increased by 25.7 percent from FY 2002.

Country coverage

The number of countries receiving trade capacity-building funding declined in 2003 with 12 countries no longer receiving country-specific funding.[52] For the most part, this change can be attributed to a restructuring of funding, with increased allocations to regional trading blocs and a redistribution of funds to include many countries that received little in the past. Of the 12 countries that lost funding in 2003, half are members of regional blocs that received funding. Funding to regional blocs increased nearly tenfold, from $765,000 in FY 2002 to $7 million in FY 2003.[53] As table 4-9 indicates, in FY 2003, the top five recipients represented 32.1 percent; Mali received the largest share in FY 2003 with 10.9 percent. The table shows that since FY 1999, the top five recipients' combined percent of total funding has fallen from 54.1 percent to 32.1 percent. The countries that received the largest percent increase from FY 2002 to FY 2003 are Burkina Faso, Sierra Leone, Botswana, Benin, and Malawi.[54] Four of the top five recipients of funding in previous years received a significantly reduced amount in 2003, including Tanzania, Mozambique, Ghana, and Rwanda.[55]

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[51] For a discussion and analysis of FY 1999 through FY 2003 trade capacity-building initiatives, see USITC, *U.S. Trade and Investment With Sub-Saharan Africa 2002,* USITC pub. 3552, Dec. 2002, chapter 4; and USITC, *U.S. Trade and Investment With Sub-Saharan Africa 2003*, USITC pub. 2650, Dec. 2003, chapter 4.

[52] USAID, "Trade and Investment - Trade Capacity Building Activities," found at Internet address *http://esdb.cdie.org/cgi-bin2/broker.exe?_service=default&_program=tcbprogs.cty_2b.sas&group=reg&cocode=_0SSA+&output=1*, retrieved May 14, 2004.

[53] USAID, Trade Capacity-Building Database, found at Internet address *http://esdb.cdie.org/cgi-bin2/broker.exe?_service=default&_program=tcbprogs.cty_2b.sas&group=reg&cocode=_0SSA+&output=1,* retrieved May 17, 2004.

[54] USAID, Trade Capacity-Building Database.

[55] Ibid.

Table 4-8
U.S. support for building trade capacity, by geographic region, FY 1999-FY 2003

(Million dollars)

Region/Country	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Middle East and North Africa	21.1	110.4	118.3	147.1	179.1
Asia	48.5	69.7	114.3	109.9	94
SSA	80.8	94.7	64.1	105.5	132.7
Former Soviet Republics	97.4	84	97.6	72.1	85
Central and Eastern Europe	56.6	29.4	38.9	63.4	66.2
Latin America and the Caribbean	52.4	65	61.6	90.8	150.2
Nontargeted Global Funding[2]	12.3	51.3	104	49	53.4
All Developing and Transition Countries	369.1	504.5	598.8	637.8	760.6

[1] Because of rounding, figures may not add to totals shown.

[2] Assistance programs involving countries from two or more regions and for which country and regional breakdowns were not feasible.

Source: USAID Trade Capacity-Building Database, found at Internet address *http://qesdb.cdie.org/tcb/overview.html*, retrieved May 17, 2004.

Types of Trade Capacity-Building Initiatives

U.S. government agencies' trade capacity-building initiatives cover a broad spectrum of categories. The primary funding category, "Human Resources and Labor Standards," registered the greatest growth from FY 2002 to FY 2003, representing substantial increases in HIV/AIDS education projects and child labor prevention programs.[56] "Human Resources and Labor Standards" includes activities such as programs to decrease child labor, to combat HIV/AIDS, and to promote labor rights. These types of activities indirectly affect trade through increasing productivity levels. "Trade Facilitation" includes numerous activities such as e-commerce development, customs operations improvement, export promotion, business services and training provision, and regional trade agreement support. Figure 4-1 provides percentages of total funding by category for FY 2003 as well as a breakdown of trade facilitation subcategories. In FY 2003, "Trade Facilitation" and "Human Resources and Labor Standards" represented over 50 percent of funding. The "Export Promotion" and "Support of Regional Trade Agreements" subcategories represented 50 percent of "Trade Facilitation" funding. Table 4-10 provides illustrative examples of U.S. trade capacity-building initiatives in SSA.

[56] USAID, "Trade and Investment - Trade Capacity Building Activities."

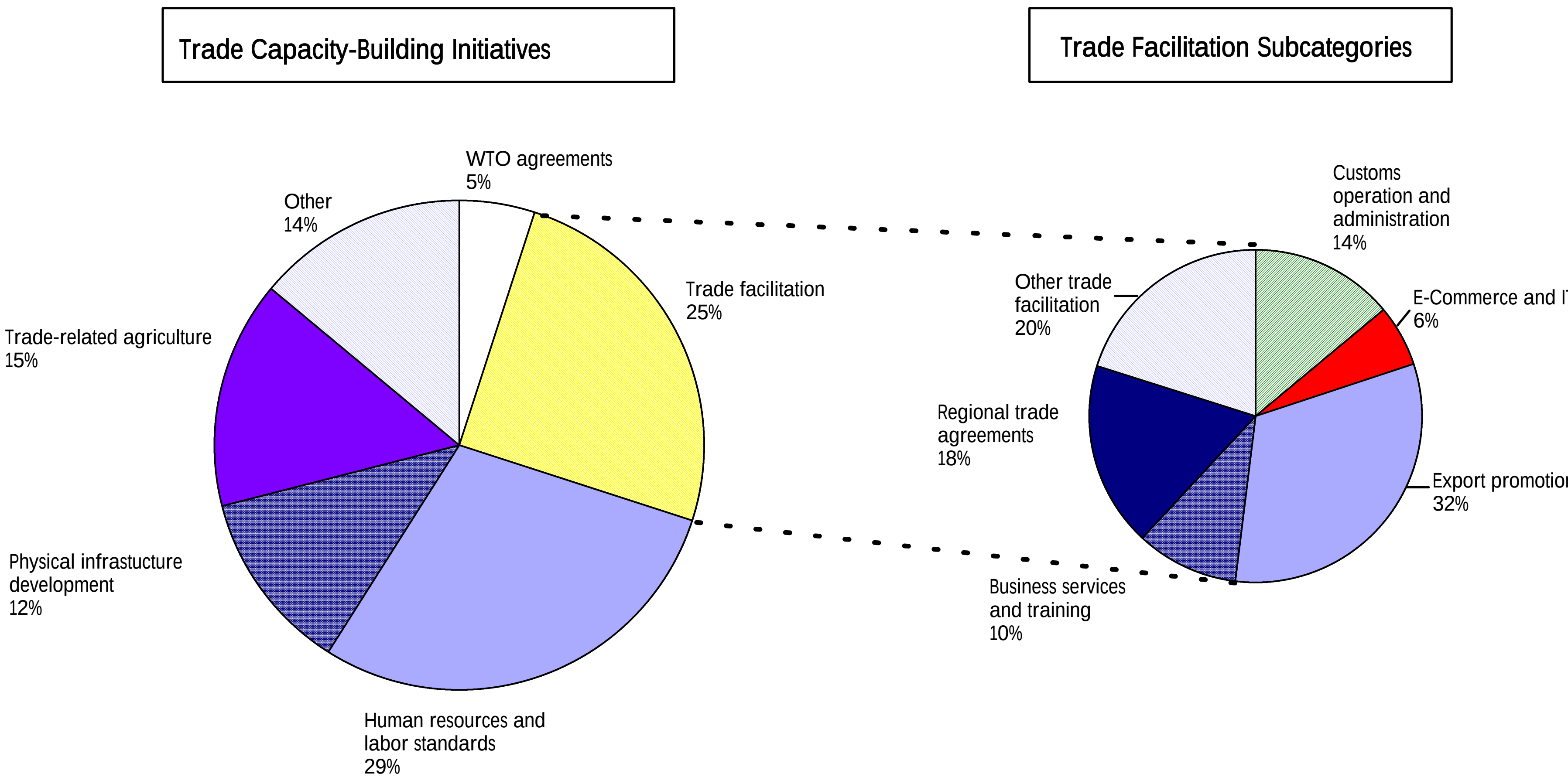
Table 4-9
Trade capacity-building initiatives, leading sub-Saharan African country recipients, FY 1999-FY 2003

FY 1999		FY 2000		FY 2001		FY 2002		FY 2003	
Recipient	Share of total	Recipient	Share of total	Recipient	Share of total	Recipient	Share of total	Recipient	Share of total
Ghana	27.2	Ghana	19.1	Ghana	11	Mozambique	10.3	Mali	10.9
Mozambique	10	Mozambique	9.7	Tanzania	9.2	Ghana	10	Uganda	7.6
Tanzania	6	Nigeria	8	Nigeria	9.1	Tanzania	9.1	Nigeria	7.3
Mali	6	Mali	8	Zambia	9	Uganda	8.3	South Africa	3.1
Zambia	4.9	Zimbabwe	4.1	Uganda	4.9	Rwanda	4.9	SADC Secretariat	3.1
Top 5 total	54.1	Top 5 total	48.9	Top 5 total	43.2	Top 5 total	42.6	Top 5 total	32.1

Notes.–Percentages based on countries for which funding agency can be attributed and category breakouts are available as of May 2004. As a result of updates and recategorization, percentages may have changed from those reported in previous publications. Because of rounding, figures may not add to totals shown.

Source: USAID Trade Capacity-Building Database, found at Internet address *http://qesbd.cdie.org/tcb/index.html*, retrieved May 14, 2004.

Figure 4-1
U.S. trade capacity-building initiatives, by funding categories and subcategories, FY 2003



Source: USAID Trade Capacity-Building Database, found at Internet address *http://qesdb.cdie.org/tcb/index.html*, retrieved May 14, 2004.

Table 4-10
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003[1]

Country	Category	Title	Description	Funding *(Million dollars)*
Benin	Human Resources & Labor Standards	Combating Child Trafficking Through Education	The program aims to combat child labor by providing access to quality education.	2.0
Burkina Faso	Human Resources & Labor Standards	Combating Child Labor Through Education	The program aims to combat child labor by providing access to quality education. Funded by the U.S. Department of Labor.	3.0
Ghana	Multiple	Trade and Investment Reform Program (TIRP)	TIRP focuses on three major components: macro, trade & financial sector policy and institutional reform; capacity of firms to export selected non-traditional exports including tourism; and technical assistance for countries negotiating the west African gas pipeline. TIRP is a 5-year activity aimed at expanding Ghana's economy.	3.5
Madagascar	Multiple	Biologically Diverse Ecosystems Conserved	Natural Products Promotion and Ecotourism Development are two activities carried out to achieve Biologically Diverse Forest Ecosystem conservation and sustainable economic development. Natural Products Promotion consists of assistance in product certification that enables buyers to be guaranteed high quality products corresponding to international norms. In addition, USAID provides technical assistance to the Malagasy professional organization of operators in agribusiness of natural and biological products (PRONABIO). Ecotourism Development is directly tied to the National Park Network.	1.0

See footnote at end of table.

Table 4-10–*Continued*
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003[1]

Country	Category	Title	Description	Funding (*Million dollars*)
Madagascar	Multiple	Critical Private Markets Expanded	Activities under this Strategic Objective mostly consist of supporting agribusiness, art and craft, and other selected commodities to increase efficiency of selected agribusiness and trade flows. Assistance will focus on: (1) improving business skills development, (2) increasing access to domestic and international markets, (3) increasing business opportunities for new ventures, and (4) creating a favorable environment for trade-related activities through policy analysis and trade integration.	1.0
Malawi	Multiple	National Smallholder Farmers' Association (NASFAM) Strengthening Project	The NASFAM Strengthening Project aims to increase agricultural production of certain crops for the domestic and export markets. NASFAM goals include: (1) a rural business development system as a fully independent input and output marketing company; (2) private sector agribusiness expansion—expanding linkages with the private sector to address export and value adding production services; (3) providing access to market systems—forming strategic alliances and setting up regional markets; (4) adoption of diversified crops, improved practices to commercialize new crops, and introduction of higher value crops; (5) providing technical support to farmers' associations to ensure production and delivery of quality crops; (6) providing training in business planning; and (7) participating in policy dialogue to facilitate regional markets for farmers products.	2.7

See footnote at end of table.

Table 4-10–*Continued*
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003[1]

Country	Category	Title	Description	Funding *(Million dollars)*
Mali	Business Services & Training Trade-Related Agriculture	Agriculture and Livestock Promotion	The overall objective of this activity is to increase the production of agricultural and livestock products for which Mali has a comparative advantage in the domestic and exports markets. The activity will consist of: (1) promoting irrigated agriculture for rice and horticultural crops production, and (2) improving the availability and accessibility to quality animal feed to increase the competitiveness of Mali's livestock sector.	5.0
Mali	Human Resources & Labor Standards	Combating Child Labor Through Education	The program aims to combat child labor by providing access to quality education.	3.0
Mali	Multiple	Financial Services Support to Agribusiness	The overall objective of this activity is to facilitate the access of Malian agribusinesses to financial services. The activity will consist of: (1) improving access to commercial credit, (2) improving the availability and accessibility of microfinance services, and (3) improving the policy and institutional environment for investment.	3.0
Mali	Multiple	Mali Trade Promotion Program	The overall objective of this activity is to increase Malian exports to the regional and global markets. The program goals of this activity are to improve the policy and institutional environment for trade and investment and improve the competitiveness of Mali's private sector. Through this activity, USAID/Mali will provide technical assistance and training to the public and private sectors.	2.8
Mozambique	Export Promotion Business Services & Training Physical Infrastructure Development	Rural Group Enterprise Development	Approximately 50% of USAID/Mozambique's support to Rural Enterprise Development directly builds capacity in trade. This occurs under three separate cooperative agreements.	1.2

See footnote at end of table.

Table 4-10–*Continued*
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003[1]

Country	Category	Title	Description	Funding *(Million dollars)*
Nigeria	Human Resources & Labor Standards	Promoting Democracy Through Fundamental Principles and Rights at Work	The objective of this project is to strengthen democracy and social and economic development in Nigeria by promoting fundamental principles and rights of men and women at work and tripartism among government, employers, and workers' organizations. Activities include: (1) facilitating a review of existing labor legislation; (2) equipping and training officials on survey methods and statistical gathering and reporting; (3) creating a computerized database for labor inspection reports; (4) training trainers in labor inspection; (5) training trainers in collective bargaining; and (6) training trainers in gender mainstreaming and developing gender-sensitive policies.	1.0
Nigeria	Physical Infrastructure Development	Support for Infrastructure: Nigeria Holdings	This project is for an electricity generating plant in Nigeria.	8.1
Rwanda	Trade-Related Agriculture	Agribusiness Development Activity in Rwanda (ADAR)	The activity supports: (1) adding value to key agriculture commodities targeted for export; (2) building efficiency and expanding employment with agriculture commodity chains; (3) upgrading managerial and technical capability in agribusiness enterprises; (4) improving product quality and expand access to markets; and (5) developing financing options to support agribusiness growth.	1.5
Senegal	Human Resources & Labor Standards	Senegal Timebound Program to Combat the Worst Forms of Child Labor	The goal of the Timebound Program in Senegal is to combat the worst forms of child labor within a specified period of time.	2.0

See footnote at end of table.

Table 4-10–*Continued*
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003[1]

Country	Category	Title	Description	Funding *(Million dollars)*
Senegal	Multiple	Trade and Investment Policy Environment Strengthened	The activity is designed to support Senegal's Integrated Framework Matrix of Actions. The support will primarily focus on: (1) promoting nontraditional exports; (2) strengthening Senegal's capacity to engage in beneficial international trade negotiations; and (3) improving access to competitively-priced telecommunication services.	1.1
South Africa	Trade-Related Agriculture	AGRILINK II: Agricultural Marketing Project	The agricultural marketing activity for commercialization of emerging black farmers and agribusinesses supports: (1) market development (domestic, regional and international trade); (2) access to finance; and (3) technology transfer.	1.0
Uganda	Human Resources & Labor Standards	Combating Child Labor Through Education	The project aims to combat child labor in Northern Uganda by providing access to quality education.	3.0
Uganda	Human Resources & Labor Standards	Combating HIV/AIDS in Ugandan Workplaces: Community/Faith-based Org.	This project will provide a $1 million grant to one or more "intermediary" organizations to develop and implement a project to stem the spread of HIV/AIDS infection in Uganda, focusing on the workplace and surrounding communities. Eligible "intermediaries" are those nonprofit, community, and/or faith-based organizations with established working relationships to grassroots faith-based and community organizations in Uganda working in the field of HIV/AIDS.	1.0

See footnote at end of table.

Table 4-10–*Continued*
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003[1]

Country	Category	Title	Description	Funding (Million dollars)
Uganda	Export Promotion Trade-Related Agriculture	Investment in Developing Export Agriculture (IDEA)	USAID's Investment in Developing Export Agriculture (IDEA) activity seeks to strengthen the value chain for nontraditional high and low value crops. Areas of focus include flowers, vanilla, maize, beans, chilies, papaya/pepine, and sesame. IDEA works with the whole value chain for crops, many of which are exported, and continually addresses issues such as assistance with export promotion, business services for trade facilitation, regional trade agreements, and foreign investment- especially trade-related agricultural development.	3.9
Uganda	Business Services & Training Trade-Related Agriculture Gov/ Transparency & Inter-Agency Coord.	Support for Private Enterprise Expansion and Development (SPEED)	The SPEED project is designed to address micro, small, and medium enterprise (MSME) finance and business needs in Uganda. Through SPEED, USAID seeks to increase access to financial services, to create and expand agricultural and non-agricultural enterprises, and to strengthen legal and regulatory frameworks for business development in the small-and medium-size business and finance service sectors.	1.5
SSA	Trade-Related Agriculture	Association for Strengthening Agricultural Research in Eastern and Central Africa	ASARECA is a regional, nonpolitical organization that brings together National Agricultural Research Institutes from 10 countries in eastern and central Africa. ASARECA's main objective is to promote regional economic growth by developing, introducing, and disseminating agricultural technologies. ASARECA also focuses on harmonization of policies affecting agricultural trade.	2.9
SSA	Multiple	East and Central Africa Global Competitiveness Hub	Technical assistance will be provided through the eastern and central Africa Global Competitiveness Hub to promote the six main themes of the Trade for African Development and Enterprise (TRADE) initiative.	3.5

See footnote at end of table.

Table 4-10–*Continued*
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003[1]

Country	Category	Title	Description	Funding *(Million dollars)*
SSA	Multiple	Energy Program for Legal, Regulatory & Policy Assistance to SADC Countries	The main objective of the energy sector assistance program is to provide an enabling framework that reduces legal, institutional, and political barriers to commercial energy markets.	1.7
SSA	Multiple	Increased Competition & Liberalization in Information & Communication Technologies: SADC	This activity is part of a broader strategy to assist countries within SADC to create a harmonized framework of policies, regulations and procedures for the purpose of promoting equitable regional integration and economic growth, building on results of two previous phases of a project funded by USAID's Regional Centre for Southern Africa.	2.0
SSA	Export Promotion Regional Trade Agreements Trade-Related Agriculture	Regional Agriculture Trade Expansion Support (RATES)	The objective of RATES is to increase the volume and value of trade in selected agricultural commodities within the eastern and southern Africa region. The RATES Center will address agricultural trade facilitation activities in close collaboration with regional intergovernmental and private sector organizations.	3.0
SSA	Other Trade Facilitation Human Resources & Labor Standards Physical Infrastructure Development	Safe Skies for Africa - Transportation Project	The purpose of this Presidential initiative is to promote sustainable improvements in aviation safety and security in Africa, and to create the environment necessary to foster the growth of aviation services between Africa and the United States. The initiative recognizes that safe skies are a prerequisite for increased trade, investment, and long-term economic development in Africa. Specific goals include increasing the number of SSA countries that meet International Civil Aviation Organization safety standards, improving airport security within the region within 3 years, and improving regional air navigation services.	8.0

See footnote at end of table.

Table 4-10–*Continued*
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003[1]

Country	Category	Title	Description	Funding *(Million dollars)*
SSA	Human Resources & Labor Standards	Southern Africa Regional Project to Combat the Worst Forms of Child Labor	The Regional Project to Combat the Worst Forms of Child Labor in Southern Africa includes a Timebound Program in South Africa and capacity- building activities in Botswana, Lesotho, Namibia, and Swaziland.	5.0
SSA	Multiple	Southern African Global Competitiveness Hub	This activity establishes the Southern African Global Competitiveness Hub to enhance the region's trade competitiveness and thereby take greater advantage of the increased trading opportunities provided through AGOA and other global trade initiatives.	4.5
SSA	Human Resources & Labor Standards	Strengthening Labor Systems in Southern Africa	This project is designed to increase labor law compliance in Botswana, Lesotho, Namibia, and Swaziland by strengthening the capacity of labor ministries to enforce national labor laws and increase the knowledge and capacity of employers and workers to apply those laws.	4.2

[1] July 2002 to June 2003.

Note.–Listed are initiatives for which activity total funds equaled or exceeded $1 million. "Multiple" refers to initiatives that targeted more than three trade capacity-building categories.

Source: USAID Trade Capacity Building Database, Country Trade Reports, found at Internet address *http://esdb.cdie.org/cgi-bin/broker.exe?_service=default&_program=tcbprogs.act_cty_1.sas*, retrieved May 18, 2004.

Box 4-1 USAID and Trade Capacity-Building Initiatives

USAID's multi-year trade capacity-building initiative, Trade for African Development and Enterprise (TRADE), was inaugurated in 2002. TRADE promotes regional integration and cooperation by strengthening export capabilities. Trade initiatives are aimed at reducing costs and increasing the efficiency of trade-related transportation, and facilitating information flow among traders, investors, and financial institutions. TRADE operates through three Regional Hubs for Global Competitiveness located at USAID's three regional missions in Nairobi, Kenya; Accra, Ghana; and Gaborone, Botswana. To increase regional trade, the hubs will also work with regional economic organizations, such as SADC, COMESA, and ECOWAS.[57]

The East and Central Africa (ECA) Hub, based in Nairobi, Kenya, has three components: trade capacity building, AGOA business development, and transportation. The ECA Hub offers training to increase the capacity of countries in the ECA region to effectively participate in multilateral trade negotiations, such as the WTO Doha Development Agenda. The Hub also seeks to expand understanding of AGOA in order to increase trade under the program. To further increase trade, the ECA Hub also supports trade initiatives focused on increased participation of countries in the COMESA FTA. Examples of ECA Hub accomplishments include:[58]

- The ECA Hub funded nine Kenyan companies to participate in the ASAP Global Sourcing Show in Las Vegas in August 2003, leading to negotiations for possible sales of approximately $10 million, which could boost Kenyan AGOA exports by 9 percent.

- A Kenyan company attended a trade show in the United States and acquired additional business. The deals provided employment for 40 new workers, offering steady income to poor rural female workers.

The Southern Africa Hub's primary objective is to enhance the competitiveness of southern Africa's products and services. The hub promotes customs and trade facilitation and transport efficiency. Examples of the hub's accomplishments include:[59]

- In October 2003, Tanzania, Malawi, and Zambia signed the Dar es Salaam Committee Constitution. The agreement seeks to reduce costs and transportation delays along the corridor, to increase road safety through harmonized systems of traffic control, and to unify transit fees along the corridor through three countries.

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[57] USAID, "Trade for African Development and Enterprise (TRADE) Initiative," found at Internet address *http://www.usaid.gov/locations/sub-saharan_africa/initiatives/trade.html*, retrieved July 14, 2004.

[58] Ann Karara, Representative of Chemonics International, "Executive Summary," e-mail communication to USITC staff, received May 25, 2004.

[59] USAID, "Southern African Global Competitiveness Hub," found at Internet address *http://www.satradehub.org/TradeIssues/SuccessStories.aspx*, retrieved July 11, 2004; and Karen Roland, "Rosecraft Success Story," e-mail communication to USITC staff, received June 10, 2004.

Box 4-1 USAID and Trade Capacity-Building Initiatives—Continued

- The hub sponsored 13 local handicrafts firms to attend the AGOA Forum on December 2003. In addition to exposure to the U.S. market, the firms had the chance to meet buyers one-on-one. As a result, the companies' orders from and business relations with U.S. companies increased. Some supplied the Smithsonian National Museum of African Art with merchandise, including candle holders, ebony carvings, paper mache animal sculptures, and letter openers.

- During President Bush's tour of the South African Hub, hand-loom textile producer Rosecraft and others presented their products to the President. The event generated new business, including a recent deal with the Smithsonian Institution. The increased production generated additional demand for labor, and the company is now employing 120 local workers.

The West Africa Trade Hub (WATH), located in Accra, Ghana, focuses on four areas: trade capacity building in areas such as harmonizing sanitary and phytosanitary measures, working with ECOWAS and UEMOA to increase regional trade, eliminating corruption, and reducing transit time for cross border movement of goods. AGOA Support Services offer trade facilitation through 13 AGOA Resource Centers. AGOA Export Business Development supports producers of hand-loomed goods, cashews, and shea butter to meet U.S. market requirements, and expands potential trade opportunities for indigenous textiles and agricultural commodities within the continent and in major U.S. and European markets. Examples of projects include:[60]

- WATH created general guidelines for successful trade show participation, available in French and English. The guidelines are being used by ECA Hub, South African Hub, and West Africa International Business Linkages to prepare local producers interested in exposure to U.S. markets through trade shows.

- WATH developed 15 training modules to assist local producers in meeting U.S. Customs regulations. The modules are in English and French and available on a WATH-created website, with a database of searchable technical assistance and capacity-building initiatives.

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[60] Charles Nornoo, USAID official, "One Pager," e-mail communication to USITC staff, received May 26, 2004.

The Export-Import Bank of the United States

Ex-Im Bank is an independent U.S. government agency that assists the sale of U.S. exports, primarily to emerging markets, through loan financing and other credit measures. Specifically, Ex-Im Bank assists exporters by providing fixed-rate loans to creditworthy international buyers, both private and public sector, for purchases of U.S. goods and services. Medium- and long-term financing is available. Military and defense items are generally not eligible, nor are most sales to military buyers.[61]

Ex-Im Bank supported $14.3 billion in U.S. exports to markets worldwide in FY 2003,[62] assisting 2,516 U.S. export sales.[63] Ex-Im Bank can consider project financing in every SSA country except Sudan.[64] In SSA, Ex-Im Bank's medium- and long-term loan guarantee and direct loan programs, and short- and medium-term insurance programs, are available in 39 countries.[65] Countries benefitting from financing in 2003 included Angola, Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Chad, Congo, Côte d'Ivoire, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé & Principe, Senegal, Seychelles, South Africa, Swaziland, Tanzania, Togo, Uganda, and Zambia.

In addition, Ex-Im Bank signed new master guarantee agreements with Standard Bank of South Africa and the Bank of Africa to broaden its ability to finance the purchase of U.S. goods and services in Africa.[66] Ex-Im Bank also actively participated in the third AGOA Forum, which afforded an opportunity for SSA governments to discuss ways to enhance trade relationships between the United States and SSA.[67] As of September 2003, Ex-Im Bank's total exposure in SSA was $3.5 billion. DROC accounted for 24 percent of total regional Ex-Im Bank exposure, Nigeria, 23 percent, and South Africa, 16 percent. Table 4-11 lists Ex-Im Bank exposure, FY 2003 authorizations, and availability of financing in SSA.

U.S. Trade and Development Agency

U.S. Trade and Development Agency (TDA) is an independent agency that assists U.S. firms by identifying major development projects in developing countries offering large export potential, and funding U.S. private sector involvement in project planning activities which, in turn, helps to position U.S. firms for follow-up activities during the

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[61] Ex-Im Bank, "Direct Loan," found at Internet address, *http://www.exim.gov/products/directloan.html*, retrieved Aug. 5, 2004.

[62] Ex-Im Bank, *2003 Annual Report*, p. 14.

[63] Ibid.

[64] Ex-Im Bank, "Country Limitation Schedule," found at Internet address *http://www.exim.gov/tools/country_limits.html*, retrieved July 7, 2004.

[65] Ex-Im Bank Press Release, "Ex-Im Bank Short-Term Insurance Now Available in 39 Sub-Saharan African Countries," Apr. 1, 2003.

[66] Standard Bank of South Africa is a leading international bank in southern Africa. Bank of Africa has its headquarters in Cotonou, Benin. Ex-Im Bank Press Release, "Ex-Im Bank Signs Master Guarantee Agreements with African Banks," May 28, 2003.

[67] The third AGOA Forum is discussed in chapter 2 of this report.

Table 4-11
Sub-Saharan Africa: Export-Import Bank exposure, authorizations, and availability for further support as of December 14, 2003

(*Dollars*)

Country	Exposure[1]	2003 Authorizations	Availability[2]
Angola	103,633,322	(3)	P.A.
Benin	10,998,663	135,000	P.A.
Burkina Faso	2,004,047	2,004,047	Yes
Congo (ROC)	22,864,759	(3)	P.A.
Congo (DROC)	838,694,509	(3)	No
Côte d'Ivoire	152,555,702	(3)	P.A.
Djibouti	157,500	157,500	P.A.
Ethiopia	226,139,713	226,139,713	No
Gabon	62,549,842	(3)	P.A.
The Gambia	482,551	(3)	No
Ghana	178,149,372	7,491,761	P.A.
Guinea	8,100,114	300,000	P.A.
Guinea-Bissau	10,000,000	10,000,000	P.A.
Kenya	159,277,827	78,466,497	P.A.
Liberia	5,980,110	(3)	P.A.
Madagascar	38,871,691	(3)	P.A.
Mali	9,028,789	3,084,000	P.A.
Mauritania	470,750	225,000	P.A.
Mauritius	23,948,634	(3)	P.A.
Namibia	76,219,337	(3)	Yes
Niger	6,154,758	(3)	P.A.
Nigeria	813,287,705	62,543,202	P.A.
Rwanda	559,569	(3)	P.A.
Senegal	16,662,766	5,682,811	P.A.
South Africa	569,656,759	173,410,800	P.A.
Sudan	28,246,331	(3)	P.A.
Tanzania	3,818,328	(3)	P.A.
Togo	2,820	(3)	P.A.
Uganda	5,646,732	2,054,145	P.A.
Zambia	150,824,497	(3)	No
Zimbabwe	30,154,829	(3)	P.A.
Total	3,555,142,326	571,694,476	

[1] Exposure is defined as authorization of all forms of support minus repayment and cancellations.

[2] Yes = Available for all six types of financing: short-, medium-, and long-term for both private and public buyers of U.S. goods and services; No = Country is opened for specifically financed transactions but short-term, medium-term, and long-term sectors are not open; P.A. = Partially available for some of the six types of financing.

[3] Not available.

Source: Ex-Im Bank, *2003 Annual Report*, pp. 17-22, and Country Limitation Schedule.

implementation phase. Specifically, TDA promotes economic development by funding feasibility studies, consultancies, trading programs, and other project planning services for over 360 development activities each year in emerging markets. TDA's obligations in SSA totaled $6 million in FY 2003 (table 4-12), a 37-percent decrease from the 2002 obligation of $10 million. The agency invested in key trade capacity-building activities. For example, TDA assisted regional initiatives, such as the free trade negotiation with SACU; the expanding trade relationship envisioned by AGOA; and projects supported by NEPAD.

Table 4-12
U.S. Trade and Development Agency funds obligated for program activities in Africa, FY 2003

Country	Title	Activity	Funds obligated *(Dollars)*
Botswana	Coal Bed Methane	Desk Study	4,000
Botswana	Coal Bed Methane	Feasibility Study	525,000
Cameroon	Nickel-Cobalt Mining Third Party Review	Technical Assistance	5,300
Cameroon	Polyclinique Bonanjo	Technical Assistance	289,180
Cameroon	Channel Africa	Desk Study	2,500
Ethiopia	AGOA Manufacturing	Orientation Visit	99,610
Ghana	AGOA Manufacturing	Orientation Visit	777
Ghana	Rural Fixed Wireless	Desk Study	3,590
Ghana	Rural Fixed Wireless	Feasibility Study	275,000
Ghana	Biomass Power Generation	Desk Study	2,500
Ghana	Biomass Power Generation	Feasibility Study	245,686
Kenya	Kenyatta National Hospital	Definitional Mission	24,990
Namibia	Fishing Sector	Orientation Visit	5,516
Namibia	Walvis Bay Airport Upgrade	Feasibility Study	381,260
Namibia	Trans Kalahari Corridor	Desk Study	2,495
Namibia	Trans Kalahari Corridor	Feasibility Study	294,900
Nigeria	Port Sector	Definitional Mission	250
Nigeria	Akwa Ibom State Fertilizer Complex	Desk Study	1,500
Nigeria	Agricultural Sector	Definitional Mission	250
Nigeria	River State Fixed Wireless Project	Feasibility Study	200,000
Nigeria	River State Fixed Wireless Project	Desk Study	2,500
Nigeria	River State Fixed Wireless Project	Technical Assistance	131,854
Nigeria	Aluminum Can Manufacturing	Desk Study	2,500
Nigeria	Aluminum Can Manufacturing	Feasibility Study	251,080
Nigeria	NITEL Expansion of Digital Network	Training	123,600
Nigeria	Kano State Agro-Processing	Feasibility Study	116,000
Nigeria	Mining Sector	Definitional Mission	29,200
Nigeria	Small Oil Refinery - Anambra	Desk Study	2,500
Nigeria	Port and Supply Chain Security and Customs	Desk Study	4,000
Nigeria	Port Harcourt Hospital Development	Desk Study	4,000
Rwanda	Lake Kivu Methane Gas	Desk Study	5,000
Senegal	Food Supplement Plant	Feasibility Study	143,967
South Africa	Forest Oil Offshore Gas - Ibhubesi 3rd Party Review	Feasibility Study	10,000
South Africa	Entertainment Park	Desk Study	4,000
Tanzania	Mtibwa Sugar Estate	Desk Study	2,500
Togo	Sea Point Africa Container Facility	Feasibility Study	364,687
Tunisia	Vessel Traffic System	Desk Study	2,500
Uganda	Entebbe Airport Development	Desk Study	2,500
Uganda	Sukulu Hills Phosphate	Desk Study	3,800
Uganda	Sukulu Hills Phosphate	Desk Study	360,000
Zambia	Bus Transportation	Desk Study	3,500
African/ME Reg'l	North Africa/Middle East Aviation Sector	Technical Assistance	1,972
African/ME Reg'l	Project Analyst	Technical Assistance	51,135
African/ME Reg'l	SSA Regional Trade and Devlopment Offfice	Technical Assistance	110,490
African/ME Reg'l	CNS/ATM Transition Plan	Desk Study	2,500
African/ME Reg'l	Air Cargo Transport Part I	Orientation Visit	1,000
African/ME Reg'l	Global Positioning System	Desk Study	3,900
African/ME Reg'l	Global Positioning System	Feasibility Study	460,000

Table 4-12–*Continued*
U.S. Trade and Development Agency funds obligated for program activities in Africa, FY 2003

Country	Title	Activity	Funds obligated *(Dollars)*
African/ME Reg'l	ASECNA U.S. Opportunities	Desk Study	2,500
African/ME Reg'l	Ethiopia/Djibouti Multi-Sector	Definitional Mission	39,690
African/ME Reg'l	GNSS Project for East Africa Community	Desk Study	2,500
African/ME Reg'l	GNSS Project for East Africa Community	Technical Assistance	199,960
African/ME Reg'l	Regional Trade Negotiation Study Tour	Orientation Visit	232,380
African/ME Reg'l	Integrated Deepwater System	Definitional Mission	39,787
African/ME Reg'l	CCA U.S.-Africa B.S. Log. & Aviation Workshop	Technical Symposium	125,077
African/ME Reg'l	CCA U.S.-Africa Bus. Summit NEPAD Workshop	Technical Assistance	29,800
African/ME Reg'l	Chipata Rail Extension	Desk Study	2,500
African/ME Reg'l	Chipata Rail Extension	Feasibility Study	210,450
African/ME Reg'l	Gabon/São Tomé and Principe	Definitional Mission	34,998
African/ME Reg'l	Atlantic Africa Hydrocarbon and Power	Definitional Mission	40,000
African/ME Reg'l	Transportation and Trade Security Forum	Technical Symposium	406,311
Total			5,928,445

Source: U.S. Trade and Development Agency, *2003 Annual Report*.

The agency also continues to build its AGOA-related project portfolio through orientation visits, project studies, and capacity-building technical assistance in several manufacturing and agriculture subsectors in numerous countries.[68] The agency financed and assisted the early phase of the Trans Kalahari Corridor project connecting Namibia, Botswana, and South Africa. TDA also supported a NEPAD-designated priority project, the Nacala Corridor, by funding a study of the corridor's extension from Malawi and Mozambique into Zambia.[69] In September 2003, TDA, with the Ethio-American Trade and Investment Council, sponsored an Ethiopian manufacturing orientation visit to increase trade under AGOA and business contacts between the United States and Ethiopia. In addition, the TDA focused on renewable energy projects to help African global competitiveness, including the Biomass Generation Project in Ghana, the East Africa Geothermal Conference, and the coal bed methane development projects in Botswana.

Overseas Private Investment Corporation

Overseas Private Investment Corporation (OPIC) is a self-sustaining U.S. government agency that provides investment funds, project finance, and political risk insurance to U.S. businesses investing in developing nations and emerging markets around the world (table 4-13). OPIC supports small- and medium-size businesses in Africa. OPIC

[68] TDA, "Winter 2003 update," found at Internet address *http://tda.gov/trade/updatewinter2003/africamiddleeast.html*, retrieved July 4, 2004.
[69] TDA, *2003 Annual Report*, p. 24.

Table 4-13
Sub-Saharan Africa: Selected OPIC investment projects, 2003

Country	Project Description	Support Type	Value *(Dollars)*
Angola	Flour mill and commodity trading operations	Insurance	5,990,962
Ghana	Poultry production and distribution	Insurance	16,977,600
	Dara Salam estate developers	Finance	1,200,000
Kenya	Housing construction	Insurance	4,860,000
Mozambique	Resort	Insurance	3,668,850
Nigeria	Telecommunications	Insurance	200,000,000
	Telecommunications	Insurance	2,000,000
Sierra Leone	Development and expansion of rutile mine	Finance	25,000,000
South Africa	Financial services	Finance	250,000,000
	Game park and guest lodge resort	Insurance	742,500
Africa Regional	African regional on-lending facility	Finance	125,000,000
Total			635,439,912

Source: OPIC, *2003 Annual Report,* p.16.

investments in SSA totaled $635 million in 2003 and $149 million in 2002.[70] OPIC funded several humanitarian-related projects in 2003, such as the project to increase housing for low-income and HIV-infected South Africans.[71] OPIC also pledged to assist the Government of Kenya build 150,000 new residential units as a major step towards solving its housing shortage. An OPIC loan also will help a U.S.-owned company complete 24 of an anticipated 60 paretically constructed houses in the Ghanaian capital city of Accra.

Reflecting the importance of transportation infrastructure is an important ingredient in economic development, OPIC signed an agreement with a pan-African consortium to support the Nacala Port and Railway Initiative.[72] OPIC also aims to enhance medium- to long-term capital availability in SSA. To that end, the agency provided a $125-million guaranty facility to Citibank, so the bank could provide U.S. dollar and local currency project and corporate loans throughout the region.[73]

U.S. Agency for International Development

U.S. Agency for International Development (USAID) implements U.S. foreign economic assistance programs that address sustainable broad-based economic development and the promotion of democratic ideals and values. USAID's program and management challenges in SSA include responding to the HIV/AIDS pandemic, addressing the effects of violent conflicts and instability, providing greater access to education and health services, reducing poverty, and increasing food security.

[70] OPIC, "OPIC Investment Funds list," found at Internet address *http://www.opic.gov/investmentfunds/*, retrieved July 9, 2003.

[71] OPIC Press Release, "OPIC Project In South Africa will Enable HIV+ Homeowners to Get Treatment, Keep Homes," Feb. 3, 2003.

[72] OPIC, *2003 Annual Report*, p. 10.

[73] OPIC, *2003 Annual Report*, p. 7.

In FY 2003, USAID obligations for SSA totaled $2.2 billion. USAID's assistance consisted of $1.2 billion for Public Law 480, Title II (U.S. emergency and nonemergency food aid program), $485 million for child survival and disease programs, $463 million for development assistance programs, and $48 million in economic support funds, which provide food assistance and poverty alleviation through nonprofit, charitable organizations.[74] Table 4-14 contains the FY 2003 allocation of USAID funds in SSA.

In 2003, USAID continued to support programs initiated in 2002 designed to combat poverty, hunger, and corruption, and to improve education. One such program is the Initiative to End Hunger in Africa (IEHA), which aims to halve hunger in Africa by 2015. In FY 2003, a $28-million IEHA initiative will focus on promoting agricultural production.[75] There are also plans for a $53-million project to help SSA farmers harness science and technology. IEHA also increased investment in small-scale farming, from $25 million to $37 million in FY 2003.[76] The $185-million Africa Education Initiative, "Strengthening Basic Education in Africa," is designed to improve basic education for children in Africa. The initiative challenges African educational professionals to find new ways to provide children with opportunities to learn and to become productive members of society. The initiative will also ensure that enough teachers are trained to address the wide variety of student needs.[77] A new 5-year Anti-Corruption Initiative aims to reduce corruption in SSA by addressing corruption issues. To achieve this goal, the initiative will promote public access to information, encourage civic participation in government action, and emphasize transparent and efficient government oversight institutions. Other regional programs in which USAID participates include the Congo Basin Forest Partnership, which promotes economic development and poverty alleviation in Cameroon, Central African Republic, DROC, Equatorial Guinea, Gabon, and ROC through natural resource conservation; and the West African Water Initiative, a partnership to provide potable drinking water and sanitation to villages in Ghana, Mali, and Niger.[78]

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[74] USAID, "FY 2003 Country Allocation Summary," found at Internet address *http://www.usaid.gov/pubs/cbj2003/fy03_table4c.html*, retrieved July 8, 2003.

[75] U.S. Department of State Fact Sheet, "Initiative to End Hunger in Africa," found at Internet address *http://www.state.gov/g/oes/rls/fs/2003/18796pf.htm*, retrieved July 8, 2003.

[76] U.S. Department of State Fact Sheet, "Initiative to End Hunger in Africa."

[77] USAID Fact Sheet, "Strengthening Basic Education in Africa," found at Internet address *http://www.usaid.gov/press/releases/2002/02fs_afreducation.html*, retrieved July 8, 2003.

[78] For information on the Generalized System of Preferences and the Everything But Arms programs, see USITC, *U.S. Trade and Investment With Sub-Saharan Africa 2002*, USITC pub. 3552, Dec. 2002, pp. 108-111.

Table 4-14
USAID funds allocated for sub-Saharan Africa,[1] by major project categories, FY 2003

(Thousand dollars)

Country	Child Survival and Disease	Development Assistance for Africa	P.L. 480 Title II	Economic Support Funds	Total
Angola	6,825	4,584	104,545	3,550	119,504
Benin	6,638	9,360	4,292	350	20,640
Burkina Faso	(2)	(2)	6,493	(2)	6,493
Burundi	750	3,949	23,838	1,150	29,687
Cameroon	(2)	(2)	100	(2)	100
Cape Verde	(2)	(2)	3,682	(2)	3,682
Central African Republic	(2)	(2)	204	(2)	204
Chad	(2)	(2)	5,050	(2)	5,050
Congo (ROC)	(2)	(2)	655	(2)	655
Congo (DROC)	17,443	11,374	43,530	3,300	75,647
Côte d'Ivoire	(2)	(2)	6,296	(2)	6,296
Djibouti	(2)	2,000	3,348	1,999	7,347
Eritrea	5,600	4,710	66,245	950	77,505
Ethiopia	29,452	20,774	352,248	5,250	407,724
The Gambia	(2)	(2)	1,475	(2)	1,475
Ghana	15,990	20,740	20,345	530	57,605
Guinea	6,860	16,703	9,809	(2)	33,372
Guinea-Bissau	(2)	(2)	1,670	(2)	1,670
Kenya	36,663	15,075	34,664	6,200	92,602
Liberia	3,246	1,333	17,684	570	22,833
Madagascar	8,293	10,500	10,381	3,595	32,769
Malawi	17,480	9,918	3,202	400	31,000
Mali	12,321	26,559	(2)	350	39,230
Mauritania	(2)	(2)	16,252	(2)	16,252
Mozambique	19,801	27,542	16,166	750	64,259
Namibia	7,601	4,850	(2)	1,600	14,051
Niger	(2)	(2)	9,548	(2)	9,548
Nigeria	43,528	19,640	(2)	2,650	65,818
Rwanda	16,168	6,750	16,089	1,050	40,057
Senegal	14,667	15,447	2,146	(2)	32,260
Sierra Leone	874	2,999	19,486	593	23,952
Somalia	250	3,122	19,128	1,250	23,750
South Africa	28,550	34,775	(2)	939	64,264
Sudan	254	13,994	111,316	1,500	127,064
Tanzania	23,464	12,763	22,535	800	59,562
Uganda	39,334	27,181	75,896	500	142,911
Zambia	37,904	15,667	(2)	(2)	53,571
Zimbabwe	5,300	1,924	(2)	1,800	9,024
Total	405,256	344,233	1,028,318	41,620	1,819,433

[1] Only SSA countries receiving direct USAID bilateral assistance are included in this table. These and other SSA countries may receive USAID assistance indirectly through regional programs.

[2] Not available.

Source: Compiled from USAID data found at Internet address *http://www.usaid.gov/policy/budget/cbj2004/summary_tables_table4.pdf*, retrieved July 2, 2003.

USAID is a partner in the $15-billion President's Emergency Plan for AIDS Relief that was announced by President Bush in 2003. The initiative aims to provide at least 2 million HIV-positive people with anti-retroviral therapy, to provide care for 10 million persons infected with HIV, and to prevent new infections in 11 countries in Africa. The countries that are eligible for this program are Botswana, Côte d'Ivoire, Ethiopia, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia.[79] Additionally, the agency assisted the Government of Eritrea in conducting a comprehensive HIV/AIDS study and developing prevention and treatment plans. In 2003, USAID allocated $2.3 million for these activities, up from $1.5 million in 2001.[80]

[79] USAID Overview, "The U.S. Government in the World Leader in Responding to the Global Pandemic of AIDS," found at Internet address *http://www.usaid.gov/our_work/global_health/aids/index.html#*, retrieved Aug. 2, 2004.

[80] USAID, "Country Profile, HIV/AIDS: Eritrea," found at Internet address *http://www.synergyaids.com/Profiles_Web/Profiles_PDFs/Eritrea_profile_2004_rev2.pdf*, retrieved Aug. 2, 2004.

CHAPTER 5
Industry Sector Profiles

This chapter provides information and analysis on production, trade, and investment for various industry sectors in SSA. The sectors include agriculture, fisheries, and forest products; chemicals; petroleum and energy-related products; minerals and metals; textiles and apparel; and certain transportation equipment.[1] These sectors account for the major items traded between the United States and SSA. Each sector discussion provides overview information, including sector production, industry and sector issues, and economic and trade policy developments. Trade information is also provided, including U.S.-SSA trade and global SSA trade. Investment information includes major SSA sector policy developments, U.S. foreign direct investment position in SSA, major investments, and investment issues. The information and analysis generally focus on developments that occurred during 2003 and early 2004.[2]

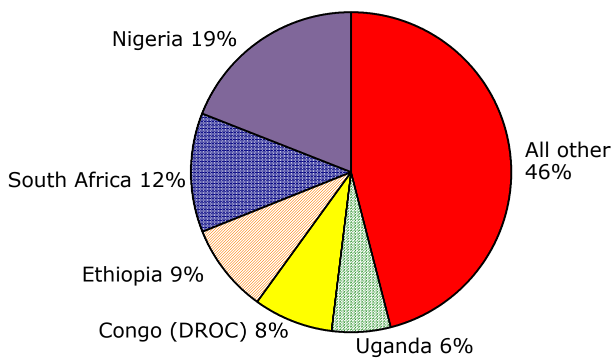
Data on SSA industry sector production were compiled from numerous sources, including the U.S. Department of Commerce, the U.S. Department of Energy, the U.S. Geological Survey, the United Nations, various U.S. and international industry trade associations, and various industry-specific statistical publications. Data on SSA global trade were compiled from statistics of the United Nations. Data on U.S.-SSA trade were compiled from official statistics of the U.S. Department of Commerce. Data on U.S. foreign direct investment in SSA were compiled from statistics of the U.S. Department of Commerce, Bureau of Economic Analysis. Unless otherwise indicated, "AGOA" trade data includes its GSP provisions.

[1] The sectors generally are in the order of the chapters of the Harmonized Tariff Schedule of the United States (HTS). Sector coverage may have changed somewhat from last year's report.
[2] In some cases, the latest available data are for 2002.

AGRICULTURE, FISHERIES, AND FOREST PRODUCTS[1]

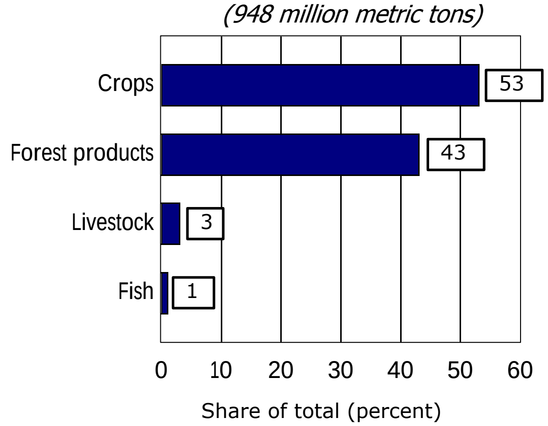
OVERVIEW

SSA sector production, by country, 2002
(948 million metric tons)



Source: United Nations, FAOSTAT database.

SSA sector production, by product, 2002
(948 million metric tons)



Source: United Nations, FAOSTAT database.

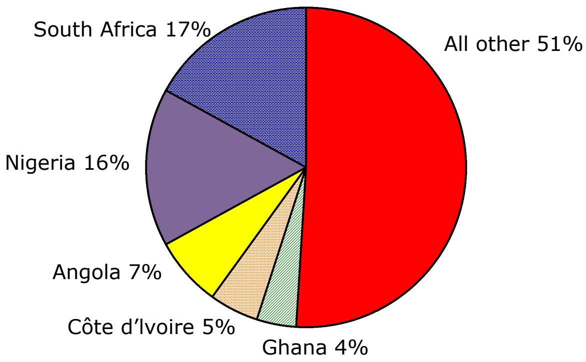
- Although the agriculture, fisheries, and forest products sector is a major component of the SSA economy, its relative importance has been gradually declining. In 2002, the value added by this sector accounted for 18 percent of SSA GDP, down from 19 percent in 1998.[2]
- Sector production rose moderately in 2002, increasing about 1 percent, by quantity, over the previous year. Nigeria and South Africa accounted for 31 percent, and the top five SSA countries accounted for 54 percent of the total quantity of SSA production in 2002.[3]
- Agricultural crops again accounted for the largest share of sector production, about 53 percent of the total, by quantity, in 2002. The leading crops produced in SSA during 2002 included cassava, sugar cane, yams, corn, plantains, and sorghum. Forest products production was the second-leading sector category, accounting for about 43 percent of the total. Fuel wood accounted for 86 percent of forest products production, by quantity, and 37 percent of total sector production in SSA.[4] Livestock and fishery products accounted for the remaining 4 percent of sector production.[5]
- Food security continues to be a concern in SSA. The United Nations identified 24 countries facing food emergencies as of April 2004, owing to civil strife, drought, widespread hunger, economic disruption because of government policies in Zimbabwe, and civil unrest in western Sudan. In 2003, an estimated 59 percent of the population (381 million people) in SSA were inadequately nourished. Countries in SSA with the largest food needs during 2003 included DROC, Ethiopia, Somalia, Tanzania, Uganda, and Zimbabwe.[6]
- The economy of Zimbabwe continues to suffer from government land redistribution policies that have lowered agricultural productivity, caused shocks to the financial system, and created a black market for goods. The United Nations estimates that more than one-third of the population (4.8 million people) will need food aid during 2004.[7]
- Many farmers in Zimbabwe who have lost their lands under the government's controversial land redistribution program are relocating to other countries in SSA. The Governments of Mozambique, Nigeria, and Zambia, among others, have encouraged these farmers to relocate with the hope that increased commercial farming will support food security and economic development. Zimbabwean farmers in Nigeria reportedly are signing 25-year leases on 1,000-hectare plots in central Nigeria's state of Kwara.[8]
- Sugar production in Zimbabwe increased by more than 3 percent in marketing year (MY) 2003/04 because of favorable weather conditions. To obtain foreign currency through the export of certain goods such as sugar, the Government of Zimbabwe has instituted daily currency auctions that are permitted to trade freely and are not pegged to the official exchange rate. However, estimates are that Zimbabwe did not fill any of its U.S. sugar quota in MY 2003/04.[9]
- Swarms of desert locusts affected many areas of northwest Africa during the 2004 growing season, particularly Chad, Mali, Mauritania, Niger, and Senegal, and extending into Sudan. The expected outbreak is considered to be the most serious locust plague in the region since 1987-89, when agricultural damage and pest control costs totaled $300 million and affected 28 countries.[10]
- Cereal food aid pledges to SSA totaled about 2.1 million metric tons (mmt) for MY 2003/04, down from 2.3 mmt in MY 2002/03. Principal recipients included Zimbabwe (17 percent), Mozambique (15 percent), Angola (11 percent), and Ethiopia (7 percent). Principal donors included the World Food Program of the United Nations (51 percent of the total), the United States (40 percent), and the EU (5 percent).[11]
- Although biotechnology in agriculture (e.g., genetically modified organisms) has yielded benefits for producers around the world in terms of greater yields and new crops, farmers in only a few developing countries are employing such technology. In general, few biotechnology research funds are spent on basic food crops such as cassava, potato, rice, wheat, cowpea, millet, and sorghum. Inadequate regulatory procedures, complex intellectual property issues, and poorly functioning markets also inhibit biotechnology progress in most developing countries of SSA.

OVERVIEW-Continued

- Commodity prices for certain major SSA export commodities such as coffee, sugar cane, and cotton increased in 2003. In particular, the price of cotton, as represented by the Cotlook A Index, rebounded from 46 cents per pound in 2002 to 63 cents per pound in 2003. However, continuing civil strife in Côte d'Ivoire, a major cocoa, coffee, cotton, and sugar cane producer, is expected to dampen that country's cotton production and exports. Cocoa prices declined in 2003 after record prices the previous year, although the average annual price for cocoa in 2003 was only slightly below the average cocoa price in 2002.[12]
- HIV / AIDS continues to adversely affect the SSA agriculture sector, with an estimated 3 million newly infected people and 2.2 million AIDS-related deaths in SSA during 2003. Botswana and Swaziland have HIV-infection rates of 37.3 percent and 38.8 percent, respectively; Lesotho, Zimbabwe, South Africa, and Namibia have HIV-infection rates over 20 percent. The epidemic has contributed to a food crisis in parts of southern Africa. Vulnerability assessments conducted during 2002 and 2003 showed that farming families with adults that have chronic illnesses such as HIV / AIDS suffer from lower agricultural production and lower incomes.[13]

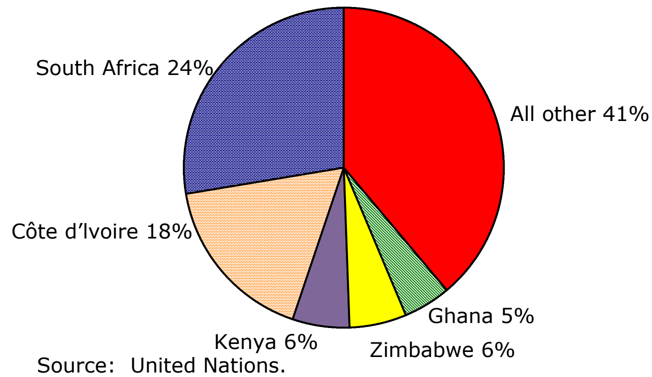
TRADE

SSA sector global imports, by country, 2002
($9.9 billion)



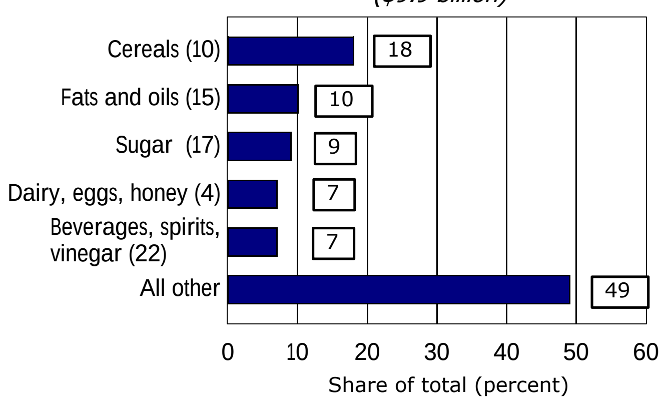
Source: United Nations.

SSA sector global exports, by country, 2002
($16.3 billion)



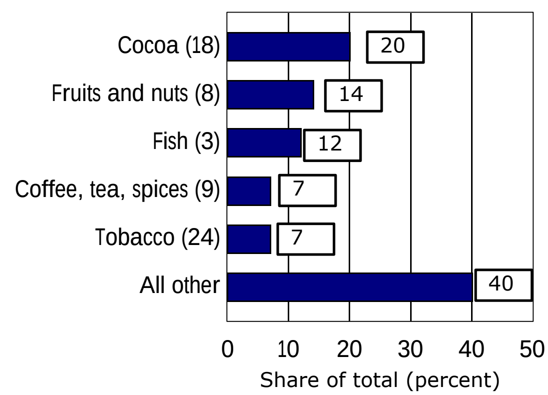
Source: United Nations.

SSA sector global imports, by HTS chapter, 2002
($9.9 billion)



Source: United Nations.

SSA sector global exports, by HTS chapter, 2002
($16.3 billion)



Source: United Nations.

Major Import Source (2002)	Share of Total (percent)	Major Import Item (6-digit HTS) (2002)	Share of Total (percent)
EU15	39	Wheat, not durum (1001.90)	8
United States	9	Cane or beet sugar (1701.99)	6
South Africa	8	Semi-milled or milled rice (1006.30)	5
Brazil	7	Cigarettes (2402.20)	4
India	4	Palm oil (1511.90)	4
Argentina	4	Corn (1005.90)	3

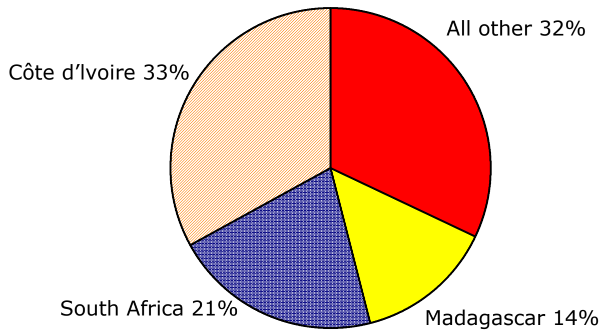
Source: United Nations.

Major Export Market (2002)	Share of Total (percent)	Major Export Item (6-digit HTS) (2002)	Share of Total (percent)
EU15	60	Cocoa beans (1801.00)	16
United States	6	Tobacco (2401.20)	6
Japan	4	Cotton (5201.00)	5
India	2	Cane sugar (1701.11)	4
Russia	2	Coffee (0901.11)	3
Hong Kong	2	Tuna (1604.14)	3

Source: United Nations.

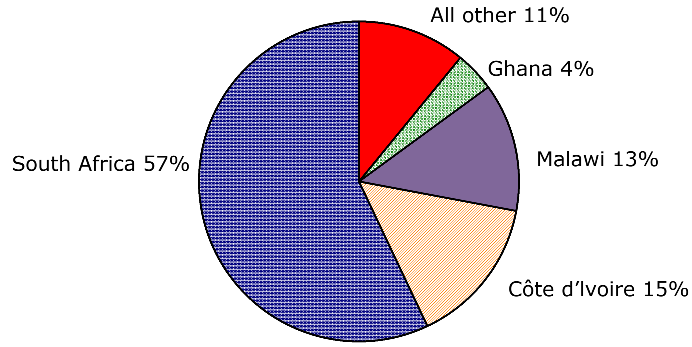
TRADE-Continued

U.S. sector imports from SSA, by source, 2003
($1.3 billion)



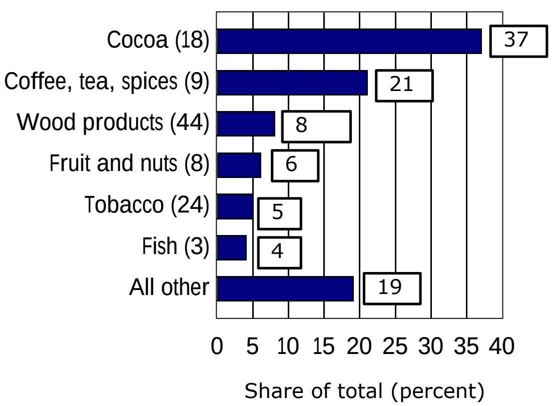
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports under AGOA (including GSP), by source, 2003
($274 million)



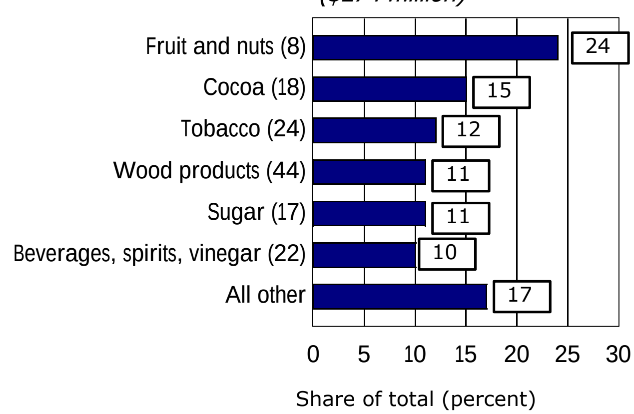
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports from SSA, by HTS chapter, 2003
($1.3 billion)



Source: Compiled from official statistics of the U.S. Department of Commerce.

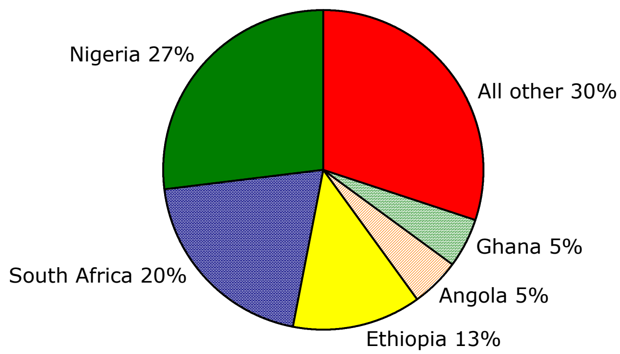
U.S. sector imports under AGOA (including GSP), by HTS chapter, 2003
($274 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

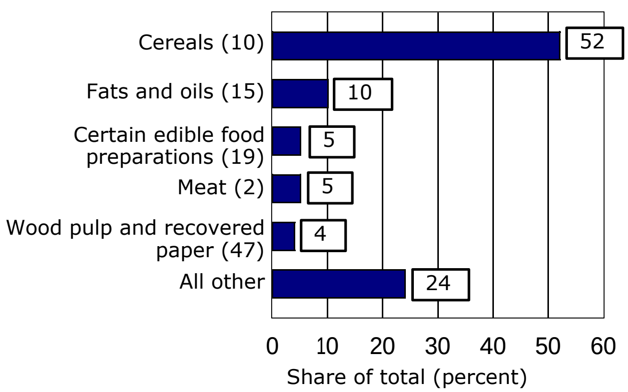
TRADE-Continued

U.S. sector exports to SSA, by market, 2003
($1.2 billion)



Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector exports to SSA, by HTS chapter, 2003
($1.2 billion)



Source: Compiled from official statistics of the U.S. Department of Commerce.

Key U.S. Import Developments

- U.S. sector imports from SSA totaled $1.3 billion in 2003, up 30 percent from the previous year. SSA accounted for about 1 percent of total U.S. sector imports in 2003, the same share as in the previous year. Large shipments of cocoa during 2003 were the primary contributor to the increase in import value. The sector accounted for about 5 percent of total U.S. imports from SSA in 2003, down from 6 percent the previous year.
- In 2003, the top five import commodities at the 6-digit HTS level accounted for 57 percent of total imports, by value. Cocoa beans (HTS 1801.00) accounted for 30 percent; vanilla beans (HTS 0905.00), 16 percent; stemmed and stripped tobacco (HTS 2401.20), 5 percent; coffee beans (HTS 0901.11), 4 percent; and cocoa paste (HTS 1803.10), 3 percent.
- Côte d'Ivoire and South Africa supplied 54 percent of all U.S. sector imports from SSA in 2003, up from 51 percent in 2002. Sector imports from Côte d'Ivoire are highly concentrated, with 82 percent accounted for by cocoa beans (HTS 1801). Imports from South Africa are more evenly distributed, with major items including fresh citrus (HTS 0805, 14 percent of the total value); wine (HTS 2204, 8 percent); wood doors (HTS 4418, 7 percent); fruit juices (HTS 2009, 7 percent); processed fruits and nuts (HTS 2008, 5 percent); leather (HTS 4113, 4 percent); and sugar (HTS 1701, 4 percent).

Key AGOA Trade Developments

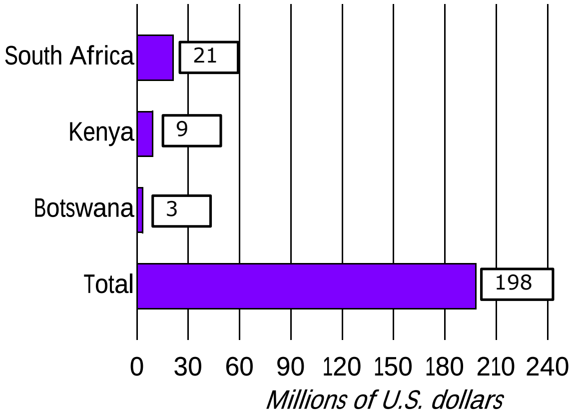
- In 2003, the value of U.S. sector imports under AGOA was $274 million, an increase of 13 percent over the previous year. Such imports accounted for about 2 percent of total AGOA imports and 21 percent of total sector imports from SSA in 2003. South Africa was the largest source for sector imports under AGOA in 2003, accounting for 57 percent of such imports. In aggregate, South Africa, Côte d'Ivoire, and Malawi supplied 85 percent of all AGOA sector imports from SSA in 2003, up from 82 percent in 2002.
- The principal AGOA products in 2003 were fresh citrus (HTS 0805), at $37 million, representing 14 percent of the total; unmanufactured tobacco (HTS 2401), $30 million, or 11 percent; raw cane sugar (HTS 1701), $30 million, or 11 percent; certain nuts (HTS 0802), $24 million, or 9 percent; and cocoa powder (HTS 1805), $24 million, or 9 percent.
- AGOA imports of raw cane sugar decreased by $14 million, or 31 percent, in 2003. The major supplier was South Africa (33 percent by value). Virtually all U.S. imports of sugar from AGOA-eligible countries entered under the U.S. quota program. The quota for these suppliers was only about 66 percent filled in FY 2003, leaving room for future expansion.[14] U.S. imports of sugar are subject to a prohibitive over-quota tariff rate.
- Other major AGOA products that showed substantial import growth in 2003 include cocoa paste (HTS 1803), up $6 million, or 65 percent; wood doors (HTS 4418.20), up $6 million, or 40 percent, almost entirely from South Africa; and undenatured ethyl alcohol (HTS 2207.10), up $4 million, or 45 percent.

Key U.S. Export Developments

- U.S. sector exports to SSA totaled $1.2 billion in 2003, up 17 percent from the previous year. SSA accounted for about 1 percent of total U.S. sector exports in 2003, approximately the same share as 2002.
- The agriculture, fisheries, and forest products sector accounted for about 19 percent of total U.S. exports to SSA in 2002, up from 18 percent the previous year. The primary SSA markets for U.S. sector exports in 2003 continued to be Nigeria (27 percent by total value) and South Africa (20 percent). The share of U.S. exports accounted for by these markets declined relative to the previous year.
- In 2003, the leading four export commodities at the 6-digit HTS level accounted for 55 percent of total exports, by value. These included wheat other than durum (HTS 1001.90, 40 percent), milled rice (HTS 1006.30, 6 percent), frozen chicken cuts and offal (HTS 0207.14, 5 percent), and certain food preparations (HTS 1901.90, 4 percent).
- U.S. cereal exports to SSA countries totaled about $642 million in 2003, an increase of 16 percent over 2002. Nigeria was the primary SSA market, accounting for 42 percent of total U.S. cereal exports to SSA. Other markets included Ethiopia (15 percent), South Africa (11 percent), and Mozambique (5 percent). About 82 percent of the value of U.S. grain exports to the region in 2003 consisted of wheat, 11 percent was rice, and the remainder was mostly corn and sorghum.
- The SSA export markets for cereals showing the largest annual percentage increases included Ethiopia (2,718 percent), Mauritania (475 percent), Uganda (407 percent), Central African Republic (291 percent), Sudan (211 percent), and Tanzania (166 percent). Annual shifts in U.S. cereal exports to SSA largely reflect patterns in food aid.

INVESTMENT

U.S. sector SSA FDI position, by country, 2003

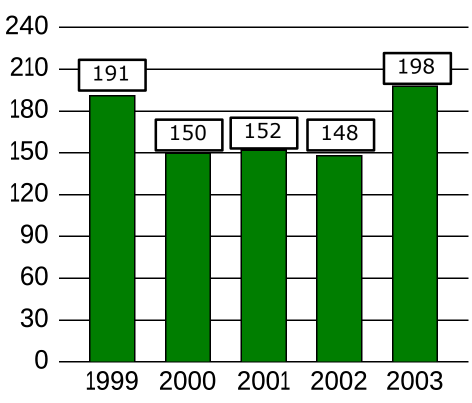


Note.—Data for some countries are not disclosed owing to confidentiality. U.S. FDI position may be negative for some countries. Industry classification basis changed from SIC to NAICS in 2002.

Source: Bureau of Economic Analysis, U.S. Department of Commerce. Data are for sector defined as "Food."

U.S. sector SSA FDI position, 1999-2003

Millions of U.S. dollars



Note.—Industry classification changed from SIC to NAICS in 2002; data from 1999 to 2001 have been converted to NAICS. Data for 2001 and 2002 have been revised from previous estimates.

Source: Bureau of Economic Analysis, U.S. Department of Commerce. Data are for sector defined as "Food."

- The U.S. FDI position in the SSA food sector totaled $198 million in 2003, up from $148 million the previous year. South Africa continued to be the primary SSA destination for U.S. FDI in the sector, accounting for 11 percent of the regional total. The food sector accounts for a minor share of the total U.S. FDI position in SSA, and SSA continued to host a minor share of the global U.S. FDI position in the food sector.[15]
- Privatization efforts appear to be slowing in South Africa. The South African government announced in June 2004 that, with the possible exception of forestry operations, it is no longer planning to sell off several large, state-owned companies. A proposal by the Ministry of Agriculture and Land Affairs would ban the sale of land to foreigners in South Africa; if implemented, foreign investors in South Africa's high-value fruit, vegetable, and flower export sectors would be unable to expand operations.[16]
- The International Finance Corporation (IFC), part of the World Bank Group, developed a new initiative during 2003 to aid small businesses in SSA. As part of this effort, IFC created commercial microfinance institutions in Chad and Mali to provide loans to small businesses in many sectors, including agriculture, forestry, and fisheries. IFC also invested in a fishing operation in Namibia and provided technical assistance to help Ghanaian agricultural producers increase sales to a major European grocery chain.[17]

ENDNOTES

[1] This sector includes items classified in Harmonized Tariff Schedule chapters 01 through 24, 35, 41, 43, 44 through 49, 51, and 52.

[2] The World Bank Group, "Sub-Saharan Africa Data Profile," found at Internet address *http://devdata.worldbank.org/external/CPProfile.asp?SelectedCountry=SSA&CCODE=SSA&CNAME=Sub Saharan+Africa&PTYPE=CP*, retrieved July 27, 2004.

[3] Based on data of the Food and Agriculture Organization (FAO) of the United Nations.

[4] Ibid.

[5] Ibid.

[6] Stacey Rosen, "Sub-Saharan Africa (SSA)," U.S. Department of Agriculture (USDA), Economic Research Service (ERS), Food Security Assessment, GFA-15, May 2004, p. 14; FAO, Global Information and Early Warning System on Food and Agriculture, Food Supply Situation and Food Prospects in Sub-Saharan Africa, No. 1, Apr. 2004, p. 2, found at Internet address *http://www.fao.org*, retrieved July 26, 2004; and Shahla Shapouri and Stacey Rosen, "Global Food Security: Prospects and the Role of Food Aid," USDA, ERS, Food Security Assessment, GFA-15, May 2004, p. 3.

[7] "The method behind Mugabe's madness," *The Economist*, June 24, 2004, pp. 1-2, found at Internet address *http://www.economist.com*, retrieved July 28, 2004.

[8] "White Zimbabweans strike deal to farm in Nigeria," *South China Morning Post*, July 29, 2004, pp. 1-2, found at Internet address *http://www.scmp.com*, retrieved July 29, 2004.

[9] USDA, Foreign Agricultural Service (FAS), Zimbabwe, Sugar Report Update, 2004, GAIN Report #RH4002, May 5, 2004, pp. 1-2.

[10] FAO, "Locust swarms invade West Africa," July 5, 2004, found at Internet address *http://www.fao.org*, retrieved July 26, 2004.

[11] FAO, Global Information and Early Warning System on Food and Agriculture, Food Supply Situation and Food Prospects in Sub-Saharan Africa, No. 1, Apr. 2004, p. 9, found at Internet address *http://www.fao.org*, retrieved July 26, 2004.

[12] The World Bank Group, "Commodity Price Data," July 2004, found at Internet address *http://www.worldbank.org/prospects/pinksheets/pink0703.pdf*, retrieved July 22, 2004; and USDA, FAS, Côte d'Ivoire, Cotton and Products Annual, 2004, GAIN Report #IV4009, May 14, 2004, pp. 4-5.

[13] WTO, Committee on Agriculture, WTO Negotiations on Agriculture, Poverty Reduction: Sectoral Initiative in Favour of Cotton, TN/AG/GEN/4, May 16, 2003; and "African Countries Agree To Negotiate Cotton in WTO Agriculture Talks," *Inside U.S. Trade*, July 23, 2004, found at Internet address *http://www.insidetrade.com*, retrieved July 23, 2004.

[14] In FY 2003, 10 countries held U.S. raw sugar import quotas totaling 119,593 mt, of which they exported 78,477 mt, valued at $38 million. *Sugar and Sweeteners Yearbook*, 2003, table 23c, found at Internet address *http://www.ers.usda.gov/Briefing/Sugar/Data/data.htm*, retrieved July 20, 2004; and *Sugar and Sweeteners Outlook*, Jan. 2004, table 10, found at *http://ers.usda.gov/publications/so/view.asp?f=specialty/sss bb/*, retrieved July 29, 2004.

[15] USDOC, BEA, Direct Investment Position Abroad on a Historical-Cost Basis: Country Detail by Industry, provided to USITC staff, Sept. 16, 2004.

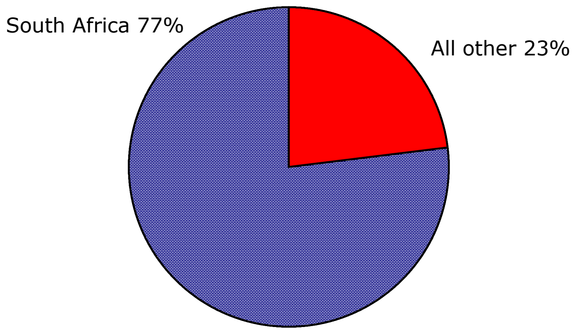
[16] "On hold?" *The Economist*, June 24, 2004, pp. 1-2, found at Internet address *http://www.economist.com*, retrieved July 28, 2004.

[17] International Finance Corporation, IFC Regional Reports, "Sub-Saharan Africa: Seeking Sustainable Economic Growth," pp. 31-33, found at Internet address *http://www.ifc.org*, retrieved July 29, 2004.

CHEMICALS[1]

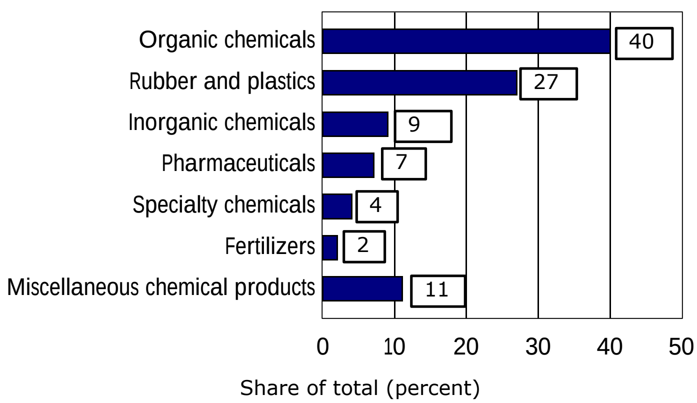
OVERVIEW

SSA sector production, by country, 2003
($15.0 billion)



Source: USITC estimates based on information from Mbendi, *Chemical & Engineering News*, Statistics South Africa, and U.S. Department of Commerce.

SSA sector production, by product, 2003
($15.0 billion)

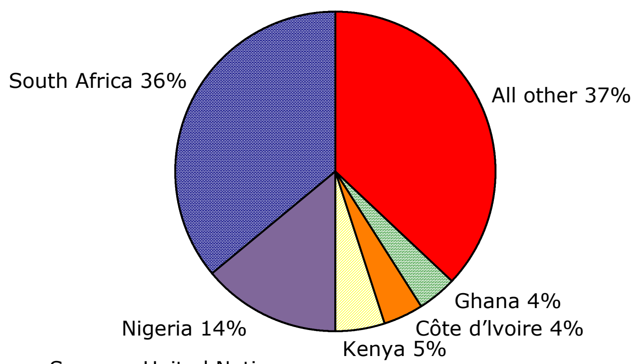


Source: USITC estimates based on information from Mbendi, *Chemical & Engineering News,* Statistics South Africa, and U.S. Department of Commerce.

- The South African chemical industry accounted for approximately 77 percent of SSA chemical production in 2003. The South African chemical industry remains among the largest manufacturing sectors of the South African economy, maintaining its 5-percent share of the gross domestic product. The sector is composed of the four petroleum refineries, producers of agricultural chemicals, pharmaceutical manufacturers, and various small firms producing chemical products for the domestic and regional markets.[2]
- There are approximately 70 producers of plastics products in Kenya, most located in Nairobi and Mombasa. Increased domestic production of these materials resulted from both technological advances and a general shift in demand to the use of plastics products in lieu of more traditional materials. The Kenyan industry produces PVC pipes and fittings, polyethylene packaging, and miscellaneous plastics products such as shoes, crates, floor tiles, household plasticware, and containers. Its products are marketed predominantly within COMESA. Most of the inputs are imported, mainly from European and Asian sources.[3]
- Dow Chemical has a major presence in the SSA plastics industry, with its primary facility in Sasolburg, South Africa producing polypropylene and polyethylene base materials. These materials are used for pipe fabrication, packaging, and other industrial applications. Other major plastics base materials are imported from global Dow sites. Dow also produces agricultural chemicals in South Africa at the former Sentrachem and Sanachem facilities, which Dow purchased in 1997 (the purchase was effective in 2000).[4]
- A significant development in the SSA chemical industry during 2003-04 has been the development of pharmaceutical production capacity and the ability to produce active pharmaceutical ingredients (APIs) for use in generic pharmaceutical products. Aspen Pharmacare, the largest pharmaceutical manufacturer in Africa, received clearance from South Africa's Competition Commission to integrate vertically with the recently purchased Fine Chemicals Corp. facility. Aspen released a statement assuring the public that it would use the plant to produce APIs, specifically the anti-retrovirals that treat HIV / AIDS.[5]
- Other SSA pharmaceutical companies include Eli Lilly, which operates in South Africa and Kenya, and Thembalami, a joint venture between Ranbaxy, India's largest producer of pharmaceutical products, and Adcock-Ingram, a South African health care firm. Thembalami also is registered to produce five anti-retrovirals and is actively trying to register an additional seven HIV / AIDS medications.[6]
- Recent changes in the SSA chemical industry include a restructuring of Sasol's chemicals portfolio.[7] Changes in product mix and plant operations include a new Sasol acrylates complex at Sasolburg, South Africa, from which Sasol has already begun exporting some acrylic products.[8] However, Sasol has delayed plans to build a propylene oxide plant utilizing new technology; company officials stated that they needed available capital for other investment opportunities.[9] Sasol also plans to build two new polymer plants to produce low density polyethylene (scheduled for startup in late 2005) and polypropylene (scheduled for startup in early 2006).[10]
- Growth in plastics exports bolstered Uganda's exports, which increased by nearly 12 percent in 2003, primarily because of increased exports to EAC and COMESA member countries. An evaluation by the Ugandan government states that structural supply-side inadequacies pose challenges, because Ugandan exporters often cannot guarantee consistent supplies and are unable to adjust rapidly to changing technical quality and standards requirements.[11]

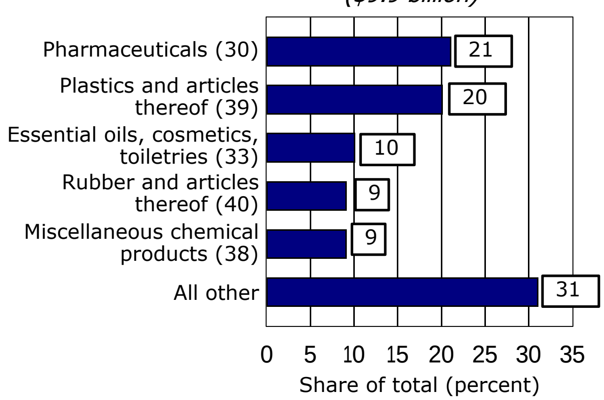
TRADE

SSA sector global imports, by country, 2002
($9.9 billion)



Source: United Nations.

SSA sector global imports, by HTS chapter, 2002
($9.9 billion)

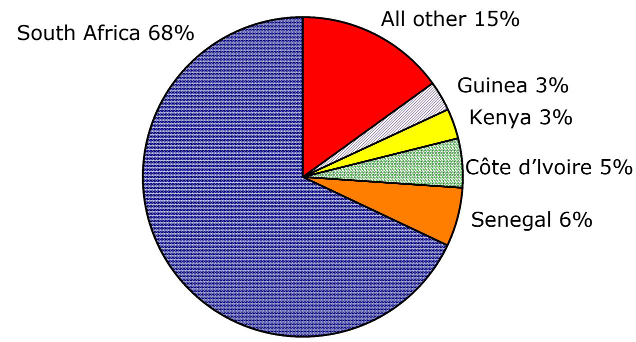


Source: United Nations.

Major Import Source (2002)	Share of Total (percent)	Major Import Item (6-digit HTS) (2002)	Share of Total (percent)
EU15	46	Pharmaceuticals (3004.90)	13
South Africa	8	Flavorings (3302.10)	5
United States	7	Bus and truck tires (4011.20)	3
India	6	Insecticides (3808.10)	2
China	6	Miscellaneous chemical mixtures (3824.90)	2

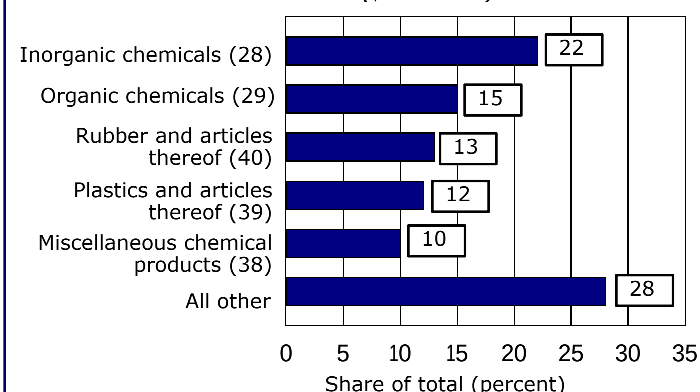
Source: United Nations.

SSA sector global exports, by country, 2002
($3.5 billion)



Source: United Nations.

SSA sector global exports, by HTS chapter, 2002
($3.5 billion)



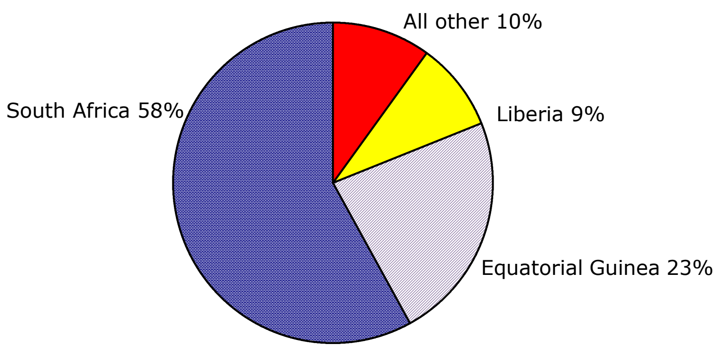
Source: United Nations.

Major Export Market (2002)	Share of Total (percent)	Major Export Item (6-digit HTS) (2002)	Share of Total (percent)
EU15	24	Phosphoric and polyphosphoric acids (2809.20)	8
United States	12	Natural rubber (4001.22)	3
Zimbabwe	10	Acyclic hydrocarbons (2901.29)	3
India	10	Aluminum oxide (2818.20)	3
Zambia	5	Nonspecific metallic compounds (and amalgams) (2843.90)	2
Swaziland	4	Supported catalysts with metal components (3815.12)	2

Source: United Nations.

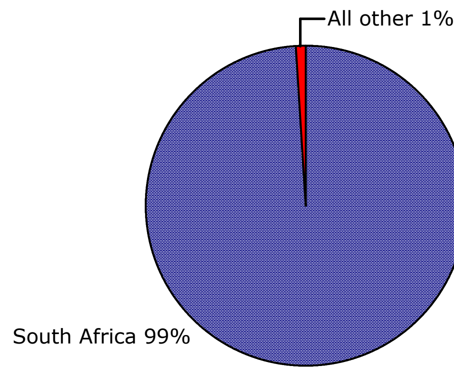
TRADE-Continued

U.S. sector imports from SSA, by source, 2003
($598 million)



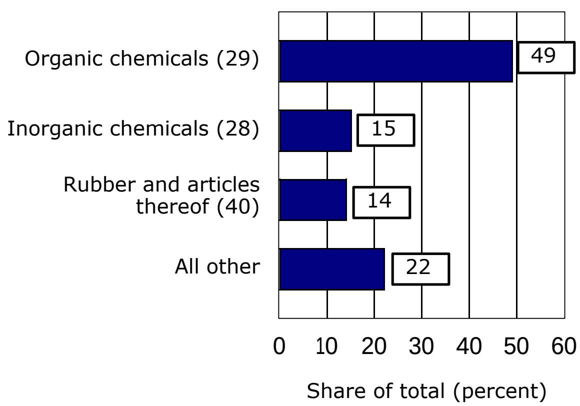
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports under AGOA (including GSP), by source, 2003
($177 million)



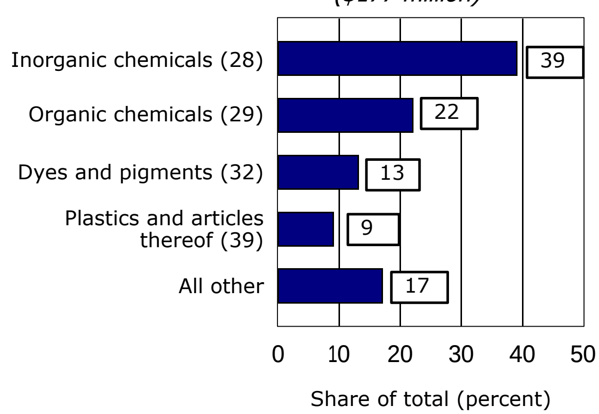
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports from SSA, by HTS chapter, 2003
($598 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

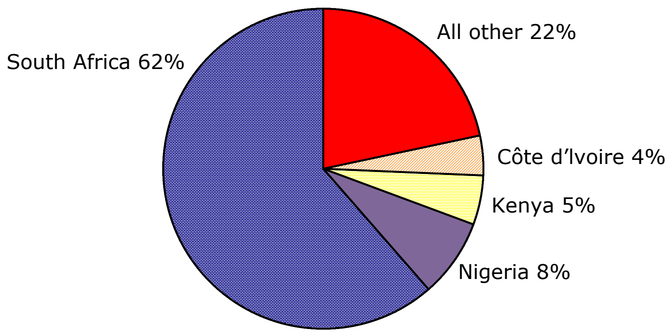
U.S. sector imports under AGOA (including GSP), by HTS chapter, 2003
($177 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

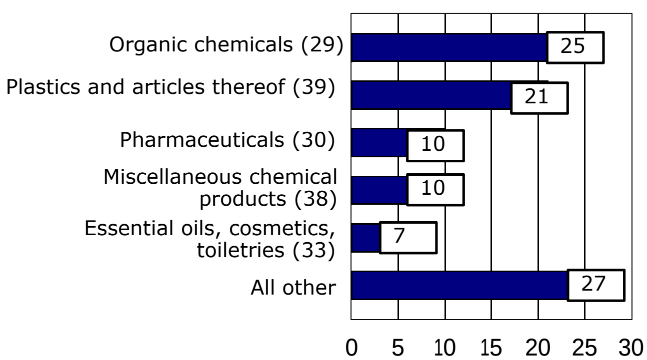
TRADE-Continued

U.S. sector exports to SSA, by market, 2003
($717 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector exports to SSA, by HTS chapter, 2003
($717 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

Key U.S. Import Developments

- U.S. chemical sector imports from SSA reached $598 million in 2003, up one-third from the previous year. U.S. sector imports from SSA accounted for less than 1 percent of total U.S. chemical imports in 2003. Principal SSA sources included South Africa (58 percent of the total), Equatorial Guinea (23 percent), and Liberia (9 percent). These shares shifted slightly from the previous year, when South Africa, Equatorial Guinea, and Liberia accounted for 60 percent, 16 percent, and 10 percent, respectively.
- The three largest U.S. sector imports from SSA in 2003 were methanol (HTS subheading 2905.11, 16 percent of the total); organic chemicals used as feedstocks for producing chemical intermediates and chemical products, including unsaturated acyclic hydrocarbons (HTS subheading 2901.29, 12 percent); and natural rubber (HTS subheading 4001.10, 9 percent).
- The leading U.S. chemical imports from individual SSA nations are unsaturated acyclic hydrocarbons (HTS subheading 2901.29), uranium (HTS subheading 2844.10), and titanium dioxide pigments (HTS subheading 3206.11) from South Africa; and methanol (HTS subheading 2905.11) and propylene (HTS subheading 2901.22) from Equatorial Guinea.

Key AGOA Trade Developments

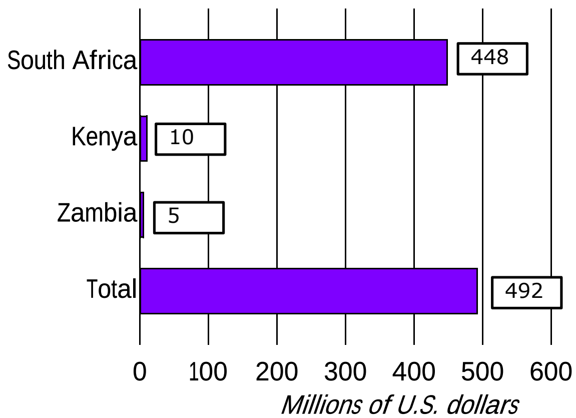
- In 2003, U.S. chemical sector imports under AGOA totaled $177 million, an increase of 30 percent over 2002. Nearly all U.S. chemical imports under AGOA came from South Africa.
- The principal sector items imported under AGOA in 2003 included silicon (HTS subheading 2804.69, 18 percent of total sector imports under AGOA), titanium dioxide pigments (HTS subheading 3206.11, 8 percent), carbides (HTS subheading 2849.90, 7 percent), and car tires (HTS subheading 4011.10, 5 percent).
- Despite the fact that U.S. sector imports under specific AGOA provisions (excluding GSP) more than doubled in 2003, such imports accounted for just 5 percent of the AGOA (including GSP) total in 2003.
- None of the non-AGOA-eligible SSA countries has significant chemicals production.

Key U.S. Export Developments

- In 2003, U.S. chemical sector exports to SSA totaled $717 million, an increase of nearly 3 percent compared with 2002. SSA accounted for less than 1 percent of total U.S. sector exports in 2003.
- The top three SSA markets for U.S. chemical exports in 2003 were South Africa, which accounted for 62 percent of U.S. chemical exports, followed by Nigeria (8 percent), and Kenya (5 percent). These shares were similar to those in 2002.
- The United States exported a diverse selection of chemical items to SSA in 2003; the leading exports items – fertilizers, other nonspecified medicaments, and isocyanates – each only accounted for 4-5 percent of total U.S. sector exports to SSA.

INVESTMENT

U.S. sector SSA FDI position, by country, 2003

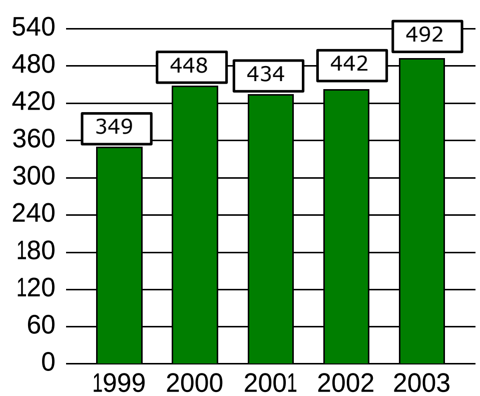


Note.-Data for some countries are not disclosed owing to confidentiality. U.S. FDI position may be negative for some countries. Industry classification basis changed from SIC to NAICS in 2002.

Source: Bureau of Economic Analysis, U.S. Department of Commerce. Data are for sector defined as "Chemicals."

U.S. sector SSA FDI position, 1999-2003

Millions of U.S. dollars



Note.- Industry classification changed from SIC to NAICS in 2002; data from 1999 to 2001 have been converted to NAICS. Data for 2001 and 2002 have been revised from previous estimates.

Source: Bureau of Economic Analysis, U.S. Department of Commerce. Data are for sector defined as "Chemicals."

- The U.S. FDI position in the SSA chemicals sector totaled $492 million in 2003, up from $442 million the previous year. South Africa continued to be the primary SSA location for U.S. FDI in the sector, accounting for 91 percent of the regional total. The chemicals sector accounted for 4 percent of the total U.S. FDI position in SSA, and SSA accounted for less than 1 percent of the global U.S. FDI position in the sector during 2003.[12]
- A major goal of the South African government is to increase foreign investment in its already strong chemical industries. Since 2002, there have been extensive efforts to reform tariffs, increase trade and investment promotion, and implement regulatory reforms including incentives to establish new businesses.[13]
- Although Kenya currently imports all of its industrial chemicals, primarily from suppliers in Belgium, Switzerland, and Germany, it plans to encourage U.S. investment in chemical production facilities to supply growing eastern and central African markets.[14]

ENDNOTES

[1] This sector includes items classified in Harmonized Tariff Schedule chapters 28 through 40.

[2] U.S. Department of Commerce (USDOC), U.S. & Foreign Commercial Service (USFCS), *South Africa Country Commercial Guide FY 2004: Investment Climate*, found at Internet address *http://buyusainfo.net/info.cfm*, retrieved July 15, 2004.

[3] Republic of Kenya, Ministry of Trade and Industry, *Sector Profile: Plastics Sub-sector,* found at Internet address *http://www.tradeandindustry.go.ke/downloads.asp*, retrieved July 25, 2004.

[4] Dow Chemical Company, found at Internet address *http://www.dow.com/facilities/africa/southsfrica/index.htm*, retrieved July 13, 2004.

[5] InPharma.com, *Africa's Top Pharma Buys API Facility,* July 15, 2004*,* found at Internet address *http://www.inpharma.com/news/printnews NG.asp?id=53561*, retrieved Aug. 3, 2004; and "Aspen Buyout of FCC Approved," *Business Day* (Johannesburg), found at Internet address *http://www.bday.co.za/bday/content/1,3523,1657318 6078 0,00.html*, retrieved Aug. 3, 2004.

[6] Eli Lilly and Company, found at Internet address *http://www.lilly.co.za/About/index.html*, retrieved July 29, 2004; and "Merck, Thembalami in AIDS Tie-up," *Business Day* (Johannesburg), July 14, 2004, found at Internet address *http://www.journ aids.org/reports/20040714c.htm*, retrieved July 29, 2004.

[7] "Sasol Begins Restructuring," *Chemical & Engineering News*, Nov. 3, 2003, p. 16.

[8] "Sasol Starts Up Acrylates Complex," *Chemical Week*, Apr. 7/14, 2004, p. 40.

[9] "Sasol Shelves PO Project in South Africa," *Chemical Week*, Apr. 7/14, 2004, p. 41.

[10] "Sasol Invests in Polymers," *European Chemical News*, Mar. 22, 2004, p. 28.

[11] Uganda Export Promotion Board, *Export Policy Review 2003,* found at Internet address *http://www.ugandaexportsonline.com/export_review.htm*, retrieved Aug. 2, 2004.

[12] USDOC, BEA, Direct Investment Position Abroad on a Historical-Cost Basis: Country Detail by Industry, provided to USITC staff, Sept. 16, 2004.

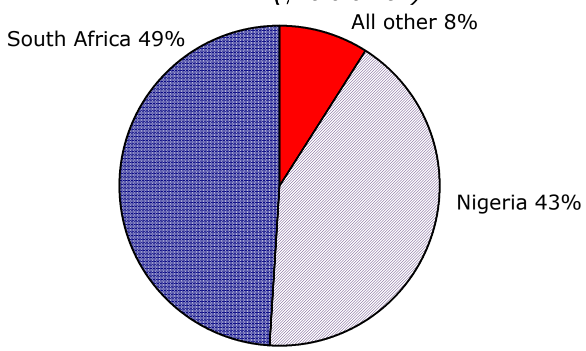
[13] USDOC, USFCS, *South Africa Country Commercial Guide FY 2004: Investment Climate*, found at Internet address *http://buyusainfo.net/info.cfm*, retrieved July 15, 2004.

[14] USDOC, USFCS, *Kenya Country Commercial Guide FY 2004: Leading Sectors for U.S. Exports and Investment*, found at Internet address *http://buyusainfo.net/info.cfm*, retrieved July 15, 2004.

PETROLEUM AND ENERGY-RELATED PRODUCTS[1]

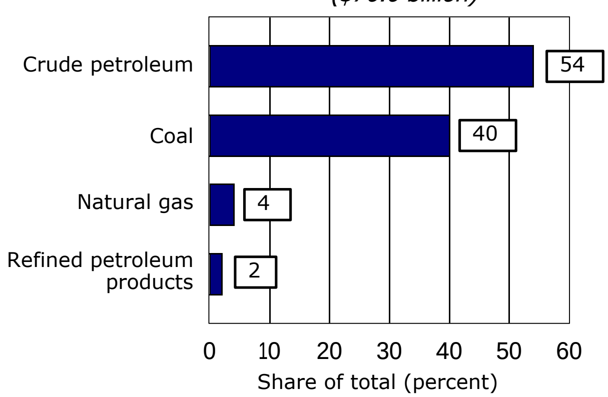
OVERVIEW

SSA sector production, by country, 2003
($76.6 billion)



Source: U.S. Department of Energy and the American Petroleum Institute.

SSA sector production, by product, 2003
($76.6 billion)

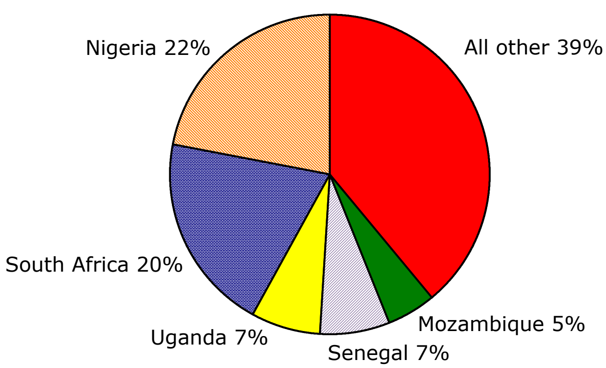


Source: U.S. Department of Energy and the American Petroleum Institute.

- Crude petroleum in Nigeria and Angola, as well as coal in South Africa, continue to be the primary petroleum and energy-related products produced in SSA. All three countries have recoverable reserves of the products and have developed export-oriented industries.
- Nigeria's economy remains heavily dependent on the petroleum sector, which accounted for nearly 80 percent of government revenues, 90 to 95 percent of export revenues, and over 90 percent of foreign exchange earnings in 2003. In 2003, Nigeria, a member of OPEC, accounted for about 2 percent of the world's total recoverable reserves of crude petroleum and 3 percent of the world's reserves of natural gas. Nigeria accounted for 3 percent of the world's production and 8 percent of OPEC's production of crude petroleum in 2003; crude petroleum production averaged 2.12 million barrels per day. [2]
- Nigeria's four state-owned refineries have a combined capacity to refine 438,750 barrels of crude petroleum per day, or less than 1 percent of the world's total refining capacity.[3] During 2003, sabotage, fire, and lack of maintenance resulted in sharply decreased production. Repair work scheduled for completion in 2003 has yet to begin.[4]
- Nigeria's reserves of natural gas ranked ninth in the world in 2003; however, it flares, or burns onsite, 75 percent of its natural gas and uses most of the remainder to reinject into wells for enhanced oil recovery. Nigeria accounted for 12.5 percent of the world's total gas flared. Despite President Obasanjo's announcement that Nigeria would cease the flaring of natural gas in 2004, it is unlikely that the practice will stop in the near term because Nigeria lacks the necessary infrastructure (e.g., pipelines, separators, and storage facilities) to utilize the gas.[13] However, in the long term, the situation could change if proposed liquified natural gas projects come onstream.[14]
- Production from joint ventures with multinational petroleum companies accounts for 95 percent of Nigeria's crude petroleum production. The largest joint venture, operated by Shell (with a 45-percent share) and the Nigerian National Petroleum Corporation (NNPC) (55-percent share), accounts for nearly 50 percent of Nigeria's total crude petroleum production. The other joint ventures, in which the NNPC holds at least a 60-percent share, are operated by ExxonMobil, ChevronTexaco, AGIP, and TotalFinaElf.[15]
- Nigeria's energy sector faces significant obstacles, such as insufficient government funding of its joint ventures and political and ethnic strife in the Niger Delta region, including violence, kidnapping, sabotage, siphoning of fuel products, and seizure of petroleum facilities. This instability has resulted in major disruptions in the production of crude petroleum. ChevronTexaco, Shell, and TotalFinaElf suspended production and removed nonessential personnel from the Niger Delta region beginning in March 2003, which resulted in a loss of 817,500 barrels per day of crude petroleum production.[16] Although some of the personnel have returned, facilities reportedly remain substantially understaffed.
- Coal continues to be the primary fuel produced and consumed in South Africa and is its largest source of foreign exchange. South Africa accounts for about 4 percent of the world's recoverable reserves of coal and is the world's second-largest net exporter of coal to the world, with the EU as its principal market.
- South Africa is the second-largest refining center in SSA, with a total capacity of 519,547 barrels of crude petroleum per day. In 2003, the capacity expansion at the South African Natref refinery came onstream, producing low-sulfur diesel fuels.[17]
- South Africa has a highly developed synthetic fuels industry, which takes advantage of the abundant coal reserves and offshore natural gas and condensate production. Rising crude petroleum prices have benefited Sasol, the world's largest manufacturer of oil from coal, as consumers turn to alternative energy sources.[18]
- Angola is the region's second-largest producer of crude petroleum, accounting for 6 percent of the region's reserves and less than 1 percent of the world's reserves. Angola has one small operating refinery that primarily produces diesel fuels. The Angolan economy is highly dependent on its crude petroleum sector, which accounts for 50 percent of GDP and over 90 percent of total export revenues.[19]
- Crude petroleum is the primary export product from SSA. Nigeria is a major exporter of crude petroleum. Angola was the second-largest SSA exporter and the ninth-largest world supplier of crude petroleum. In 2003, the United States was the primary market for SSA exports of petroleum and energy-related products, while the EU accounted for most of the remainder.[20]
- Refined petroleum products are the major sector products imported into the SSA region, followed by crude petroleum. The United States and western Europe are major sources of refined petroleum product imports, particularly diesel fuels and other bunker fuels. Most refineries in the region are small facilities that do not produce these products.

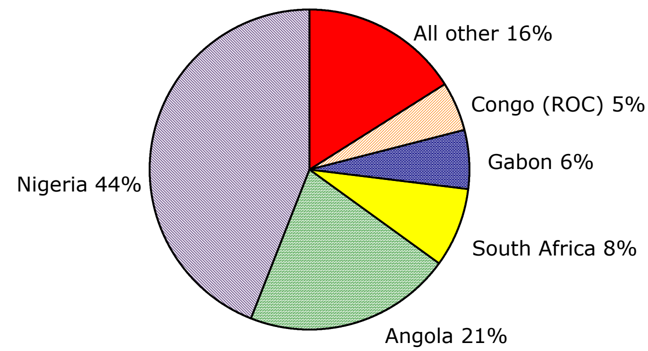
TRADE

SSA sector global imports, by country, 2002
($2.6 billion)



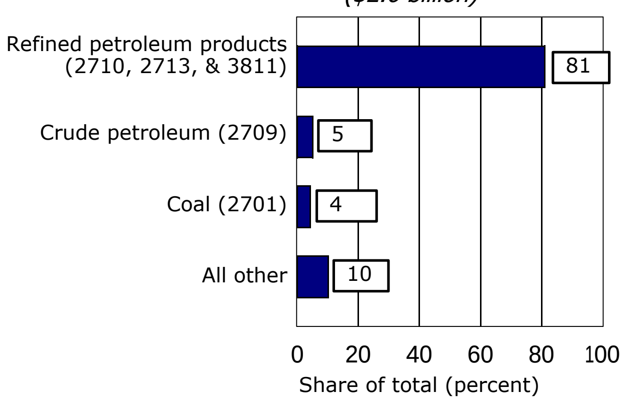
Source: United Nations.

SSA sector global exports, by country, 2002
($34.8 billion)



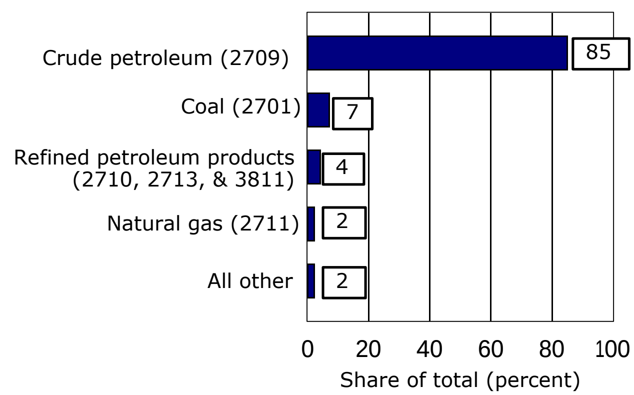
Source: United Nations.

SSA sector global imports, by HTS heading, 2002
($2.6 billion)



Source: United Nations.

SSA sector global exports, by HTS heading, 2002
($34.8 billion)



Source: United Nations.

Major Import Source (2002)	Share of Total (percent)	Major Import Item (6-digit HTS) (2002)	Share of Total (percent)
EU15	39	Refined petroleum products (2710.00, 2713.12, & 3811.21)	78
South Africa	15	Crude petroleum (2709.00)	5
Kenya	12	Coal (2701.12 & 2701.19)	4
United States	7		
Brazil	7		

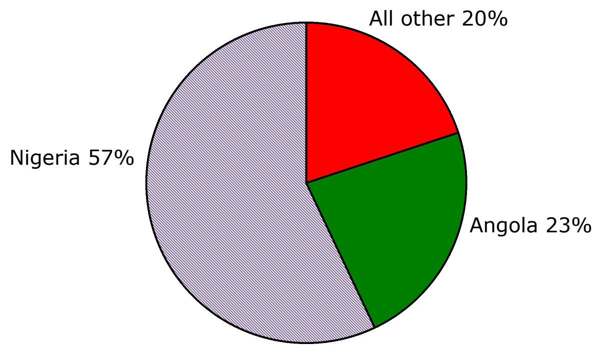
Source: United Nations.

Major Export Market (2002)	Share of Total (percent)	Major Export Item (6-digit HTS) (2002)	Share of Total (percent)
United States	35	Crude petroleum (2709.00)	85
EU15	27	Refined petroleum products (2710.00, 2713.12 & 3811.21)	4
China	8	Coal (2701.12 & 2701.19)	6
Japan	5	Liquefied natural gas (2711.11)	1
Brazil	4		

Source: United Nations.

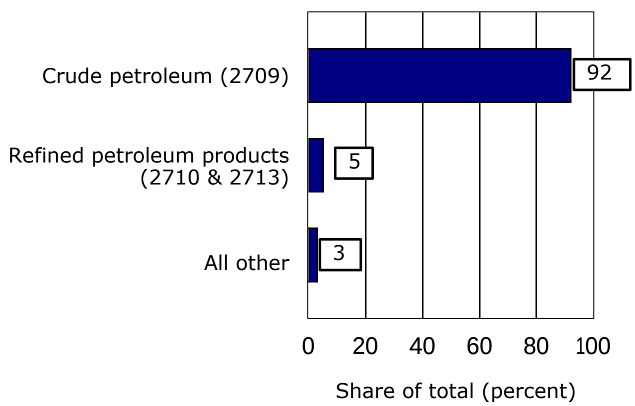
TRADE-Continued

U.S. sector imports from SSA, by source, 2003
($17.7 billion)



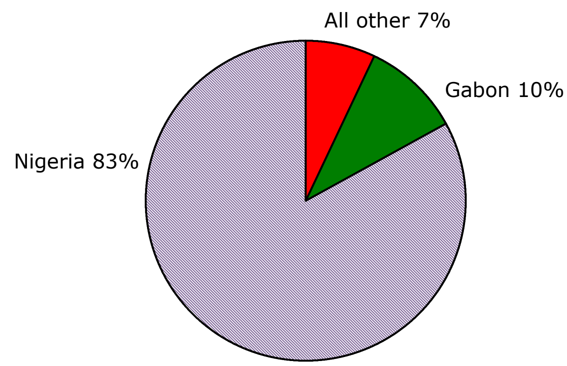
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports from SSA, by HTS heading, 2003
($17.7 billion)



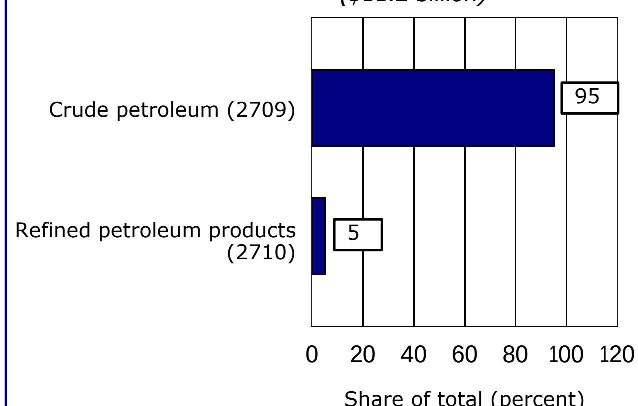
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports under AGOA (including GSP), by source, 2003
($11.2 billion)



Source: Compiled from official statistics of the U.S. Department of Commerce.

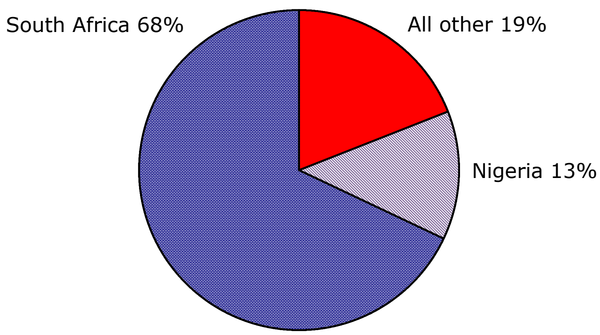
U.S. sector imports under AGOA (including GSP), by HTS heading, 2003
($11.2 billion)



Source: Compiled from official statistics of the U.S. Department of Commerce.

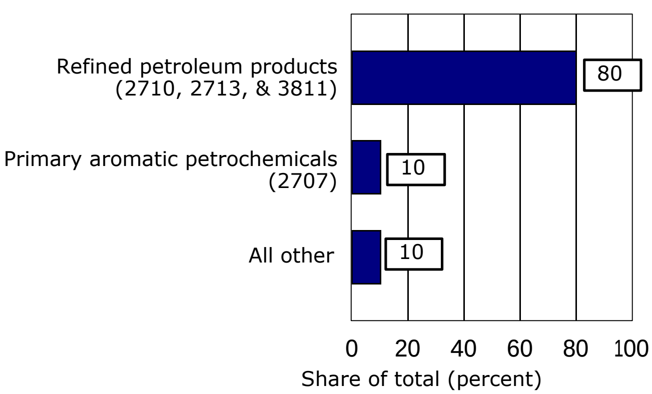
TRADE-Continued

U.S. sector exports to SSA, by market, 2003
($166 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector exports to SSA, by HTS heading, 2003
($166 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

Key U.S. Import Developments

- U.S. imports of petroleum and energy-related products from SSA accounted for about 10 percent of total U.S. imports of these products from all sources in 2003. Crude petroleum from Nigeria and Angola was the primary U.S. import in this sector from SSA.
- U.S. imports of petroleum and energy-related products from SSA increased from $11.7 billion in 2002 to $17.7 billion in 2003. The increase was primarily because of a $5-per-barrel rise in the price of crude. In addition, the quantity of U.S. imports of crude petroleum from Nigeria increased by about 41 percent, from 215 million barrels in 2002 to 304 million barrels in 2003, as a result of OPEC production quota increases in 2003.

Key AGOA Trade Developments

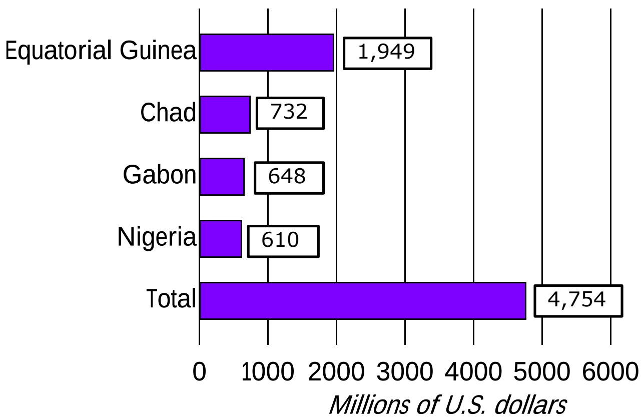
- U.S. imports of crude petroleum from Nigeria accounted for 90 percent of total sector AGOA imports from the region in 2003; the other nations accounted for the remainder of the region's crude petroleum imports.

Key U.S. Export Developments

- The United States is a major world producer and consumer of petroleum and petroleum-related products. It accounts for 2 percent of the world's estimated proven reserves of crude petroleum, 3 percent of natural gas reserves, 26 percent of coal reserves, and 22 percent of the world's refinery capacity.[13]
- SSA accounts for less than 1 percent of U.S. exports of the products in this sector.[14] U.S. exports of petroleum and energy-related products to SSA declined from $193 million in 2002 to $166 million in 2003. This decline is primarily a result of decreased exports of refined petroleum products, particularly distillate and residual fuel oils, to South Africa. Expanded refinery capacity in South Africa in early 2003 negated the need for such imports.[15]

INVESTMENT[15]

U.S. sector SSA FDI position, by country, 2003

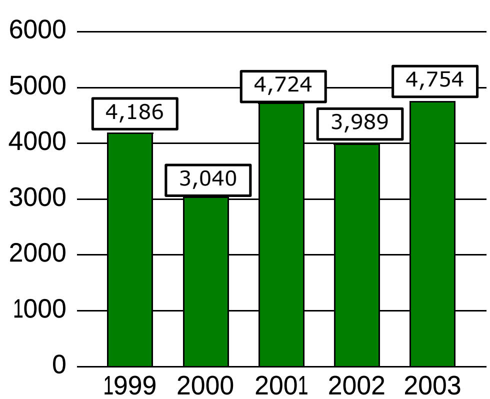


Note.—Data for some countries not disclosed owing to confidentiality. U.S. FDI position may be negative for some countries. Industry classification basis changed from SIC to NAICS in 2002.

Source: Bureau of Economic Analysis, U.S. Department of Commerce. Data are for sector defined as "Mining."

U.S. sector SSA FDI position, 1999-2003

Millions of U.S. dollars



Note.—Industry classification changed from SIC to NAICS in 2002; data from 1999 to 2001 have been converted to NAICS. Data for 2001 and 2002 have been revised from previous estimates.

Source: Bureau of Economic Analysis, Department of Commerce. Data are for sector defined as "Mining."

- The U.S. FDI position in the SSA petroleum and energy-related products sector[16] totaled $4.8 billion in 2003, up from nearly $4.0 billion the previous year.[17] Equatorial Guinea, Chad, Gabon, and Nigeria were major SSA locations for U.S. FDI in the sector in 2003, together accounting for 83 percent of the regional total. The sector continued its lead, accounting for 41 percent of the total U.S. FDI position in SSA in 2003. However, SSA accounted for only about 5 percent of the global U.S. FDI position in the sector that year.[18]
- Nigeria is one of the world's leading exporters of crude petroleum. Nigeria's existing and potential reserves make it attractive for joint ventures, despite vandalism to pipelines, infrastructure, and production facilities; and the siphoning of fuel products for the black market. As a result, there is the potential to increase its production of crude petroleum significantly in the next few years as recent discoveries come onstream.
- ExxonMobil holds a 56.25-percent share in a deepwater field; Shell is the other partner in the development under a production-sharing contract with NNPC. The $1.1-billion field development is expected to include a floating production storage and offloading vessel, 15 producing wells, 5 water injection wells, and 4 gas injection wells.
- ExxonMobil holds a 40-percent share in the development of a field; NNPC holds the other 60 percent. The $1.2-billion field development is expected to be onstream by late 2004. Associated natural gas will be reinjected in order to maintain field pressure and eliminate the need to flare the gas.
- In February 2003, ChevronTexaco announced a joint venture with NNPC for a $4-billion development of three deepwater crude petroleum and natural gas fields. Production is expected to come onstream by late 2005.
- In March 2003, NNPC announced that repairs to refineries would continue. NNPC signed an agreement whereby Venezuela's state-owned petroleum company (PDVSA) would help maintain Nigeria's refineries; in addition, ChevronTexaco signed an agreement with NNPC to take over the management of the refineries. NNPC will retain ownership with only the maintenance and day-to-day management signed over to PDVSA and ChevronTexaco.
- Angola's production of crude petroleum is predicted to double by 2008 as new deepwater sites are developed. ExxonMobil is the most dominant presence in Angola; it will invest about $4 billion in six new deepwater projects by 2007. Three of the new fields operated by ExxonMobil are expected to begin producing 80,000 barrels per day by the end of 2004.
- ChevronTexaco, which accounts for about 15 percent of Angola's production of crude petroleum, announced a joint venture with the Angolan government that is expected to produce 100,000 barrels of crude per day by 2007.

ENDNOTES

[1] This sector primarily covers crude petroleum, refined petroleum products, natural gas and its components, and coal and coal chemicals (chapter 27 of the HTS). Also included are nuclear fuels (HTS 2844 and 2845) and certain octane-enhancing chemicals (HTS 3403, 3606, 3811, and 3819).

[2] "Worldwide Report," *Oil & Gas Journal*, Dec. 22, 2003, p. 47.

[3] Ibid., pp. 64-70; and official statistics of the U.S. Department of Energy.

[4] "Worldwide Report," *Oil & Gas Journal*, Dec. 22, 2003, pp. 64-70; and official statistics of the U.S. Department of Energy.

[5] Official statistics of the U.S. Department of Energy; and U.S. Department of Energy, *Country Reports - Nigeria*, Mar. 2003.

[6] Economist Intelligence Unit, "Nigeria: Business: Outlook," June 9, 2004, found at Internet address *http://www.viewswire.com*, retrieved Sept. 1, 2004.

[7] Official statistics of the U.S. Department of Energy; and U.S. Department of Energy, *Country Reports - Nigeria*, Mar. 2003.

[8] Official statistics of the U.S. Department of Energy; and U.S. Department of Energy, *Country Reports - Nigeria*, Mar. 2003.

[9] "Worldwide Report," *Oil & Gas Journal*, Dec. 22, 2003, p. 47 and 64-70; official statistics of the U.S. Department of Energy; and U.S. Department of Energy, *Country Reports - South Africa*, Dec. 2003.

[10] U.S. Department of Energy, *Country Reports - South Africa*, Dec. 2003; and "Sasol Out from Under the Barrel," *Financial Times*, July 13, 2004.

[11] Official statistics of the U.S. Department of Energy; and U.S. Department of Energy, *Country Reports - Angola*, Feb. 2004.

[12] Official statistics of the U.S. Department of Energy.

[13] Official statistics of the U.S. Department of Energy.

[14] U.S. exports of crude petroleum have been prohibited since 1973, except as approved by the U.S. government.

[15] Official statistics of the U.S. Department of Energy and industry sources.

[16] Information provided in this section is derived from industry contacts, company websites, and official statistics of the U.S. Department of Energy.

[17] Data are provided by U.S. Department of Commerce, Bureau of Economic Analysis, and are for the sector defined as "Mining."

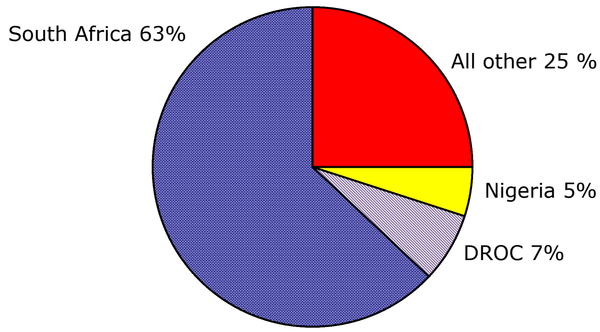
[18] Although this BEA classification covers products not included in this sector, the bulk of the FDI position is believed to be accounted for by sector products such as petroleum, natural gas, and coal.

[19] USDOC, BEA, Direct Investment Position Abroad on a Historical-Cost Basis: Country Detail by Industry, provided to USITC staff, Sept. 16, 2004.

MINERALS AND METALS

OVERVIEW

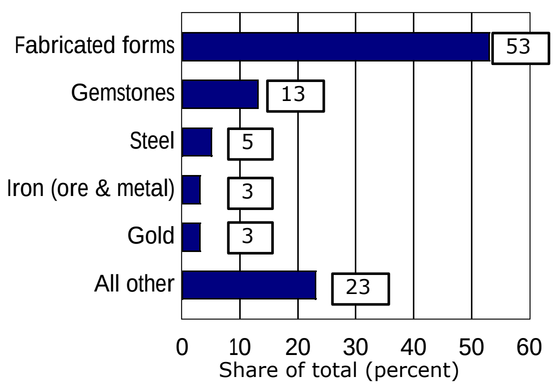
SSA sector production, by country, 2003
($195.1 billion)



Note.—Data are for mining and refining for reporting countries.

Source: Unpublished data and estimates of the U.S. Geological Survey; and MBendi, Infomine Africa, and the Department of Minerals & Energy (South Africa).

SSA sector production, by product, 2003
($195.1 billion)



Note.—Data are for mining and refining for reporting countries.

Source: Unpublished data and estimates of the U.S. Geological Survey; and MBendi, Infomine Africa, and the Department of Minerals & Energy (South Africa).

- There are substantial minerals and metals industries in numerous African countries. South Africa, Nigeria, Ghana, Zimbabwe, Tanzania, Zambia, Namibia, and DROC are the largest minerals and metals producers in SSA, and, with many smaller scale producers (e.g., Botswana, Sierra Leone, Mozambique, and Namibia), derive the majority of export earnings from the sector. As a result, the sector constitutes a large portion of the GDP and employment for many SSA countries.[2]

- SSA is a major producer of many of the world's most important minerals and metals, including platinum-group metals (PGMs), gold, diamonds, uranium, manganese, chromium, nickel, bauxite (aluminum raw material), and cobalt. SSA's production of the world's major nonferrous metals (copper, lead, and zinc) is less significant, although copper mining and processing is an important industry for several SSA countries. Silver production is also low because silver is largely a byproduct of processing these metals. Approximately 11 percent of the world's bauxite production comes from SSA, but less than half is converted to alumina (intermediate aluminum oxide material) or aluminum locally.[3] Although underexplored, SSA has about 30 percent of the world's known mineral reserves, including 40 percent of the world's gold, 60 percent of the world's cobalt, and 90 percent of the world's PGMs.[4] SSA also continues to produce much of the world's mine supply of chromite, vanadium, zirconium, titanium, and other specialty metals and ores.

- Gemstones account for a large share of SSA mineral production, with diamonds accounting for 8 percent of the overall sector (and approximately two-thirds of the $24.8 billion in overall gemstone production). Normally, South Africa is the dominant producer, because of its large diamond mining industry. However, according to the International Monetary Fund, DROC ($7.4 billion) outproduced South Africa ($6.2 billion) in diamonds in 2003. Seventy-eight percent of DROC's production total was artisanal and not production by Société Minière de Bakwanga, which is the majority producer historically and is 80-percent owned by the government.[5] As a result of the United Nations' review of DROC's diamond trade, the country was suspended from world trade in diamonds in July 2004.[6] Significant production of other gemstones in SSA includes agate (notably Namibia), amethyst, beryl (including emerald), chrysocholla (primarily in DROC and Zambia), emerald, garnet, rose quartz (from Mozambique and Namibia), tourmaline, and topaz (predominantly Nigeria).

- SSA also produces a large portion of the world's supply of several industrial minerals (IMs), such as fluorspar, vermiculite, and various specialty alumino-silicates. Other major IM production targeted for export includes specialty clays (e.g., kaolin and brickmaking clay), cement, limestone, dolomite, phosphate, and dimension stone (e.g., marble and granite). IM production consumed locally includes all the major construction materials, such as aggregates (e.g., sand and gravel), silica (and some glassmaking operations), and clays. Most production comes from numerous smaller scale facilities geared toward meeting local demand. For example, of South Africa's 707 mines and quarries,[7] 531 produce IMs.[8] Total 2003 IM production in SSA was estimated at $4.1 billion, of which $2.4 billion came from South Africa.[9]

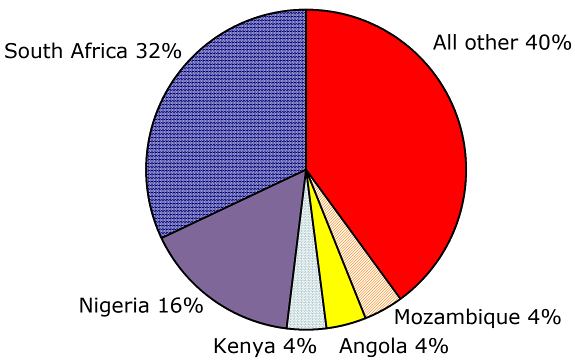
- The iron and steel industry is a significant part of the minerals and metals sector in SSA, largely due to the natural endowment and proximity of major alloying metals, and the existence of a developed South African metals industry that is capable of producing multiple types and forms of steel products, including stainless. South Africa produced 9.5 million metric tons of crude steel in 2003 (81 percent of SSA's total); Zimbabwe, Tanzania, and Nigeria are also notable producers of both ferroalloys and steel mill products.[10] Iron and steel production is estimated to have accounted for 19 percent of the $100-billion minerals and metals manufacturing industry in South Africa in 2003.[11] Including iron making, ferroalloy production, and stainless steel production, approximately 65 percent ($24.3 billion) of SSA's nonmining ferrous industry is in South Africa.

OVERVIEW-Continued

- In mid-2003 and into 2004, prices for several minerals and metals continued to recover from the extreme lows of the 1997-early 2003 period, reflecting declining inventories arising from a combination of worldwide production shutdowns and cutbacks, and rising consumption. In 2003, aluminum, which had declined to $0.62 per pound, averaged $0.67 per pound; gold, which had declined to $294 per troy ounce, averaged $350 per troy ounce; and copper, which had reached a low of $0.59 per pound, averaged $0.82 per pound. The Producer Price Index for steel mill products rose over 6 percent in 2003 and was up almost 8 percent over the 2001 level.[12] These price increases contributed to the improving economies of the metal-producing SSA countries and attracted additional FDI, notably from Australasian (Australian and Chinese) and North American (Canadian and U.S.) sources.[13]
- Prices of most PGMs have increased over the last decade because of strong demand from the transportation equipment sector, which uses these metals in catalytic converters, and also because of uncertainty regarding Russian supplies of these metals.[14] As a major producer of PGMs, South Africa has benefited from the price increases. However, palladium, rhodium, and ruthenium continued their 2-year price decline in 2003, thus negatively affecting South Africa's PGM industry.[15]
- South African gold production decreased by 35 percent in the past decade (from 578 tons in 1993 to 376 tons in 2003), with a corresponding decrease in producing companies (from 50 gold producers listed on the Johannesburg Stock Exchange Securities Exchange to 14). Employment in the sector also declined significantly. Some analysts expect gold output to maintain the current level until 2006, and drop by 25 tons per year thereafter. Because of the long lead time and costliness of discovering and developing new mines, production increases are not predicted for the near future.[16]
- Several SSA countries, such as Botswana, Mozambique, and DROC,[17] are continuing to implement investment-friendly regulatory protocols. However, South Africa's Black Empowerment initiatives, coupled with a new mining law that took effect in 2003 (ceding land ownership back to the state), and the 2004 Mineral and Petroleum Royalty Bill (referred to as the "Money Bill," this legislation instituted royalties of 3 percent on gold, 4 percent on platinum, and 8 percent on diamonds),[18] have created significant valuation and financial risk issues that are delaying sector investment in South Africa.[19] Further, the proposed new Mine Health and Safety Acts are expected to increase production costs.[20] To counteract these effects, a Beneficiation Bill has been proposed to promote South Africa's minerals industry by granting South Africans the opportunity to own basic forms of gold, diamonds, and PGMs, and possibly other minerals as well.[21] This bill is expected to stimulate downstream processing and fabrication of these basic forms in South Africa by providing producer incentives such as remission of mining royalties for locally manufactured products.[22]
- The Geita gold mine in Tanzania became fully operational in late 2002. Owned by Geita Gold Mining Limited and operated by Ashanti Goldfields (Ghana) and AngloGold (South Africa) under a joint-venture agreement, Geita now produces about one-half of Tanzania's gold, making it one of Africa's largest gold-producing mines. Approximately 655,000 ounces of gold were produced during 2003.[23]
- The United States enacted the Clean Diamond Trade Act (Public Law 108-19) on April 25, 2003, which was initiated by Congress in response to the use of diamonds to fund conflict and human rights violations in parts of Africa. The Act bans the importation of rough diamonds from any nonparticipant in the Kimberley Process Certification Scheme (KPCS). Presidential Executive Order 13312, effective July 30, 2003, which amends prior orders on the subject to reflect provisions of the new Act, bans all rough diamonds from Liberia, even if they originated elsewhere, and removes the prior ban on all rough diamonds from Sierra Leone that are controlled through the KPCS.[24] The Central African Republic joined the 61 member-countries of the KPCS in August 2003.[25] As noted above, DROC was suspended by the United Nations from world trade in diamonds in July 2004.[26]
- On July 13, 2004, DeBeers pled guilty to price fixing and agreed to pay $10 million to settle a 10-year-old indictment in U.S. District Court. This settlement is widely anticipated to increase South African diamond exports to the U.S. market by allowing DeBeers to re-establish a direct marketing presence in the United States, which would increase U.S. imports from South Africa, because Anglo-American, the largest South African mining company, is a subsidiary of DeBeers.[27]

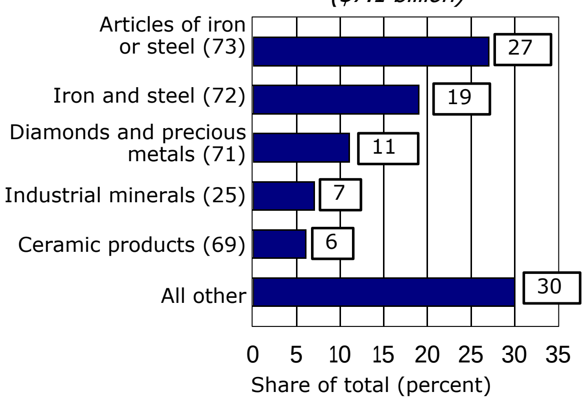
TRADE

SSA sector global imports, by country, 2002
($7.1 billion)



Source: United Nations.

SSA sector global imports, by HTS chapter, 2002
($7.1 billion)

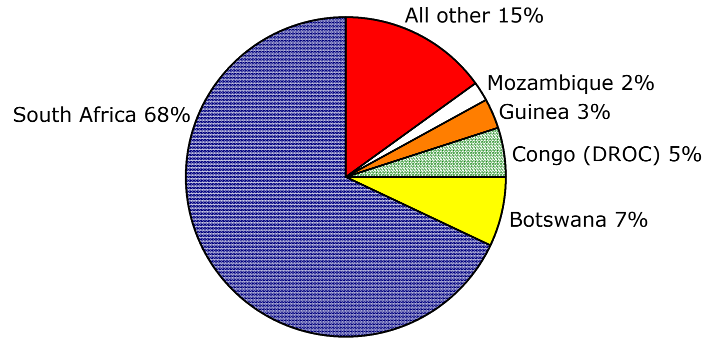


Source: United Nations.

Major Import Source (2002)	Share of Total (percent)	Major Import Item (6-digit HTS) (2002)	Share of Total (percent)
EU15	42	Nonindustrial diamonds (7102.31)	7
South Africa	8	Certain portland cement (2523.29)	4
China	7	Iron or steel structures (7308.90)	3
India	5	Refined copper cathodes (7403.11)	2
Japan	4	Glazed ceramic tiles (6908.90)	2

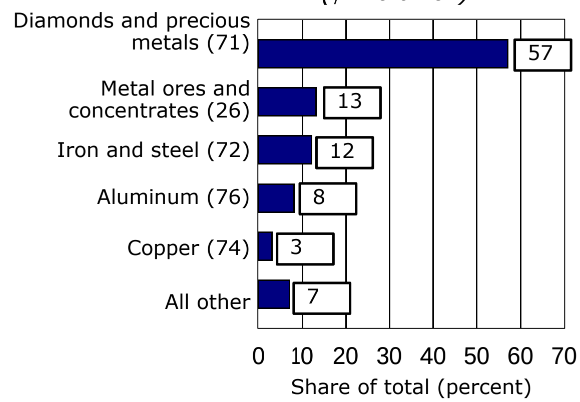
Source: United Nations.

SSA sector global exports, by country, 2002
($22.0 billion)



Source: United Nations.

SSA sector global exports, by HTS chapter, 2002
($22.0 billion)



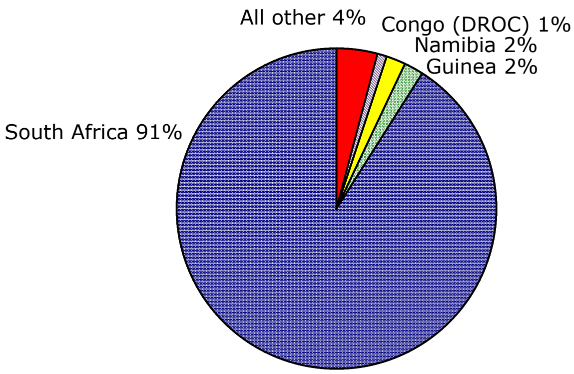
Source: United Nations.

Major Export Market (2002)	Share of Total (percent)	Major Export Item (6-digit HTS) (2002)	Share of Total (percent)
EU15	48	Nonindustrial diamonds (7102.31)	26
United States	13	Gold (7108.12)	12
Japan	9	Platinum (7110.11)	9
India	9	Aluminum (7601.10)	6
China	4	Iron ore (2601.11)	4

Source: United Nations.

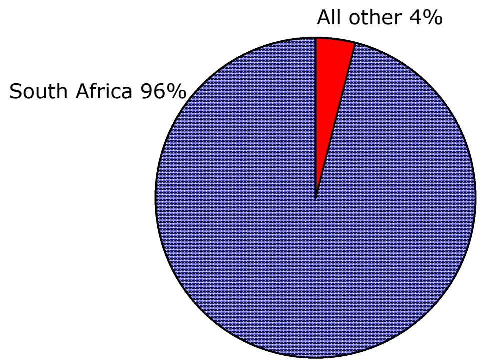
TRADE-Continued

U.S. sector imports from SSA, by source, 2003
($3.0 billion)



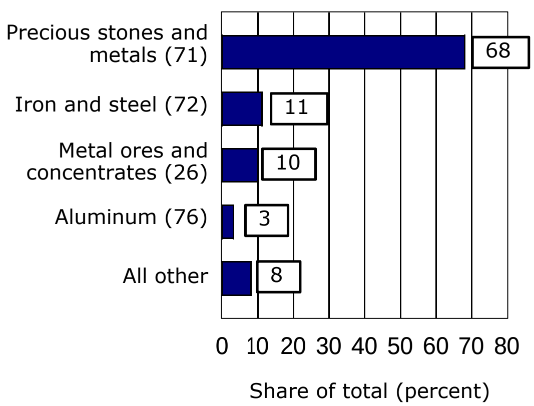
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports under AGOA (including GSP), by source, 2003
($413 million)



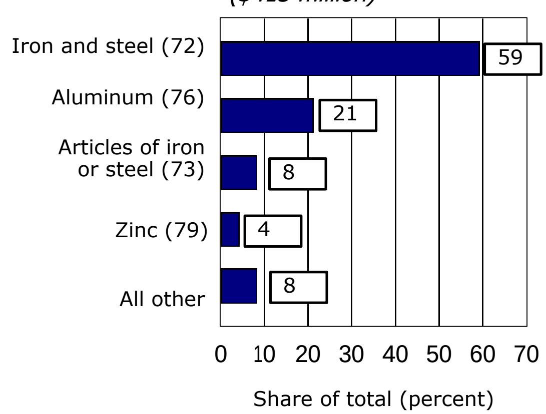
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports from SSA, by HTS chapter, 2003
($3.0 billion)



Source: Compiled from official statistics of the U.S. Department of Commerce.

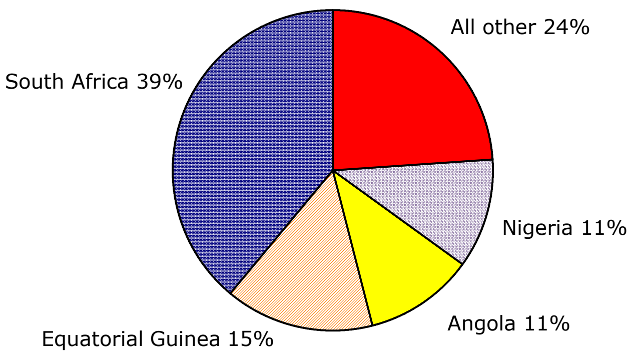
U.S. sector imports under AGOA (including GSP), by HTS chapter, 2003
($413 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

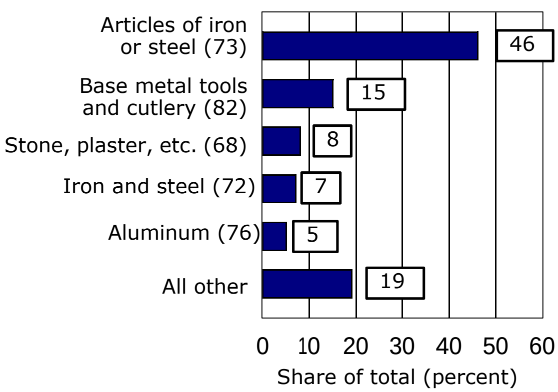
TRADE-Continued

U.S. sector exports to SSA, by market, 2003
($269 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector exports to SSA, by HTS chapter, 2003
($269 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

Key U.S. Import Developments

- The U.S. trade deficit with SSA in minerals and metals increased $287 million (12 percent) to $2.7 billion in 2003. U.S. imports increased by $290 million (11 percent) to $3.0 billion. South Africa is the leading SSA sector supplier, accounting for 91 percent of U.S. sector imports from SSA in 2003. Almost all PGMs are from South Africa, and the country is the primary mine source for a majority of specialty metals (including PGMs) consumed by the U.S. high-tech and transportation industries. For some of these metals, such as chrome, there are few alternative sources available.
- The largest U.S. import increases, by value, were in diamonds, other gemstones, and precious metals (HTS chapter 71, an increase of $252 million, or 14 percent); and iron and steel (HTS chapter 72, an increase of $24 million, or 8 percent) reflecting the continued growth in the iron and steel industries in South Africa, Tanzania, and neighboring countries). SSA lead, zinc, ceramic, and copper product exports to the United States also rose significantly because of improved metal prices, increased raw material production volume, and increased downstream product manufacturing.
- Sixty-eight percent of U.S. sector imports from SSA in 2003 were PGMs, which are almost all from South Africa, and diamonds, mostly from South Africa, DROC, and Angola. U.S. PGM imports increased to $1.3 billion, 11 percent by value, to 44 percent of all sectoral imports. U.S. imports of diamonds, of which 97 percent were natural gemstones, totaled $735 million in 2003, or 25 percent of the sector import total. Gold and silver imports (which are less than 1 percent of the total U.S. sectoral imports from SSA) decreased by 67 percent, largely in nonmonetary powder and other unwrought forms, offset slightly by increases in semi-manufactured forms.
- The increase in U.S. sector imports in 2003 was largely a result of higher gold, platinum, and diamond prices, and the corresponding production increases. The strengthening U.S. economy increased discretionary income, which likely promoted increased consumption of precious jewelry and increased importation of rough diamonds for finishing. Twelve SSA countries reported increases in sector exports to the United States.

Key AGOA Trade Developments

- U.S. sector imports under AGOA totaled $413 million in 2003, up 11 percent from 2002. Imports under AGOA accounted for 14 percent of total sector imports from SSA in 2003, similar to the previous year.
- The bulk of U.S. imports of minerals and metals under AGOA were supplied by South Africa (96 percent) and Namibia (under 4 percent), totaling $412 million in 2003. Iron and steel products, primarily ferroalloys, accounted for 59 percent of sector imports under AGOA in 2003, with aluminum products increasing 16 percent, by value, to 21 percent of the total. Varied base metal articles (mostly manganese for alloying steel) and zinc products (mostly unwrought forms, largely used for galvanizing steel) recorded the largest percentage increases.

Key U.S. Export Developments

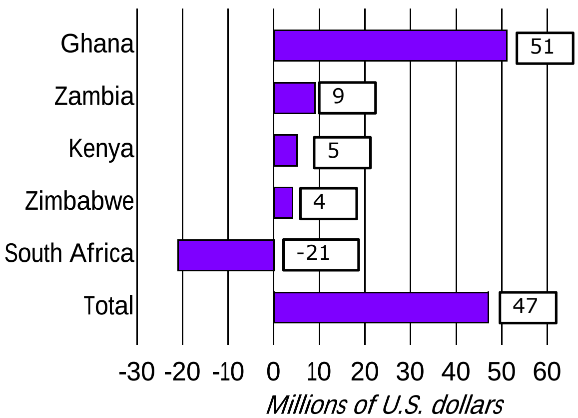
- U.S. sector exports to the region increased by $3 million (1 percent) in 2003. By value, U.S. exports increased markedly to Equatorial Guinea (an increase of $27 million, or 189 percent, largely to support oil and gas production), Angola (an increase of $15 million, or 103 percent, to support oil and gas processing), and South Africa (an increase of $14 million, or 16 percent). On a percentage basis, Lesotho, Madagascar, Djibouti, and Eritrea posted the largest percentage increases in purchases of U.S. products. Several countries recorded double-digit declines, largely as a result of economic problems (e.g., Swaziland, down 92 percent; and Tanzania, down 87 percent) and geopolitical issues (e.g., DROC, down 98 percent; and Chad, down 78 percent). Chad recorded the largest decline, by value, at $22 million.
- U.S. exports reflect the significant oil exploration and oilfield development that is underway in SSA, primarily in Nigeria, Angola, and surrounding areas. U.S. suppliers are heavily involved, and steel mill products are the major exports. However, the drilling operations leveled off in 2002 and began decreasing in 2003, causing the exports of drilling commodities, such as pipe and tube, tools, mesh, and drilling muds, to decline. The iron and steel articles group (HTS chapter 73) recorded the largest dollar-value decline ($4 million), yet remained the largest subsector, accounting for 46 percent of U.S. sector exports to SSA. Structural commodities, which are largely semi-fabricated plate, sheet, and strip products, recorded the largest value increase ($12 million, or 167 percent). In particular, steel structures, towers, masts, as well as lime and cement products, showed significant increases. Most of those were directed toward oil and gas recovery and refining facilities construction.

TRADE-Continued

- U.S. sector exports to South Africa totaled $104 million, or 39 percent of U.S. sector exports to SSA. The largest value increase was in precious metals, up $8 million, primarily semi-manufactured forms of platinum and waste and scrap of all PGMs. Although South Africa has significant precious-metals refining capacity for unwrought forms (e.g., doré, bullion, bars, and grains), it must rely on imports of semi-manufactured forms (e.g., sheets and wire) for the manufacture of downstream products, particularly precious jewelry, coins, and electronic conductors. In contrast, U.S. exports of cut diamonds declined by $6.6 million, or by 97 percent).[28]

INVESTMENT

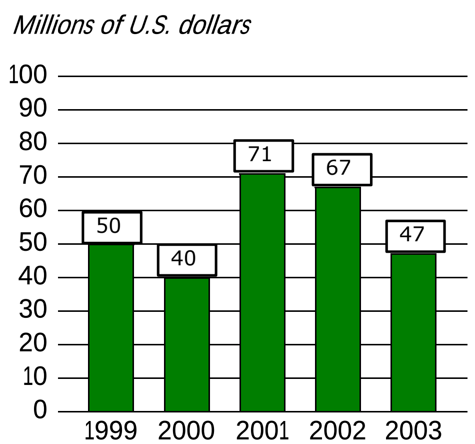
U.S. sector SSA FDI position, by country, 2003



Note.—Does not include mining and certain processing operations or industrial minerals. Industry classification basis changed from SIC to NAICS in 2002.

Source: Bureau of Economic Analysis, U.S. Department of Commerce. Data are for sector defined as "Primary and Fabricated Metals."

U.S. sector SSA FDI position, 1999-2003



Note.—Does not include mining and certain processing operations or industrial minerals. Industry classification basis changed from SIC to NAICS in 2002; data from 1999 to 2001 have been converted to NAICS. Data for 2001 and 2002 have been revised from previous estimates.

Source: Bureau of Economic Analysis, U.S. Department of Commerce. Data are for sector defined as "Primary and Fabricated Metals."

- The U.S. FDI position in the nonmining[29] SSA minerals and metals sector totaled $47 million in 2003, down from $67 million in 2002. Ghana continued to be the major SSA country for U.S. FDI in the sector in 2003. The sector accounted for less than 1 percent of the total U.S. FDI position in SSA in 2003, and SSA accounted for less than 1 percent of the global U.S. FDI position in the sector that year.[30]
- The recent increase in exploration and mine development in SSA has been largely directed toward gold and diamonds. Major new mines opening or under development in SSA are in South Africa, Ghana, Namibia, Botswana, Tanzania, and Gabon, primarily to produce gold, diamonds, niobium products, PGMs, chrome, and various base metals. Major discoveries over the last year include several potential diamond-bearing ores in Mauritania, and potential offshore diamond deposits in southern Namibia.[31]
- The Ghanaian government granted Newmont Mining Corp. (U.S.) a 30-year mining lease for two gold mining operations – Ahafo and Akyem. Newmont later announced its intent to invest $350 million to develop the Ahafo mine, targeting annual production of approximately 500,000 ounces (providing approximately 1,400 jobs) in 2006.[32]
- The J&W Investment Group acquired Luanshya Copper Mines Plc and Chambishi Metals Plc (Zambia) from Avmin in 2003 and spent approximately $50 million to rehabilitate the mine facility (scheduled to reopen by 2005).[33] Metorex (South Africa) operates the mine.[34]
- On June 20, 2004, Metorex reached an agreement with the Government of DROC, Gecamines, and Sentinelle Global Investments to mine and treat the high-grade copper-cobalt orebody and stockpiles in the Katanga Province of DROC. Phase I is expected to cost $15-18 million. Phase II, pending a feasibility study, is estimated to cost $150-180 million, with a resulting production of 120,000 metric tons per month.[35]
- Metorex continued significant exploratory drilling at Burkina Faso's Perkoa Zinc Project, delineating almost 7 million metric tons of ore containing 18 percent zinc. A financial feasibility study is expected in 2004.[36]
- On May 13, 2004, Alcoa World Alumina LLC (U.S.) and Alcan Inc. (Canada) signed a Memorandum of Understanding to jointly assess the feasibility of constructing an alumina refinery in Guinea.[37]
- Although Konkola Copper Mines Plc (KCl, Zambia) was projected to close in early 2003 (the previous owner, Anglo American, pulled out in 2002), the government has maintained operations. In August 2004, Zambia sold a 51-percent controlling stake to Vedanta Resources (India) for $48 million, subject to KCl shareholder approval in October.[38]
- According to the South African government, the total estimated investment in newly committed mineral-related projects in South Africa in 2003 was R68.5 million (approximately $9.1 billion), up 29 percent over 2002. The expected investment in potential mineral-related projects in South Africa was R19.6 million (approximately $2.6 billion), down 10 percent.[39] Of that total, 88 percent was earmarked for primary mineral production. Platinum accounts for 61 percent of that total and is led by Impala Platinum's investment of R5 billion (approximately $661 million), Anglo Platinum / Royal Bafokeng's R4 billion (approximately $529 million) investment, and Anglo Platinum's R3.7 billion (approximately $489 million) investment. Gold represents 34 percent of the total in newly committed primary mineral projects. This expenditure is led by the Placer Dome / Western Areas' R5 billion (approximately $661 million) joint venture, AngloGold's R3.8 billion (approximately $502 million) investment, and Goldfield's R2.9 billion (approximately $377 million) investment. In potential project development, gold accounts for 98 percent of the total, platinum accounts for less than 2 percent, and other minerals account for 0.3 percent (substantially lower than the 77-percent share held in 2002).

ENDNOTES

[1] This sector includes items classified in Harmonized Tariff Schedule chapters 25, 26, 68 through 76, and 78 through 83.

[2] The minerals and metals sector includes clays and earths, sand and gravel, stone, cement and plaster, and nonmetallic minerals; metal-bearing ores, concentrates, ash, and residues; ceramic, glass, and fiberglass articles; gemstones; iron and steel, base metals, precious metals, and metal alloys in unwrought and scrap forms; ferrous and nonferrous mill products (shaped by casting, forging, machining, rolling, drawing, or extrusion operations); and certain fabricated metal products (e.g., containers, wire cables, chain, industrial fasteners, certain kitchen and sewing implements, cutlery, nonpowered hand tools, construction components, builders' hardware, etc.).

[3] World Bureau of Metal Statistics, *World Metal Statistics 2004* (Ware, England: World Bureau of Metal Statistics, May 7, 2004), pp. 9-12.

[4] "Africa: Mining," MBendi, found at Internet address *http://www.mbendi.co.za/indy/ming/af/p0005.htm*, retrieved June 16, 2004.

[5] Derived from "Democratic Republic of the Congo: Selected Issues and Statistical Appendix," International Monetary Fund, Country Report No. 03/175, June 2003, found at Internet address *http://www.imf.org/external/pubs/ft/scr/2003/cr03175.pdf*, retrieved Aug. 31, 2004.

[6] Daniel Balint-Kurti, "Congo Suspended From World Diamond Trade," *Associated Press*, July 10, 2004, found at Internet address *http://www.mercurynews.com/mld/mercurynews/news/world/9125827.htm1*, retrieved July 13, 2004.

[7] "Minerals," *Infomine Africa Newsletter*, Sept. 2003, found at Internet address *http://www.infomine africa.com/news.asp#Most*, retrieved Sept. 16, 2003.

[8] *Infomine Africa*, found at Internet address *http://infomine africa.com/afrinfogen.asp*, retrieved 2001.

[9] Data derived from unpublished statistics and estimates of the U.S. Geological Survey, MBendi, Infomine Africa, and the Department of Minerals and Energy (South Africa).

[10] International Iron and Steel Institute, *World Steel in Figures, 2004 Edition*, found at Internet address *http://www.worldsteel.org/media/wsif/wsif2004.pdf*, retrieved Sept. 15, 2004.

[11] Department of Minerals and Energy, Republic of South Africa, available at Internet address *http://www.dme.gov.za/home.asp?menu=main*, retrieved July 26, 2004.

[12] U.S. Geological Survey, "Minerals Information," found at Internet address *http://minerals.usgs.gov/minerals*, retrieved July 26, 2004.

[13] U.S. Geological Survey, *Mineral Commodity Summary 2004: Iron and Steel*, found at Internet address *http://minerals.usgs.gov/minerals/pubs/commodity/iron_&_steel/festmcs04.pdf*, retrieved Sept. 15, 2004.

[14] There have been 3 significant worldwide shifts during the last decade in the platinum and palladium markets that are expected to cause continued industry restructuring and market shakeups. First, worldwide efforts to control pollution have caused many developing countries to mandate use of catalytic technology, which requires platinum-group metals. Second, Russian export controls have created upward price pressures on the world market. Third, the dual reversal of prices between platinum and palladium (platinum values increased dramatically in the late 1990s, causing many consumers to switch to palladium, which then increased palladium prices to the point that consumers began to switch back to platinum) has caused many catalytic converter producers to implement technologies allowing for either metal to be used. In the long run, this should stabilize the market.

[15] U.S. Geological Survey, "Minerals Information."

[16] According to the Chamber of Mines of South Africa, as reported in "Gold Production in SA in Decline," *Mining e-News*, Dec. 2003.

[17] "A New Dawn for the DRC?" *Metal Bulletin*, July 24, 2003, p. 9.

[18] "The South African Government Releases Mining Royalty Bill," *Werkmans UK Limited*, Mar. 2003, found at Internet address *http://www.werksmans.co.za/uk/alert_20030326.pdf*, retrieved July 27, 2004.

[19] "Perceived Empowerment Risks Discourage U.S. Investors," *Business Day* (South Africa), Aug. 18, 2003, via NewsEdge Corporation, retrieved Aug. 19, 2003; and Daniel Thole, "Resources Take a Pounding," *Moneyweb (Johannesburg)*, found at Internet address *http://allafrica.com/stories/printable/200308180609.htm*, retrieved Aug. 28, 2003.

[20] According to the Chief Inspector of Mines, as reported in "Most Small Miners Unable to Comply with Health and Safety Act," *Mining e-News*, Feb. 2004.

[21] See Internet address *http://www.polity.org.za/pdf/DraftPrecMet&DiaGenAmenBill.pdf* for the bill in its present form; and "Rediscovering SA mineral beneficiation tradition," *Polity*, at Internet address *http://www.polity.org.za/pol/opinion/?show=49446* for a discussion.

[22] "Beneficiation Bill to Encourage Economic Growth," *Infomine Africa Newsletter*, Oct. 2003, found at Internet address *http://www.infomine africa.com/news.asp#Most*, retrieved Nov. 2003.

[23] "Geita Mine One of Africa's Largest Gold Mines," *Mining e-News*, Feb. 2004.

[24] Sheryl Katz, "Bush Bans Conflict Diamonds," *DIAMONDS.NET*, found at Internet address *http://www.diamonds.net/news/newsitem.asp?num=8317&type=all*, retrieved Aug. 8, 2003.

[25] "CAR Joins the Kimberley Process," *Mining e-News*, Aug. 2003.

[26] Daniel Balint-Kurti, "Congo Suspended From World Diamond Trade," *Associated Press*, July 10, 2004, found at Internet address *http://www.mercurynews.com/mld/mercurynews/news/world/9125827.htm1*, retrieved July 13, 2004.

[27] Margaret Webb Pressler, "DeBeers Pleads to Price-Fixing: Firm Pays $10 Million, Can Fully Reenter U.S.," *Washington Post*, July 14, 2004, p. E01.

[28] U.S. Geological Survey commodity specialists, telephone interview by USITC staff, Aug. 5, 2004.

[29] The BEA data does not separate mineral and metal mining from fuel production. Therefore, the FDI number in this section does not include mining activities. These are included in the Petroleum and Energy-Related Products sector profile. Additionally, data for varied countries, notably ROC, Ghana, Kenya, and Zambia, are not disclosed owing to confidentiality. U.S. FDI position is negative for some countries.

[30] USDOC, BEA, Direct Investment Position Abroad on a Historical-Cost Basis: Country Detail by Industry, provided to USITC staff, Sept. 16, 2004.

[31] "Africa: Mining," MBendi, found at Internet address *http://www.mbendi.co.za/indy/ming/af/p0005.htm*, retrieved June 16, 2004.

[32] "Newmont investing $350M in Ghana project," *Denver Business Journal*, Dec. 19, 2003, found at Internet address *http://denver.bizjournals.com/denver/stories/2003/12/15/daily52.html*, retrieved Jan. 21, 2004.

[33] Data and reference provided by George Coakley, U.S. Geological Survey, Minerals Information Team, International Minerals Division, Dec. 16, 2003.

[34] Metorex Limited, found at Internet address *http://www.metorexgroup.com/Chibuluma.htm*, retrieved Dec. 17, 2003.

ENDNOTES

[35] Metorex Limited, found at Internet address *http://www.metorexgroup.com/RuashiHoldings.htm*, July 29, 2004.

[36] Metorex Limited, found at Internet address *http://www.metorexgroup.com/MtxBurkinaFasoProj.htm*, retrieved Dec. 17, 2003.

[37] Alcoa press release, May 13, 2004, found at Internet address *http://www.alcoa.com/global/en/news/news_detail.asp?pageID=241344825&newsYear=2004*, retrieved May 17, 2004. Bauxite ores are mined for their aluminum oxide, or alumina, content. After cleaning and processing, the alumina is refined to produce pure aluminum metal.

[38] "Vedanta pays $48m for Konkola mines," *India Times*, Economic Times News Network, Aug. 21, 2004, found at Internet address *http://economictimes.indiatimes.com/articleshow/822314.cms*, retrieved Sept. 15, 2004.

[39] Directorate: Mineral Economics, "Investment in South Africa's Mineral Sector," Second Ed., 2003, found at Internet address *http://www.dme.gov.za/publications/pdf/annual_reports/R39%20invest_in_sa_2004.pdf*, retrieved July 2004.

TEXTILES AND APPAREL[1]

OVERVIEW

- SSA accounted for less than 1 percent of world exports of textiles and apparel and incurred a $1.9-billion trade deficit in such goods in 2002, based on imports of $4.7 billion and exports of $2.8 billion. SSA's major textile and apparel export markets were the United States (43 percent) and the EU (39 percent); the major import sources were China (29 percent of SSA imports), the EU (21 percent), and India (13 percent). SSA sector exports were concentrated in apparel and among a few countries – Mauritius, South Africa, Lesotho, Madagascar, and Kenya – which together accounted for 85 percent of the total in 2002.
- Prompted by AGOA preferences, the textile and apparel sectors in SSA countries have launched numerous new projects as a result of SSA government initiatives and loans, increased intra-SSA country partnerships, and initiatives by foreign investors.
- Lesotho is the largest SSA supplier of sector goods to the United States with total shipments of $393 million in 2003, an increase of 22 percent from the 2002 level. Its textile and apparel sector has grown steadily as a result of AGOA, with employment expanding from 19,000 workers in April 2001 to over 54,000 in May 2004, making it the country's second-largest employer after the government.[2] Lesotho's first denim mill, Formosa Textiles, began denim and yarn production for local and regional markets in April 2004. The mill imports most of the cotton used in its production from Malawi and Zambia; small amounts are also imported from Ethiopia and Zimbabwe.[3] Lesotho has an estimated 40-60 textile and apparel plants, most of which are owned by firms in Taiwan and other Asian countries. The competitiveness of Lesotho largely reflects its low labor costs and designation as a least developed country, which allows apparel producers there to use lower cost third-country (mainly Asian) fabrics in the production of apparel for export to the United States. Trade sources also report that Lesotho requires less paperwork for work permits and has fewer challenges with labor unions than other SSA countries. Apparel producers in Lesotho reportedly sell garments to such U.S. firms as Gap, Wal-Mart, and Target.[4]
- Mauritius, compared with many other SSA countries, has a skilled workforce and an established industry that reportedly is focusing on higher value-added goods to help offset its higher wages.[5] In the spinning and weaving sector, for example, the average hourly wage (including fringe benefits) of production workers is $1.33, compared with $0.62 in Kenya and Ethiopia.[6] The move to higher valued goods is evident, as U.S. imports of sector goods from Mauritius in 2003 fell by 4 percent by quantity to 45 million square meter equivalents (SMEs), but rose 6 percent by value, to $269 million. However, U.S. imports of sector goods from Mauritius that entered free of duty under AGOA rose by 29 percent in 2003 to $135 million. Currently, 49 textile and apparel companies are registered with the Government of Mauritius Ministry of Commerce and Cooperatives for export to the United States under AGOA. These companies employ about 50,000 workers and have a production capacity of 15 million pieces per month.[7] Several new yarn spinning projects were launched in 2003 as result of initiatives by foreign investors.
- Textile and apparel manufacturing is increasingly important to Ethiopia's economy; the textile and apparel sectors account for 26 percent and 4 percent, respectively, of the country's total manufacturing sector.[8] In Ethiopia, in early 2003, the government earmarked 1.5 billion birr (approximately $174 million) for a loan to upgrade and improve the country's textile and apparel sector. The government has also established an export-processing zone and has rented the land and manufacturing facilities to the private sector in an effort to encourage textile and apparel exports to the United States.[9] A new firm, the Basic Yarn Ethiopia Plc, began to produce textiles and apparel in 2003.[10]
- The Government of Ghana, under its Presidential Special Initiative, announced plans to construct a garment village with a large industrial park. The project will include a garment factory that, in its first phase, will have an annual production capacity of 3.6 million jeans, pants, shorts, and dresses for export; 70 percent of production will be exported to the United States and 30 percent to Europe. A new textile firm in Ghana, worth $70 million and planned for the Tema Free Zones, is expected to begin production of raw materials for the country's textile and apparel industry in July 2004 and employ 1,000 workers on three shifts.[11] Ghana's largest apparel production facility currently in operation is an AGOA-initiated U.S.-Ghanaian joint-venture project that produces socks.[12]
- An example of an intra-SSA country partnership prompted by AGOA is the establishment, with investment by Mauritius, of a $1.2-million factory located in Accra, Ghana, to produce fabric, trousers, and T-shirts. The factory began trial production in August 2003 and now produces about 3,000 T-shirts per day.[13] Mauritius investors have also purchased a declining textile firm in Mozambique, Textile do Pungue, and reportedly plan to invest $3 million in renovating the facility. They expect to employ 600 workers and produce 7,000 pairs of jeans per day for the U.S. market under AGOA.[14]
- In Tanzania, a new factory, Star Apparels, opened in early 2004 as a direct result of AGOA and the Government of Tanzania's export processing zone policies. The factory has hired 700 employees and expects to export more than $1 million worth of apparel, more than doubling its exports under AGOA in 2003. Star Apparel's first order of shirts for Wal-Mart was reportedly produced with yarn imported from the United States.[15]
- Although AGOA has prompted numerous new textile and apparel projects in the SSA countries, some industry sources have voiced concerns that the impact of AGOA has been uneven, disproportionately benefitting just a few countries.[16] Since the implementation of AGOA in 2000, there reportedly have been no capital expenditures in the textile industries in Mozambique, Seychelles, and DROC. In contrast, capital expenditures to upgrade, expand, and build new mills in other SSA countries have ranged from $0.5 million in Botswana to about $50 million in Swaziland to as much as $150 million in South Africa.[17]
- The growth of the textile and apparel sectors in SSA countries reportedly continues to be constrained by widespread shortages of raw materials and textile inputs, high production costs relative to Asian suppliers, and capacity underutilization. Industry sources at a Chinese-owned mill in Lesotho claim that their salary costs, exclusive of productivity differences, are almost three times greater than what they would pay at a comparable facility in China.[18] Kenya's cotton supply reportedly falls short of demand and is viewed as both expensive and of insufficient quality.[19] The cotton industry in Zimbabwe, which is not an AGOA beneficiary, operates at only slightly more than 50 percent of capacity.[20] Textile industry sources in Malawi expressed concern that, if the AGOA third-country fabric provision had not been extended in 2004 for another 3 years, continued production would have become difficult because of inadequate domestic supply of yarns and fabrics.
- Even with the extension of the AGOA third-country fabric provision, SSA countries are still concerned about the potential negative impact that the quota elimination will have on their textile and apparel industries.[21] In early July 2004, Mauritius became the first country to publicly call for a special WTO meeting to investigate the impact of pending elimination of all remaining textile and apparel quotas among WTO members.[22]

OVERVIEW-Continued

- Further hampering the growth of the textile and apparel industries in numerous SSA countries has been the influx of used clothing and inexpensive smuggled goods. Sources in Uganda state that imports of used clothing, which reportedly account for as much as 85 percent of the Ugandan domestic clothing market, discourage investors.[23] In Kenya, many untaxed garments are reportedly entering the local market and competing with local production.[24]

- SSA countries such as South Africa that had been supplying textiles to eastern and southern Africa, have had difficulty in producing enough textile inputs to meet regional demand and have not been able to attract investors to offset the insufficient volume.[25] Furthermore, although some SSA countries produce sufficient domestic supplies of raw materials and textile inputs, the quality of these products falls short of standards sought in the international marketplace. In Uganda, for example, a leading textile firm, Apparel Tri-Star, which had been sourcing fabric from Sri Lanka because of concerns about the quality of raw materials used in local production, only recently announced plans to start using fabric produced domestically.[26]

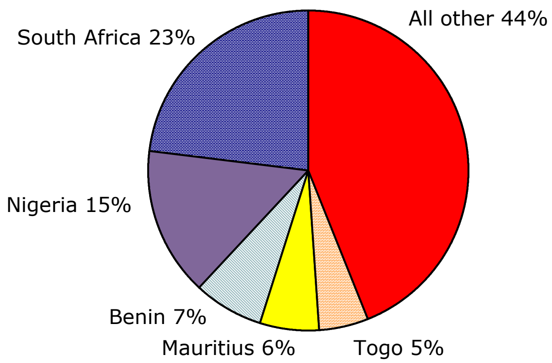
- Some SSA governments claim that obsolete machinery, which limits their productivity and competitiveness, prevents their textile and apparel industries from taking full advantage of AGOA preferences. There appears to be a pressing need to modernize factories throughout the region.[27] Industry sources in Senegal, for example, report that virtually no mill operates at capacity and that most mills use outmoded equipment for sporadic, noncompetitive production runs of simple products such as towels and blankets. Although a number of companies are reportedly involved in Senegal's yarn and textiles market, some of these firms have been largely inactive in recent years and data on capacity are unreliable. None can be considered to have up-to-date equipment or a skilled workforce.[28]

- The export competitiveness of SSA countries in the global textile and apparel market reportedly has been hampered by high taxes, high utility and input costs, and, for some SSA countries, currency appreciation. Industry sources in Ghana report that a certain fabric produced in Ghana costs at least three times more than a comparable fabric made in China.[29] Producers in Ghana assert that taxes account for 30 to 40 percent of the cost of their textiles and create the significant price differential between their products and those of other suppliers.[30] In 2003, textile firms in Nigeria feared the loss of 50,000 employees because of a 300-percent rise in the price of crude oil used by the textile industry.[31] Niger and Kenya reportedly have relatively high utility costs. Kenya's electric power costs are an estimated $0.07 per kilowatt hour, compared with $0.016 for South Africa; power costs in Kenya reportedly account for as much as 30 percent of its apparel component costs versus 15 percent for those in Egypt and European countries.[32]

- The strength of some SSA countries' currencies relative to the U.S. dollar, particularly that of the South African rand (to which other SSA currencies such as that of Swaziland are pegged), weakened the competitiveness of textile and apparel exports from these countries in 2003 and reportedly led to an influx of imports of yarns, fabrics, and garments into SSA countries from Asian suppliers.[33] Lesotho's currency, the maloti, is pegged one-to-one with the South African rand, and dollar costs have been increasing. Industry sources in Lesotho speculated that, if the South African rand continues to strengthen against the U.S. dollar, investors may significantly slow, if not drop, plans to build a spinning and weaving mill in Lesotho.[34] Kenya's apparel producers reported revenue losses in 2003 because of the almost 10-percent appreciation of the Kenyan shilling against the U.S. dollar.[35]

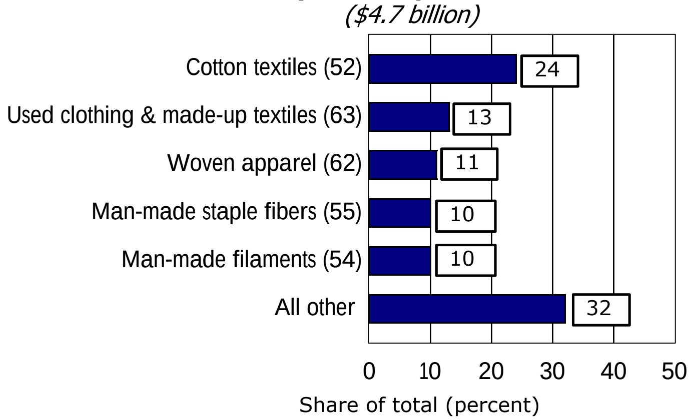
TRADE

SSA sector global imports, by country, 2002
($4.7 billion)



Source: United Nations.

SSA sector global imports, by HTS chapter, 2002
($4.7 billion)

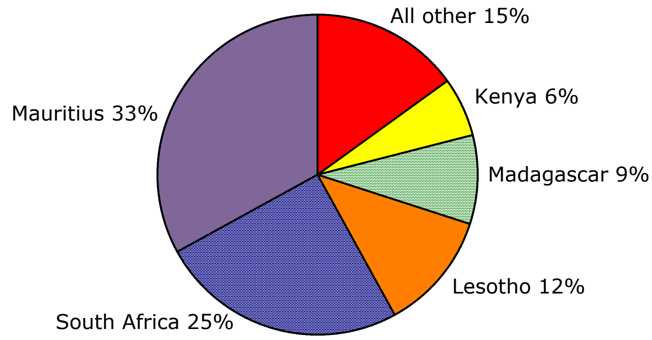


Source: United Nations.

Major Import Source (2002)	Share of Total (percent)	Major Import Item (6-digit HTS) (2002)	Share of Total (percent)
China	29	Used clothing (6309.00)	8
EU15	21	Cotton fabrics (5208.52)	4
India	13	Dyed cotton fabrics of satin or twill weave (5208.39)	4
Indonesia	8	Badges, etc. of man-made fiber (5810.92)	2
Korea	5	Cotton T-shirts (6109.10)	2

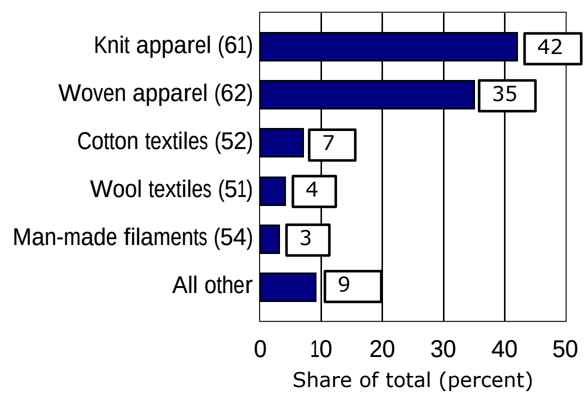
Source: United Nations.

SSA sector global exports, by country, 2002
($2.8 billion)



Source: United Nations.

SSA sector global exports, by HTS chapter, 2002
($2.8 billion)



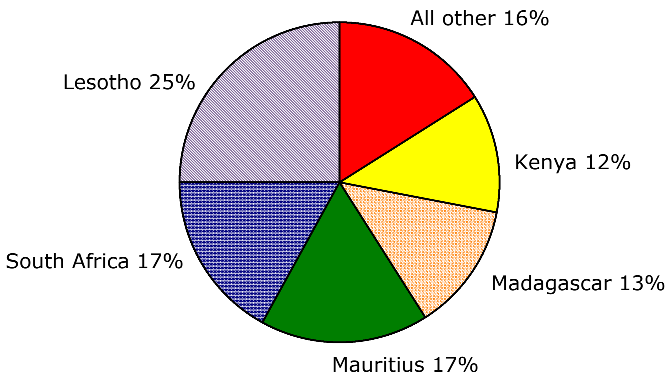
Source: United Nations.

Major Export Market (2002)	Share of Total (percent)	Major Export Item (6-digit HTS) (2002)	Share of Total (percent)
United States	43	Cotton sweaters (6110.20)	12
EU15	39	Cotton men's trousers (6203.42)	11
Zimbabwe	2	Cotton T-shirts (6109.10)	10
South Africa	2	Cotton women's trousers (6204.62)	9
Mauritius	2	Men's / boys' cotton woven shirts (6205.20)	4

Source: United Nations.

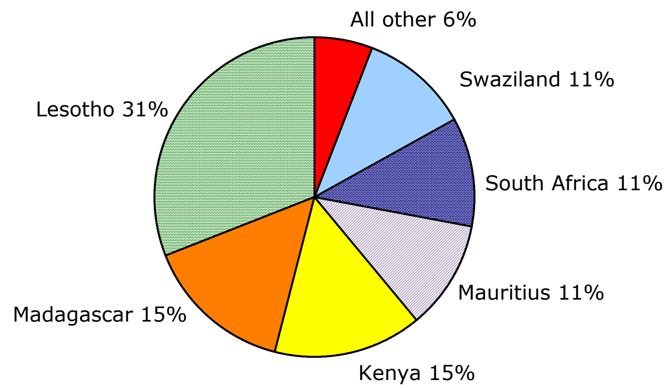
TRADE-Continued

U.S. sector imports from SSA, by source, 2003
($1.6 billion)



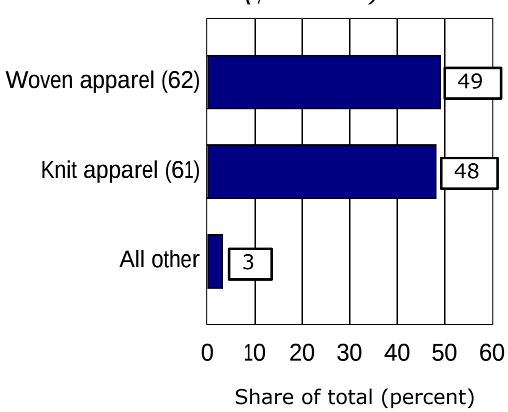
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports under AGOA (including GSP), by source, 2003
($1.2 billion)



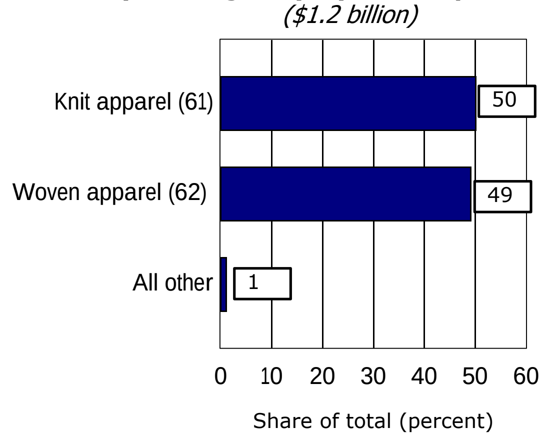
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports from SSA, by HTS chapter, 2003
($1.6 billion)



Source: Compiled from official statistics of the U.S. Department of Commerce.

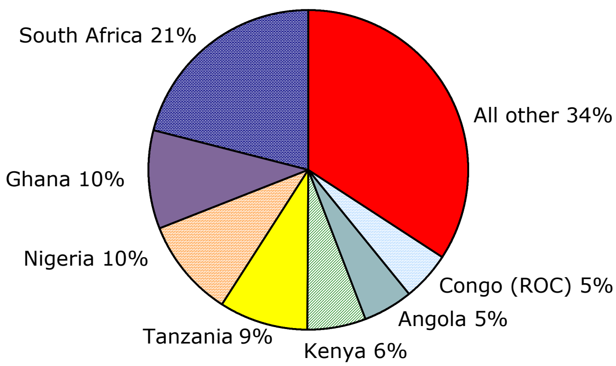
U.S. sector imports under AGOA (including GSP), by HTS chapter, 2003
($1.2 billion)



Source: Compiled from official statistics of the U.S. Department of Commerce.

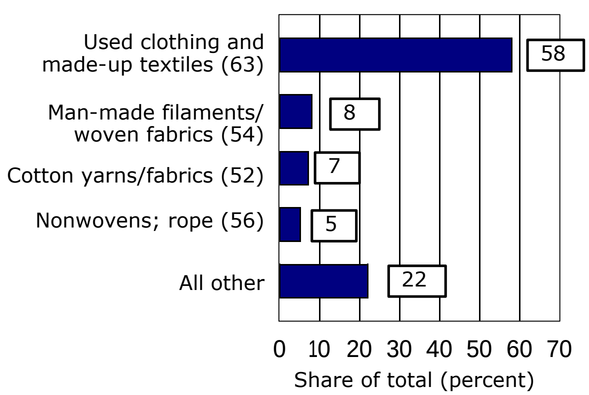
TRADE-Continued

U.S. sector exports to SSA, by market, 2003
($131 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector exports to SSA, by HTS chapter, 2003
($131 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

Key U.S. Import Developments

- In 2003, U.S. sector imports from SSA countries rose by 37 percent to $1.6 billion. Such imports accounted for 2 percent of total U.S. sector imports in 2003, up from 1 percent in the previous year. SSA shipments consisted almost entirely of apparel, particularly cotton goods. Almost 60 percent of shipments were woven cotton pants and shorts for women and girls (HTS subheading 6204.62), cotton tops and related goods (6110.20), and woven cotton pants and shorts for men and boys (6203.42). The shipments came mostly from Lesotho (25 percent of the total), South Africa (17 percent), Mauritius (17 percent), and Madagascar (13 percent). For the second consecutive year, Lesotho was the largest SSA supplier of sector imports in 2003, and has been a major AGOA beneficiary for sector goods to date.

Key AGOA Trade Developments

- SSA shipments of sector goods under AGOA in 2003 rose 50 percent over the 2002 level to $1.2 billion, representing just over three-fourths of total U.S. sector imports from SSA and 9 percent of total imports under AGOA. AGOA sector shipments consisted primarily of apparel, which came mainly from Lesotho (31 percent of AGOA apparel imports), Madagascar (15 percent), Kenya (15 percent), Mauritius (11 percent), South Africa (11 percent), and Swaziland (11 percent).
- Most AGOA apparel imports in 2003 entered under a special provision (HTS subheading 9819.11.12) that allows apparel from least-developed beneficiary countries (LDBC) to be made of third-country fabrics (fabrics of other than U.S. or SSA origin), a provision that originally covered AGOA's first 4 years through September 2004.[36] Imports of such apparel totaled $914 million, of which 41 percent ($373 million) came from Lesotho, whose sector shipments of $393 million consisted almost entirely of such goods. Other major SSA suppliers of apparel under HTS subheading 9819.11.12 were Kenya ($176 million), Madagascar ($172 million), and Swaziland ($127 million). All but two (Mauritius and South Africa) of the 25 SSA countries that have met the additional statutory requirements to qualify for AGOA apparel preferences are eligible for the LDBC benefits.
- The rest of the AGOA apparel imports in 2003 consisted primarily of apparel made from "regional fabrics" produced in SSA countries from U.S. or SSA yarns. SSA shipments of such apparel totaled $226 million in 2003 and came almost entirely from South Africa ($121 million) and Mauritius ($103 million). These two countries generally must use yarns and fabrics made in SSA or in the United States to qualify for AGOA apparel preferences.
- AGOA sets an annual limit, or cap, on the quantity of U.S. imports of qualifying apparel articles made from regional or third-country fabrics that is eligible for duty-free entry. For the 12-month period ending on September 30, 2003, the cap was equal to 4.8 percent of the total quantity of U.S. apparel imports in the preceding 12-month period, or 736 million SMEs, of which not more than 2.1 percent, or 359 million SMEs, can be apparel made in LDBCs from third-country fabrics. SSA countries filled 36 percent of the cap, or 264 million SMEs; the LDBCs filled 62 percent of the cap on apparel of third-country fabrics. Most apparel entered under the cap was made from third-country fabric (84 percent of the total).

Key U.S. Export Developments

- U.S. exports of sector goods to SSA increased by 5 percent in 2003 to $131 million, or less than 1 percent of total U.S. sector exports. The major SSA markets for sector exports were South Africa (21 percent of the total), Ghana (10 percent), and Nigeria (10 percent). The principal U.S. sector exports to SSA are used clothing and other used textile articles (HTS headings 6309 and 6310). U.S. exports of such goods to SSA in 2003 totaled $69 million, of which $59 million were used clothing. The rest of the exports consisted mainly of textile materials such as yarn and fabric.

INVESTMENT

- FDI prompted by AGOA has continued to come primarily from Asia. Most of the investment has gone into expanding apparel production capacity and building yarn and fabric mills. Local textile production will enable apparel producers in the lesser developed SSA countries to continue to qualify for preferential treatment following the scheduled expiration of the third-country fabric provision on September 30, 2007.[37]
- Taiwanese-owned Lesotho Fancy Garments Group, which invested $7 million in apparel production, employs 3,000 workers, and produces 1.4 million garments per month, has reportedly announced plans to increase its investment to $50 million and build its own fabric mill.[38] The Nien-Shing Group, the largest textile investor in Lesotho, which currently has three factories producing 1 million pairs of jeans per month and employs 7,000 workers, plans to expand its denim production by building additional factories. The company is expected to eventually increase its investment to $2 billion in an operation that would employ up to 15,000 people. Country sources indicate that this firm could ultimately create 1 million indirect and direct jobs.[39]
- The Mauritius Board of Investment has approved two spinning mill proposals by Indian and Pakistani investors; the first project is a $20-million joint venture between an Indian textile group and a major Mauritian firm to set up a spinning unit to produce cotton yarn. The second project involves the Rasheed Group (TOPTEX), a cotton-spinning unit with an installed capacity of 24,288 spindles, to produce about 5,000 tons of cotton yarn per year.[40] China's first cotton spinning mill in Mauritius (Tianli Spinning Co.) became operational in March 2003; it presently produces 2,500 tons of combed and carded yarn and employs 230 people. A second phase expansion of this mill is planned for 2005.[41] Other projects being planned include the construction of a cotton spinning mill by CMT Ltd., one of Mauritius' leading apparel manufacturers, which is expected to produce about 8,000 tons of combed cotton yarn annually.[42]
- The first Cameroonian venture designed to take advantage of the AGOA textile and apparel provisions for this sector was reportedly launched in late 2003. Industry sources report that GICATIC-Textile, which is working with a U.S. firm, AF-AM Knitting, Inc., is expected to establish a vertically integrated operation that will house a knitting mill, a dyeing and finishing section, a garment component production section, a garment sewing facility, and an embroidery section. The project will reportedly cost 10 billion CFA francs (approximately $17 million) and create 36,000 jobs.[43] In addition, as part of efforts to promote AGOA and boost Cameroon's capacity to take advantage of AGOA benefits, the Cameroonian Federation for Fashion and Ready-To-Wear Apparel (FECCAP) was launched in August 2003 to improve linkages between textile producers, designers, and apparel producers.[44]
- Ethiopia's textile and apparel sector has received a grant of 90 million birr (approximately $10 million) from Italy to renovate several garment and textile factories so they can increase their exports to Europe, the United States, and Canada.[45] A new clothing firm, Umar Textiles, was established in Maputa, Mozambique, by a Pakistani investor, to export exclusively to the United States under the AGOA program.[46] A new garment plant, the result of a joint venture between Kenya and Qatar, was inaugurated by Kenya's president in December 2003. The plant employs 2,000 workers and has an installed capacity of 7.2 million pieces that are targeted for export.[47]
- Revival Fabrics, a joint venture between Chinese investors and a company in Zimbabwe (which currently is not eligible for AGOA textile and apparel trade benefits) to create a multimillion-dollar vertically integrated clothing project, was reportedly set to open in early 2003. The project, which initially involves the construction of a weaving plant spanning 1,000 acres and costing $10 million, is expected to employ 2,500 people. Spinning and dyeing plants will be constructed later at an estimated cost of $30 million.[48]
- Leading Ugandan textile producer, Tri-Star, signed an agreement with the U.S. firm Sunquest Apparel to supply $10 million worth of garments to the U.S. market. Sunquest has committed to building a weaving and spinning plant in Uganda that will use local cotton.[49]
- Investors from Mali, Mauritius, and France formed a venture that established a new cotton thread factory, Fitina, near Bamako, Mali. The factory supports 200 new jobs, and is expected to process 5,000 metric tons of cotton each year during its first five years, and up to 15,000 metric tons in subsequent years. The cotton thread will be exported to several SSA countries, including Mauritius, for use in apparel that could be exported to the United States, thereby enabling Mali to take advantage of the trade preferences granted by AGOA. Plans are also underway to build a $7.5-million blue jean production facility that will produce 15 million SMEs of denim fabric annually.[50]

ENDNOTES

[1] This sector includes items classified in Harmonized Tariff Schedule chapters 39, 40, 42, 43, 50-63, 65, 70, and 94.

[2] "Lesotho: Textile Conference in May," Apr. 28, 2004, found at Internet address *http://www.bharattextile.com/newsitems/198989703*, retrieved July 9, 2004.

[3] Originally, it was intended that this mill would also import cotton from the United States, however, U.S. cotton suppliers have been shipping their cotton to China. See U.S. Department of State telegram, "AGOA III: Information on Textile and Apparel Capabilities," message No. 000144, prepared by U.S. Embassy, Maseru, Mar. 4, 2004; and U.S. Department of State telegram, "Lesotho (Mostly) Welcomes Senate Passage of AGOA III, But Fears the Strong Rand," message No. 000388, prepared by U.S. Embassy, Maseru, July 3, 2004.

[4] "Lesotho: Textile Industry Provides Skein of Jobs," Aug. 5, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1984679*, retrieved July 9, 2004.

[5] U.S. Department of State telegram, "Mauritius Input for 2004 President's Report on AGOA," message No. 000136, prepared by U.S. Embassy, Port Louis, Feb. 26, 2004.

[6] Werner International Management Consultants, "Spinning and Weaving Labor Cost Comparisons, 2002," Werner International 2003.

[7] U.S. Department of State telegram, "AGOA III: Information on Textile and Apparel Production Capabilities for Mauritius," message No. 000159, prepared by U.S. Embassy, Port Louis, Mar. 5, 2004.

[8] U.S. Department of State telegram, "AGOA III: Textile and Apparel Production Capabilities in Ethiopia," message No. 000706, prepared by U.S. Embassy, Addis Ababa, Mar. 4, 2004.

[9] Ibid.; and "Ethiopia: Government Earmarks 1.5 Billion Birr for Textile Industry," Feb. 14, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1986410*, retrieved July 7, 2004.

[10] "Ethiopia: Fabrics, Textile Company Established," Nov. 15, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1986410*, retrieved July 7, 2004.

[11] "Ghana: Textile Company to Be Set Up at Tema Free Zones," June 19, 2003, found at Internet address *http://www.bharattextile.com/newsitems/198387*2, retrieved July 7, 2004.

[12] U.S. Department of State telegram, "Ghana: AGOA III Information on Textile and Apparel Production Capabilities," message No. 000441, prepared by U.S. Embassy, Accra, Mar. 2, 2004.

[13] "Ghana: First Textile and Garments Factory under PSI Inaugurated," July 5, 2005, found at Internet address *http://www.bharattextile.com/newsitems/1990853*, retrieved July 7, 2004.

[14] "Mozambique: Mauritians to Invest $3 Million in Clothing Factory," Aug. 9, 2004, found at Internet address *http://just style.com/news*, retrieved Aug. 9, 2004.

[15] U.S. Department of State telegram, "AGOA III: Textile and Apparel Production Capabilities in Tanzania," message No. 000407, prepared by U.S. Embassy, Dar Es Salaam, Mar. 5, 2004.

[16] U.S. Department of State telegram, "AGOA III: Textile and Apparel Production Capabilities in Cameroon," message No. 000334, prepared by U.S. Embassy, Yaounde, Mar. 4, 2004.

[17] Joop de Voest, "Third Party Yarn and Fabric Capacity in Southern and Eastern Africa and Garment Production," Zambia Trade and Investment Enhancement Project (ZAMTIE), Contract No. 690-C-00-00-00283-00, Apr. 2004.

[18] U.S. Department of State telegram, "Lesotho (Mostly) Welcomes Senate Passage of AGOA III, but Fears the Strong Rand," message No. 000388, prepared by U.S. Embassy, Maseru, July 3, 2004.

[19] "Kenya: Export Zones Increase Their Textile Sales to U.S.," Nov. 22, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1986528*, retrieved July 8, 2004.

[20] "Zimbabwe: Need to Fully Utilize Ginning Capacity," June 22, 2004, found at Internet address *http://www.bharattextile.com/newsitems/1990663*, retrieved July 20, 2004.

[21] For more information about the impact of the ATC and the impact of the elimination of quotas on January 1, 2005 on the competitiveness of the SSA countries, see *Textiles and Apparel: Assessment of the Competitiveness of Certain Foreign Suppliers to the U.S. Market*, vol. I, chapter 3, and appendix K, inv. No. 332-448, USITC Publication 3671, Jan. 2004.

[22] "Mauritius Calls for WTO Meeting on Quota Phase-Out," *WorldTrade/Interactive*, July 2, 2004, found at Internet address *http://www.strtrade.com*, retrieved July 2, 2004.

[23] "Uganda: Textile Sector Not Developing Due to Second Hand Clothes," Sept. 4, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1985169*, retrieved July 20, 2004; and "Uganda: High Interest Affecting Textile Sector," Feb. 21, 2004, found at Internet address *http://www.bharattextile.com/newsitems/1988587*, retrieved July 20, 2004.

[24] "Kenya: Untaxed Asian Textiles Threatens Local Industry," Mar. 30, 2004, found at Internet address *http://www.bharattextile.com/newsitems/1989210*, retrieved July 7, 2004.

[25] "Malawi: AGOA Deadline Worries Textile Industry," June 6, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1983660*, retrieved July 7, 2004.

[26] "Uganda: Apparel Manufacturer to Source Local Fabric," Apr. 2, 2004, found at Internet address *http://www.bharattextile.com/newsitems/1989274*, retrieved July 20, 2004.

[27] "Mozambique: Local Clothing Industry Facing Crisis," May 3, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1983055*, retrieved July 20, 2004; and "Zimbabwe: Textile Sector Seeks Government Support," May 26, 2004, found at Internet address *http://www.bharattextile.com/newsitems/1990187*, retrieved July 20, 2004.

[28] U.S. Department of State telegram, "AGOA III: Senegal Textile and Apparel Production Capabilities," message No. 000375, prepared by U.S. Embassy, Dakar, Feb. 18, 2004.

[29] "Ban on Textile Imports Would be a Mistake," Dec. 2, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1986875*, retrieved July 7, 2004.

[30] "Ghana: Textile Sector Seeks Check on Imported Textiles," Dec. 12, 2003, found at Internet address *http://www.bharattextile.com/ newsitems/1986875*, retrieved July 7, 2004.

[31] "Nigeria: Rise in Black Oil Prices Affecting Textile Jobs," Oct. 29, 20003, found at Internet address *http://www.bharattextile.com/newsitems/1986113*, retrieved July 9, 2004.

[32] "Kenya: Export Zones Increase Their Textile Sales to U.S.," Nov. 22, 2003, found at Internet address *http://www.bharattextile.com/ newsitems/1986258*, retrieved July 8, 2004.

ENDNOTES

33 "Swaziland: Textile Sector Facing Crisis," Apr. 1, 2004, found at Internet address *http://www.bharattextile.com/newsitems/1989256,* retrieved July 9, 2004; and Joop de Voest, "Third Party Yarn and Fabric Capacity in Southern and Eastern Africa and Garment Production," Zambia Trade and Investment Enhancement Project (ZAMTIE), Contract No. 690-C-00-00-00283-00, Apr. 2004.

34 U.S. Department of State telegram, "Lesotho (Mostly) Welcomes Senate Passage of AGOA III, But Fears the Strong Rand," message No. 000388, prepared by U.S. Embassy, Maseru, July 3, 2004.

35 "Kenya: Apparel Exporters Hit by Shilling's Free Float Policy," June 24, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1983963*, retrieved July 9, 2004.

36 AGOA III extended this provision for an additional 3 years, which ends on September 30, 2007. See discussion in section on AGOA III legislation in chapter 2.

37 The third-country provision was originally set to expire on September 30, 2004, but was extended by AGOA III until September 30, 2007. See chapter 2 of this report for additional information on the AGOA III legislation.

38 "Lesotho: Textile Industry Provides Skein of Jobs," Aug. 5, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1984679*, retrieved July 9, 2004.

39 Ibid.

40 U.S. Department of State telegram, "Mauritius Input for 2004 President's Report on AGOA," message No. 000136, prepared by U.S. Embassy, Port Louis, Feb. 26, 2004.

41 U.S. Department of State telegram, "AGOA III: Information on Textile and Apparel Production Capabilities for Mauritius," message No. 000159, prepared by U.S. Embassy, Port Louis, Mar. 5, 2004.

42 Ibid.

43 "Cameroon: New Textile Firm Commission," Nov. 22, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1986516*, retrieved July 7, 2004.

44 U.S. Department of State telegram, "AGOA III: Textile and Apparel Production Capabilities in Cameroon," message No. 000334, prepared by U.S. Embassy, Yaounde, Mar. 4, 2004.

45 "Ethiopia: Italy to Support Textile Sector," Nov. 22, 2003, found at Internet address *http://www.bharattextile.com/newsitems1986527*, retrieved July 7, 2004.

46 "Mozambique: Local Clothing Industry Facing Crisis," May 3, 2004, found at Internet address *http://www.bharattextile.com/newsitems/1983055*, retrieved July 20, 2004.

47 "Kenya: President Opens New Garment Plant," Dec. 20, 2003, found at Internet address *http://www.bharattextile.com/newsitems/1987011*, retrieved July 9, 2004.

48 "Zimbabwe: Revival Fabrics to Open Multimillion Dollar Project," Dec. 19, 2002, found at Internet address *http://www.bharattextile.com/newsitems/1980434*, retrieved July 20, 2004.

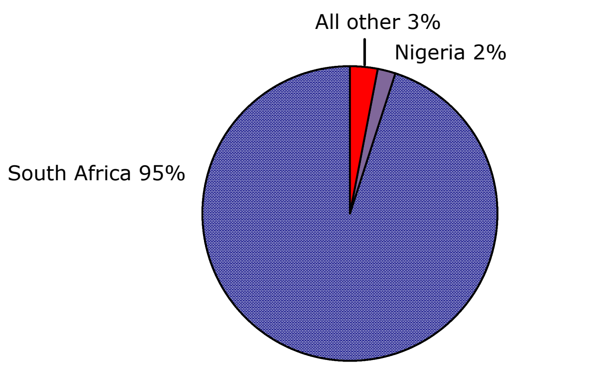
49 "Uganda: Tri-Star to Supply Garments to U.S. Firm," Jan. 31, 2004, found at Internet address *http://www.bharattextile.com/newsitems/1988232*, retrieved July 20, 2004.

50 U.S. Department of State telegram, "Mali: Update Information for 2004 Report on AGOA," message No. 000273, prepared by U.S. Embassy, Bamako, Feb. 25, 2004; and U.S. Department of State telegram, "Mali: AGOA III - Textile and Apparel Production Capabilities," message No. 000319, prepared by U.S. Embassy, Bamako, Mar. 4, 2004.

CERTAIN TRANSPORTATION EQUIPMENT[1]

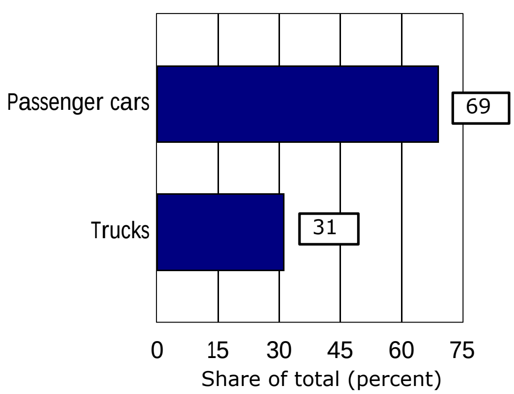
OVERVIEW

SSA sector production, by country, 2003
458,629 vehicles



Source: *Automotive News Market Data Book 2004.*

SSA sector production, by product, 2003
458,629 vehicles



Source: *Automotive News Market Data Book 2004.*

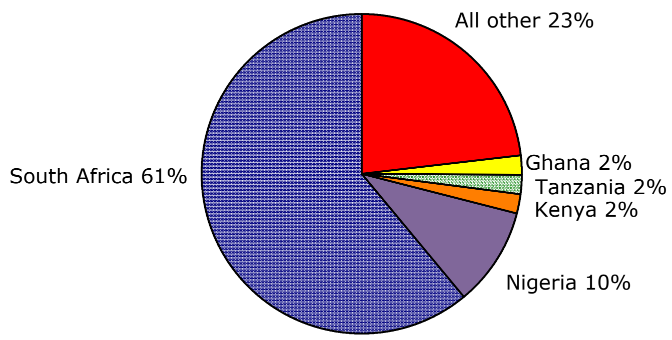
- South Africa is the dominant producer of motor vehicles and motor-vehicle parts in the SSA region, accounting for 95 percent of SSA production in 2003. Nigeria was the second-leading producer with 2 percent, and all others accounted for the remaining 3 percent. Other SSA countries with some motor vehicle production or assembly include Ethiopia, Ghana, Côte d'Ivoire, Kenya, Mozambique, Tanzania, and Zambia; these countries assemble trucks on a very small scale. South Africa ranks as the 19th-largest motor vehicle producer in the world.
- The automotive industry in South Africa accounts for nearly 6 percent of the country's gross domestic product,[2] and it is the largest manufacturer, and the largest manufacturing exporter.[3] South African motor vehicle industry strengths include competitive manufacturing costs, particularly on low-volume runs; the ability to manufacture to high-quality specifications; strategic location in the Southern Hemisphere; expertise in right-hand drive manufacturing; and technological competence in specific areas.[4]
- Total motor vehicle production in South Africa has increased steadily over the past few years. Passenger car production increased by 5 percent from 290,500 units in 2002 to 303,500 units in 2003. Truck production also grew steadily, from 127,942 units in 2002 to 130,600 units in 2003.[5] Most motor vehicle production is from completely knocked down (CKD) kits, incorporating some locally produced components. Duties for CKD components are currently 30 percent ad valorem, but will decline to 25 percent in 2007 and to 20 percent in 2012, as is further discussed below.[6]
- The automotive industry in South Africa consists of foreign subsidiaries and local-foreign joint venture operations. Leading South African passenger vehicle producers include BMW South Africa, DaimlerChrysler SA, Ford Motor Company of Southern Africa, General Motors South Africa, Nissan South Africa, Toyota South Africa, and Volkswagen of South Africa. Leading commercial vehicle producers include ERF South Africa, Iveco South Africa, MAN Truck and Bus SA, Nissan Diesel, Scania South Africa (Pty) Ltd., and Tyco Truck Manufacturers.
- South Africa is the leading market for motor vehicle sales in the SSA region, accounting for 54 percent of SSA motor vehicle sales in 2003. Nigeria was the second-largest market (6 percent), followed by Zambia (3 percent), Côte d'Ivoire (3 percent), and Sudan (3 percent). Total motor vehicle sales in SSA reached 681,195 units in 2003.[7]
- In 2003, total vehicle sales in South Africa reached 371,189 units. The factors contributing to growth in the South African motor vehicle market included lower interest rates, improved vehicle affordability, increased disposable income, higher consumer and business confidence, intense competition resulting in competitive pricing, and the prospect of legislation to lower inflation and allow private leasing.[8] Interest rates were cut last year by 5.5 percent, to 11.5 percent – the lowest level in over 20 years.[9]
- In the first half of 2004, South Africa's new vehicle sales reportedly rose by almost 20 percent, to 206,046 units. Motor vehicle sales are a leading indicator of economic growth in South Africa, and sales are projected to top 400,000 units for 2004. The strong rand is likely to encourage vehicle price stability, and interest rates are expected to remain at current levels.[10]
- In 2003, Toyota garnered the most South African total vehicle sales with 96,087 units. Toyota also led passenger vehicle sales with 60,605 units. Volkswagen was the second-leading passenger vehicle seller with 57,323 units, followed by DaimlerChrysler (28,238 units), and Ford (26,074 units). Toyota also dominated 2003 commercial vehicle sales selling 35,482 units, followed by Nissan (24,373 units), Ford (21,593 units), and GM (19,640 units).[11]
- There are more than 220 dedicated automotive component suppliers in South Africa, and another 150 that supply the automotive industry as well as other industries. The automotive component industry is highly concentrated, with only 14 firms accounting for more than one-half of the industry's employment and output. Export growth rates have remained high, at over 40 percent over the past 10 years. Catalytic converters make up approximately 50 percent of component exports; other key exports include stitched leather car seat covers, tires, mufflers / exhaust pipes, and road wheels and parts. Germany is the main market for South African component exports; other major export markets include the United Kingdom, the United States, Belgium, Spain, and Zimbabwe.[12]

OVERVIEW-Continued

- Capacity utilization in the South African motor vehicle industry averages 73 percent and remained stable during 2001-03, increasing by only 1 percent. In 2003, passenger car capacity utilization was 77 percent; light commercial vehicles, 70 percent; medium commercial vehicles 61 percent; and heavy commercial vehicles, 86 percent.[13]
- The motor vehicle industry in South Africa, including the retail business, employs an estimated 304,000 workers. During the last 5 years, South African motor vehicle manufacturing employment has remained fairly constant at around 32,000; however, jobs in the component industry increased from 67,200 in 1999 to 75,000 in 2003.[14]
- Results of the South African government-sponsored Motor Industry Development Program (MIDP) have been positive; motor vehicle exports have increased from 16,000 to 127,000 units per year, the value of parts exports has tripled, and the volume of vehicles produced has doubled. The government is presently conducting a wide-ranging study into the effect of the MIDP, concentrating on the effect of free trade agreements on the program's objectives, as well as the effect the MIDP has had on employment levels. Results of this study are to be released in late 2004.[15]
- At the start of the MIDP in 1995, the tariff on cars and light commercial vehicles was 65 percent; the current tariff level is 40 percent and will be reduced to 30 percent by 2007 and 25 percent by 2012. For CKD components, the tariff at the start of the MIDP was 49 percent ad valorem; the current tariff level is 30 percent and will be reduced to 25 percent in 2007 and 20 percent by 2012. The tariff on medium and heavy commercial vehicles, which was 40 percent at the start of the MIDP, decreased to 20 percent in 2000 and will remain at that level through 2007. Most components for medium and heavy commercial vehicles, excluding tires, are free of duty.[16] The MIDP allows international companies that import and export motor vehicles and parts to reduce their import duties via export credits.[17]
- Both exports and imports have increased rapidly. By 2008, total vehicle exports from South Africa are expected to exceed cars built for its domestic market. The largest export markets will likely be Australia, New Zealand, and Asia.[18]
- Current competitive pressures felt by the South African automotive industry include increasing price competition in the global marketplace, rising logistical and distribution costs, rising domestic inflationary pressures, a strengthening exchange rate, and increasing competition from other low-cost manufacturing countries that have potentially large or growing markets.
- Shipping problems, both by air and by sea, have reportedly posed a threat to South Africa's competitive future in the automotive industry. The air transport system is not efficient enough to meet the demand for last-minute specification changes to new vehicles. In addition, shipping ports have been at a disadvantage because of labor problems, delays, and security issues. South Africa reportedly plans to address its relatively high port costs and abundance of unnecessary ports.[19]

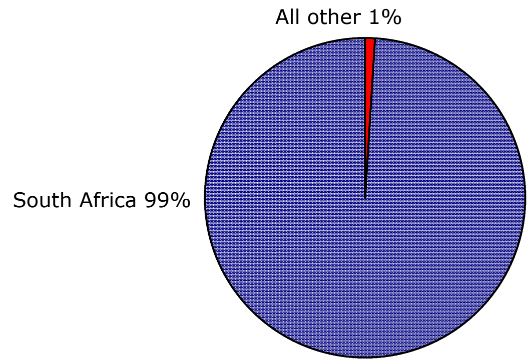
TRADE

SSA sector global imports, by country, 2002
($4.5 billion)



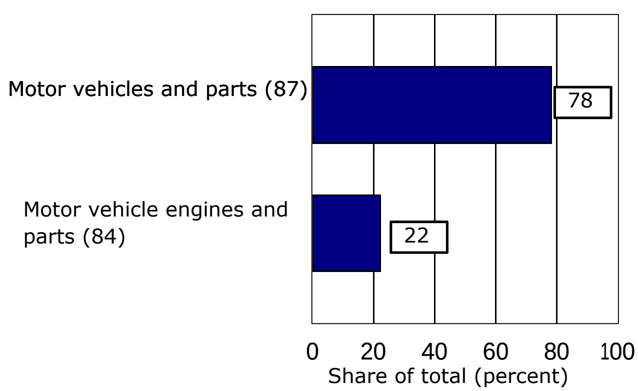
Source: United Nations.

SSA sector global exports, by country, 2002
($2.3 billion)



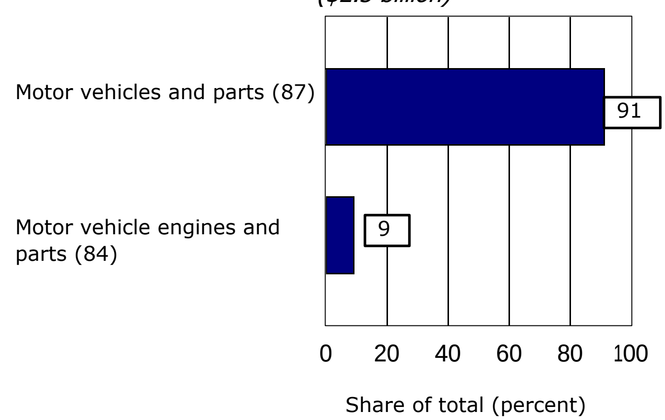
Source: United Nations.

SSA sector global imports, by HTS chapter, 2002
($4.5 billion)



Source: United Nations.

SSA sector global exports, by HTS chapter, 2002
($2.3 billion)



Source: United Nations.

Major Import Source (2002	Share of Total (percent)	Major Import Item (6-digit HTS) (2002)	Share of Total (percent)
EU15	62	Passenger motor vehicles (8703.23)	29
Japan	16	Miscellaneous motor vehicle parts (8708.99)	21
United States	5	Certain motor vehicle body parts (8708.29)	8
South Africa	3	Passenger motor vehicles (8703.24)	7
Oman	3	Gasoline-powered engines over 1,000 cc (8407.34)	6
Brazil	2	Miscellaneous engine parts (8409.99)	5

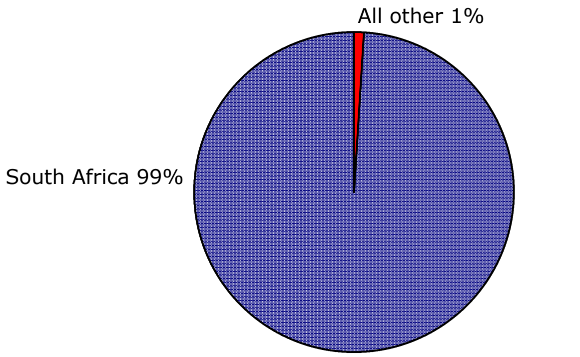
Source: United Nations.

Major Export Market (2002)	Share of Total (percent)	Major Export Item (6-digit HTS) (2002)	Share of Total (percent)
EU15	42	Passenger motor vehicles (8703.23)	64
Japan	20	Passenger motor vehicles (8703.24)	9
United States	16	Road wheels and parts (8708.70)	4
Australia	9	Certain motor vehicle body parts (8708.29)	4
Hong Kong	2	Miscellaneous motor vehicle parts (8708.99)	3
Singapore	1	Gasoline-powered engines over 1,000 cc (8407.34)	3

Source: United Nations.

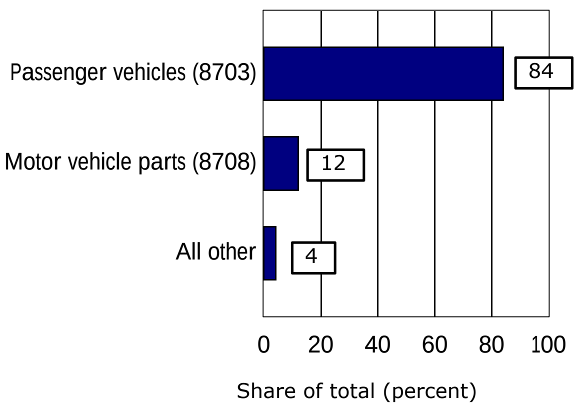
TRADE-Continued

U.S. sector imports from SSA, by source, 2003
($742 million)



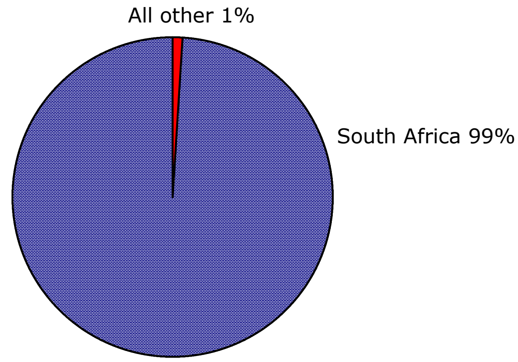
Source: Compiled from official statistics of the U.S. Department Commerce.

U.S. sector imports from SSA, by HTS heading, 2003
($742 million)



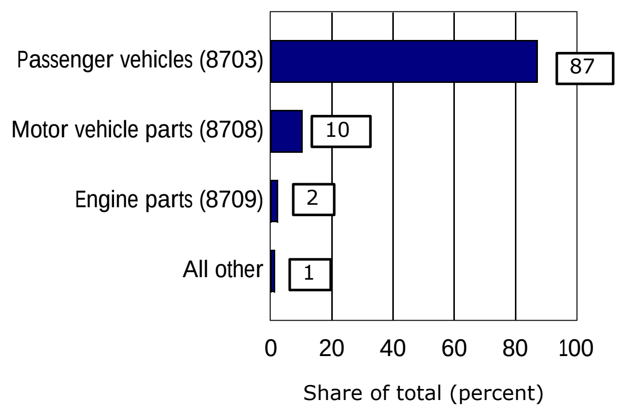
Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. sector imports under AGOA (including GSP), by source, 2003
($716 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

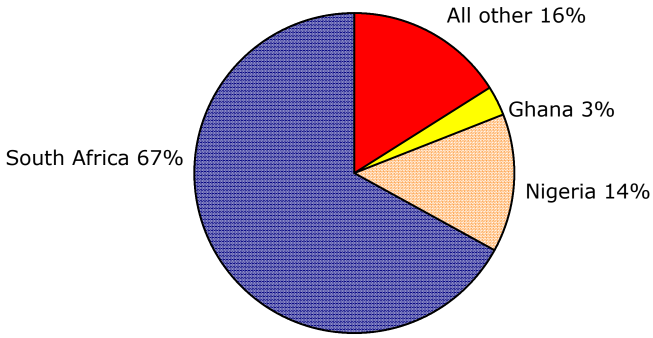
U.S. sector imports under AGOA (including GSP), by HTS heading, 2003
($716 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

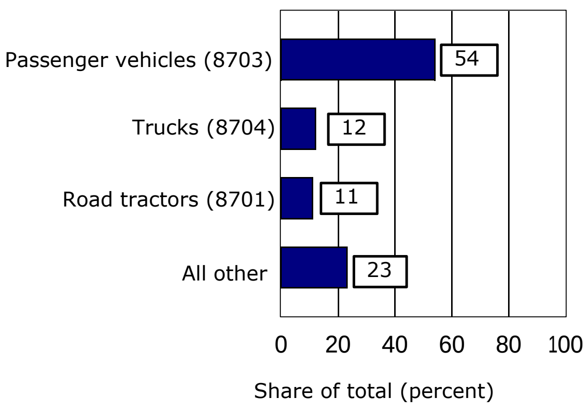
TRADE-Continued

U.S. sector exports to SSA, by market, 2003
($412 million)



Source: Compiled from official statistics of the U.S. Department Commerce.

U.S. sector exports to SSA, by HTS heading, 2003
($412 million)



Source: Compiled from official statistics of the U.S. Department of Commerce.

Key U.S. Import Developments

- U.S. imports of certain transportation equipment from SSA reached $742 million in 2003, an increase of $182 million over 2002, or 33 percent. SSA accounted for less than 1 percent of the value of total U.S. sector imports in 2003.
- The principal sector import items that year included passenger motor vehicles with an engine cylinder capacity between 1,501 and 3,000 cubic centimeters (cc) (HTS subheading 8703.23, 43 percent of the total value); and passenger motor vehicles with an engine cylinder capacity exceeding 3,000 cc (HTS subheading 8703.24, 41 percent). Almost all of these imports were BMW vehicles.
- Virtually all U.S. sector imports from SSA in 2003 were supplied by South Africa. Passenger cars accounted for 84 percent of total U.S. sector imports from South Africa in 2003. Leading components imported from South Africa in 2003 included road wheels, miscellaneous auto parts, and miscellaneous engine parts.
- There were sizeable increases in U.S. imports of passenger motor vehicles with an engine cylinder capacity exceeding 3,000 cc (an increase of $171 million or 129 percent), road wheels and their parts (an increase of $16 million or 79 percent), and miscellaneous motor vehicle parts (an increase of $10 million or 99 percent). In contrast, decreases were registered in U.S. imports of passenger motor vehicles with an engine cylinder capacity between 1,501 and 3,000 cc (a decrease of $18 million or 5 percent) and mufflers and exhaust pipes (a decrease of $2 million or 24 percent).

Key AGOA Trade Developments

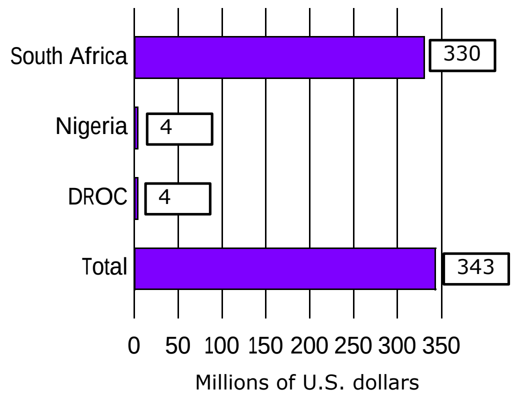
- U.S. transportation equipment imports under AGOA increased by 34 percent in 2003, reaching $716 million; the majority of such imports were from South Africa. In 2003, imports under AGOA accounted for 97 percent of total U.S. sector imports from SSA. The leading U.S. sector import items under AGOA in 2003 included passenger motor vehicles (87 percent of the total value) and motor vehicle parts (10 percent).

Key U.S. Export Developments

- In 2003, the United States ran a $304-million deficit with SSA in certain transportation equipment. In 2002, the U.S. deficit was $257 million; in 2001, the United States ran a $153-million trade surplus in the sector with SSA.
- In 2003, U.S. exports of certain transportation equipment to SSA reached $412 million, up 36 percent from the previous year. South Africa accounted for two-thirds of U.S. sector exports to SSA, and SSA accounted for less than 1 percent of the value of total U.S. sector exports in 2003.
- The major U.S. sector export items to SSA in 2003 included motor vehicles with an engine cylinder capacity between 1,501 and 3,000 cc (HTS subheading 8703.23, 33 percent of the total value); road tractors for semi-trailers (HTS 8701.20, 11 percent); and trucks with gross vehicle weight over 5 metric tons but not over 20 metric tons (HTS 8704.22, 10 percent).
- In contrast to sizeable increases in U.S. exports of certain passenger vehicles (HTS 8703.23, an increase of $34 million, or 34 percent) and road tractors for semi-trailers (HTS 8701.20, an increase of $32 million, or 211 percent), large decreases were registered in chassis fitted with engines (HTS 8706.00, a decrease of $4.3 million, or 51 percent); oil or fuel filters (HTS 8421.23, a decrease of $3.9 million, or 40 percent); and heavy-duty trucks (HTS 8704.32, a decrease of $2.7 million, or 52 percent). U.S. exports of these products may have been replaced by increased local production.

INVESTMENT

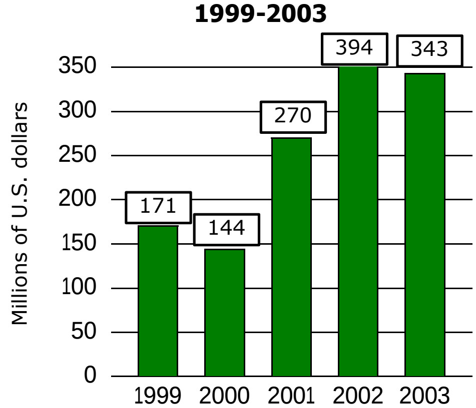
U.S. sector SSA FDI position, by country, 2003



Note.-Data for some countries are not disclosed owing to confidentiality. Industry classification basis changed from SIC to NAICS in 2002.

Source: Bureau of Economic Analysis, U.S. Department of Commerce. Data are for sector defined as "Transportation equipment."

U.S. sector SSA FDI position, 1999-2003



Note.-Industry classification changed from SIC to NICS in 2002; data from 1999-2001 have been converted to NAICS. Data for 2001 and 2002 have been revised from previous estimates.

Source: Bureau of Economic Analysis, U.S. Department of Commerce. Data are for sector defined as "Transportation equipment."

- U.S. FDI in the SSA transportation equipment sector totaled $343 million in 2003, down from $394 million the previous year. South Africa was the primary SSA location for U.S. sector FDI in 2003. The transportation equipment sector accounted for about 3 percent of the total U.S. FDI position in SSA in 2003, and SSA accounted for nearly 1 percent of the global U.S. FDI position in the sector that year.[20]
- Capital expenditures in the South African automotive industry increased rapidly during 2000-02, from R1.6 billion (approximately $186 million) to R2.7 billion (approximately $256 million), before declining slightly to R2.3 billion (approximately $304 million) in 2003.[21]
- Free trade agreements with the EU and within SADC; potential agreements with Mercosur, China, Japan, the United States, and India; an economic agreement with Thailand; and AGOA are creating new investment opportunities in the South African automotive industry.[22]
- DaimlerChrysler South Africa, which currently produces 42,000 cars per year at its East London facility, is aiming to nearly double its capacity to 80,000 vehicles per year. Currently, the plant focuses on right-hand-drive markets, exporting 45 percent of its output to the United Kingdom, 11 percent each to Japan and Australia, and 25 percent for domestic consumption. The company plans to target the U.S. market, through the AGOA program, with its increased capacity.[23]
- In 2003, GM was granted South African government approval to purchase the remaining 51 percent of Delta to create General Motors South Africa (GMSA). The plant manufactures Suzuki, Isuzu, and Opel brand vehicles.[24] GMSA will invest R500 million (approximately $66 million) to produce Isuzu pickup trucks, and the company plans to spend R500 million (approximately $66 million) per year procuring locally produced components. Over the next 5 years, GMSA reportedly will invest an estimated R1.5 billion (approximately $198 million) to increase production and exports, and upgrade the company's two production facilities.[25]
- In 2003, Ford announced its plan to invest in export capacity in South Africa, joining DaimlerChrysler, BMW, Volkswagen, and Toyota in making South Africa a global manufacturing base. The company announced an estimated R1 billion (approximately $132 million) investment for the production of a commercial vehicle by late 2004 and a passenger vehicle in early 2005, both for export. Ford's capacity will reach 2,700 commercial vehicles and 30,000 passenger vehicles per year.[26]
- Nissan South Africa won a R1 billion (approximately $148 million) contract to produce single cab pickup trucks for export. Nissan estimates production at 4,600 units per year, with about 65 percent local content. The vehicles will be exported to Europe, Singapore, Australia, and New Zealand.[27]
- In 2003, Toyota increased its holding in Toyota South Africa from 35.7 percent to 74.9 percent. Toyota is beginning to export vehicles to Australia, and recently opened a R168 million (approximately $22 million) stamping facility.[28]
- Volkswagen South Africa recently won a R12 billion (approximately $1.6 billion), 6-year contract to build a total of 440,000 cars for export to Germany. Volkswagen has undergone a R750 million (approximately $99 million) factory upgrade.[29]
- The Gauteng government in South Africa is close to securing R800 million (approximately $106 million) in private funding for a new automotive supplier park in Pretoria. The park would serve BMW, Fiat, Ford, and Nissan.[30]

ENDNOTES

[1] For the purposes of this chapter, certain transportation equipment is defined as motor vehicles (cars, trucks, and buses), engines, and certain motor vehicle parts. These products account for over 90 percent of all transportation equipment imports from SSA. This sector includes portions of Harmonized Tariff Schedule chapters 84 and 87.

[2] Ayako Doi, "Nissan To Export Pickups From South African Plant," *The Japan Automotive Digest*, Mar. 1, 2004, p. 8.

[3] SouthAfrica.info reporter, "SA vehicle exports make inroads," Oct. 8, 2003, found at Internet address *http://www.southafrica.info.com*, retrieved June 6, 2004.

[4] Chris Wright and Anthony Lewis, "South Africa's auto industry at a crossroads," July 2004, found at Internet address *http://just auto.com*, retrieved July 6, 2004.

[5] Automotive News, *2004 Market Data Book*, p. 44; and Automotive News, *2003 Market Data Book*, p. 44.

[6] Just-auto.com editorial team, "Where next for South Africa's automotive industry?" May 14, 2004, found at Internet address *http://just auto.com*, retrieved May 20, 2004.

[7] Automotive News, *2004 Market Data Book*, p. 47.

[8] Just-auto.com editorial team, "Optimists foresee more South Africa growth," Jan. 15, 2004, found at Internet address *http://just auto.com*, retrieved Jan. 29, 2004.

[9] Just-auto.com editorial team, "New vehicle sales on track for best year since 1983," July 5, 2004, found at Internet address *http://just auto.com*, retrieved July 6, 2004.

[10] Ibid.

[11] Data supplied by Ward's Communications.

[12] Chris Wright and Anthony Lewis, "South Africa's auto industry at a crossroads," July 2004, found at Internet address *http://just auto.com*, retrieved July 6, 2004.

[13] NAAMSA, "Quarterly Review of Business Conditions: Motor Vehicle Manufacturing Industry: 4th Quarter, 2003," found at Internet address *http://www.naamsa.co.za*, retrieved July 20, 2004.

[14] Chris Wright and Anthony Lewis, "South Africa's auto industry at a crossroads," July 2004, found at Internet address *http://just auto.com*, retrieved July 6, 2004.

[15] Automotive Industry Development Centre, May 10, 2004, found at Internet address *http://www.aidc.co.za*, retrieved June 3, 2004.

[16] NAAMSA, *Annual Report 2003* and *Annual Report 2001/2002.*

[17] Office of the United States Trade Representative, *2004 National Trade Estimate Report*, "South Africa," found at Internet address *http://www.ustr.gov*, retrieved Aug. 3, 2004.

[18] South Africa Automotive Conference 2004 press release, "Hub ports the way forward, conference told," May 6 2004, found at Internet address *http://www.saac2004.com*, retrieved June 3, 2004.

[19] Chris Wright and Anthony Lewis, "South Africa's auto industry at a crossroads," July 2004, found at Internet address *http://just auto.com*, retrieved July 6, 2004.

[20] USDOC, BEA, Direct Investment Position Abroad on a Historical-Cost Basis: Country Detail by Industry, provided to USITC staff, Sept. 16, 2004.

[21] NAAMSA, "New Vehicle Manufacturing Industry: Capital Expenditure 2000 – 2004," Mar. 16, 2004, found at Internet address *http://www.naamsa.co.za*, retrieved June 4, 2004.

[22] SouthAfrica.info reporter, "SA auto industry rides MIDP wave," Oct. 8, 2003, found at Internet address *http://www.southafrica.info*, retrieved June 4, 2004.

[23] Just-auto.com editorial team, "DaimlerChrysler plant hoping for USA C-class deal," July 29, 2004, found at Internet address *http://just auto.com*, retrieved July 29, 2004.

[24] Brian Corbett, "GM to Add Dealers in South Africa," *Ward's Automotive Report*, Feb. 2, 2004, p. 5.

[25] Just-auto.com editorial team, "GM to invest in pickup production," July 6, 2004, found at Internet address *http://just auto.com*, retrieved July 6, 2004.

[26] Just-auto.com editorial team, "South Africa: Ford plans billion rand export programme," Sept. 2, 2003, found at Internet address *http://just auto.com*, retrieved Sept. 2, 2003.

[27] Ayako Doi, "Nissan To Export Pickups From South African Plant," *The Japan Automotive Digest*, Mar. 1, 2004, p. 8.

[28] SouthAfrica.info reporter, "SA vehicle exports make inroads," Oct. 8, 2003, found at Internet address *http://www.southafrica.info.com*, retrieved June 6, 2004.

[29] Chris Wright and Anthony Lewis, "South Africa's auto industry at a crossroads," July 2004, found at Internet address *http://just auto.com,* retrieved July 6, 2004.

[30] Ibid.

CHAPTER 6
Country Profiles

This chapter presents economic data on the 48 countries of SSA and consists of four sections. The first section gives a brief overview of the region and identifies common economic trends as it broadly compares the countries. The second section discusses the tariff structure of the SSA region. The third section consist of technical notes related to data collection and information sources. The final section contains the 48 country profiles.

Regional Overview

In 2003, the average growth rate for SSA nations was 3.6 percent, up from 3.2 percent in 2002.[1] This increase is attributed to high prices for certain commodities; progress toward the restoration of peace and stability in countries such as Burundi, Liberia, and Sudan; and the regional focus on improving the infrastructure for trade. However, the reliance on primary commodities such as coffee, cotton, petroleum, and mineral products, combined with fluctuating prices, have contributed to deficits and little or negative economic growth in some SSA countries. In 2003, other obstacles to economic growth and poverty reduction in SSA included civil unrest, social costs from HIV/AIDS, and a slowdown in economic growth in the region's primary trading partners.

In the western African region, high prices for gold, cocoa, and petroleum from Nigeria and Ghana contributed substantially to the 3.6-percent regional growth. The growth rate in central Africa declined slightly from 4 percent in 2002 to 3.7 percent in 2003. Higher world prices for petroleum, the primary export for Chad and Equatorial Guinea, tempered this decline.[2] In July 2003, petroleum began flowing through the Chad-Cameroon Petroleum and Pipeline Development Project, a project launched by the World Bank Group, ExxonMobil, Petronas, and Chevron Texaco.[3] The growth rate in the eastern African region also declined, from 3.6 percent in 2002 to 2.5 percent in 2003. Much of the economic slowdown in this region can be attributed to a decline in the construction industry in Uganda.[4] However, as part of its commitment under the

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[1] United Nations, *Economic Report on Africa 2004* (Kampala: Uganda, 2004) found at Internet address http://www.uneca.org, retrieved June 2004.

[2] Ibid.

[3] World Bank, "Chad-Cameroon Pipeline Represents New Approach," Press Release, Oct. 10, 2003, found at Internet address *http://worldbank.org*, retrieved June 2004.

[4] United Nations, *Economic Report on Africa 2004* (Kampala: Uganda, 2004) found at Internet address *http://www.uneca.org*, retrieved June 2004.

EAC regional framework, Uganda is seeking to modernize infrastructure through private sector investment. The growth rate in the southern African regions was 2.5 percent. The Southern African region introduced a tighter monetary policy in 2003 in an attempt to control inflation. Public utilities, particularly power companies, have contributed strongly to growth in southern Africa.[5]

GDP in SSA grew 3 percent, reaching $319 billion in 2003.[6] Several countries recorded high rates of growth. For example, Angola's GDP increased by 15 percent in 2003 because of a reduction in civil unrest, an increase in petroleum production, and high international petroleum prices. Chad's GDP grew by 13 percent in 2003 because of increased petroleum production. Equatorial Guinea's GDP grew by 16 percent in 2003, driven by booms in the petroleum, gas, and construction sectors.[7] Madagascar's GDP, however, fell by 13 percent in 2003 because of slow growth in export markets and declining export prices, and Guinea-Bissau's economy contracted by 7 percent in 2003 because of civil unrest in late 2003, which affected the country's agriculture, forestry, and fishing industries. SSA countries with low economic growth were also affected by lower than expected growth in exports to the EU, the main destination for SSA exports.

The existence of capable institutions to support macroeconomic policies is important for countries in SSA because they create an attractive investment climate by protecting property rights, encouraging transparency, and reducing corruption. In mid-2003, the World Bank published governance indicators for the period 1996 to 2002.[8] The rankings, shown in table 6-1, indicate improvement for countries such as Nigeria, Tanzania, and Cameroon. Zimbabwe, DROC, and Côte d'Ivoire have, however, declined in terms of the quality of their institutions, as denoted by the negative percentage change in their performance from 1996 to 2002. Zimbabwe saw the largest decline, 79 percent, followed by Côte d'Ivoire, with a decline of 66 percent. Despite numerous FTAs in the region, intra-regional trade remains relatively low. Inadequate infrastructure, a lack of diversification in export products, and the inability of the governments within SSA to provide adequate protection for foreign investors restrict intra-regional trade.

Gross national income (GNI) for SSA in 2002 was $307 billion, up from $305 billion in 2001.[9] South Africa had the highest GNI for 2002 ($102 billion), followed by Nigeria with $41 billion (figure 6-1). The top ranking countries in terms of per capita GNI were Seychelles, Mauritius, Gabon, Botswana, and South Africa. Countries with the lowest per capita GNI were DROC, Burundi, Guinea-Bissau, Liberia, and Malawi.

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[5] Ibid.

[6] World Bank, *Development Indicators Database*, 2004.

[7] EIU Viewswire, "Country Outlook," May 2004, found at Internet address *http://www.viewswire.com*, retrieved June 2004.

[8] World Bank, *Governance Dataset*, July 2003, found at Internet address http://www.worldbank.org, retrieved Aug. 2004.

[9] World Bank Group, World Development Indicators database. Gross National Income (formerly Gross National Product) is defined as the sum of all value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. Data are in current U.S. dollars.

Most of the SSA countries are WTO members or are involved as WTO observers.[10] Thirty-eight governments in SSA are WTO members, four have established accession working parties, and two others have requested accession working parties.[11] In addition, three governments have typically been granted observer status during ministerial conferences.[12]

Prior to the advent of the World Integrated Trade Solution database, tariff information for SSA was not readily available. Where tariff data are available, however, information can be inaccurate. Available information typically indicates high tariffs that likely hinder rather than facilitate trade. In addition to high tariffs, extra import charges, taxes, or fees are common, making the trade environment nontransparent.

Table 6-1
Aggregate governance index, selected sub-Saharan African countries, 1996 and 2002

2002 Rank	Country	1996	2002	Percent change
1	Botswana	74.56	74.21	-0.5
2	Mauritius	76.18	73.61	-3.4
3	South Africa	61.16	63.16	3.3
4	Namibia	72.55	62.65	-13.6
5	Madagascar	43.93	51.48	17.2
6	Ghana	45.63	48.69	6.7
7	Senegal	37.37	48.54	29.9
8	Malawi	33.44	36.94	10.5
9	Mozambique	27.52	36.94	34.2
10	Tanzania	24.39	33.24	36.3
11	Zambia	35.44	30.11	-15.0
12	Uganda	31.22	28.96	-7.2
13	Ethiopia	27.75	24.82	-10.6
14	Kenya	27.70	21.47	-22.5
15	Cameroon	13.60	18.30	34.6
16	Côte d'Ivoire	50.71	17.09	-66.3
17	Nigeria	8.10	11.17	37.9
18	Zimbabwe	42.51	8.99	-78.9
19	Angola	6.23	7.60	22.0
20	DROC	3.83	1.43	-62.7

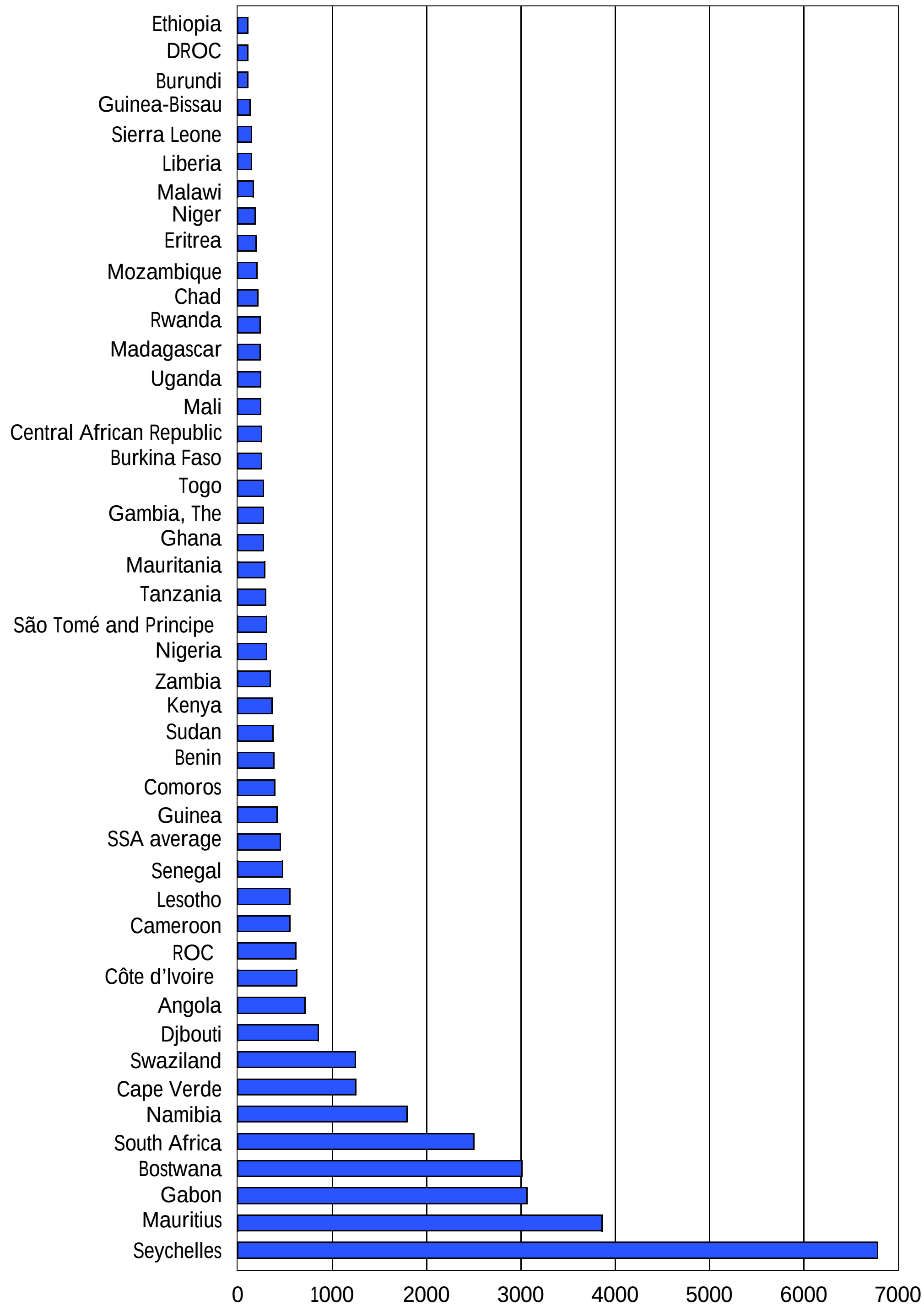
Source: World Bank, *Governance Dataset*, July 2003, found at Internet address *http://www.world-bank.org*, retrieved Aug. 2004.

[10] The following 10 SSA governments are not WTO members: Cape Verde, Comoros, Equatorial Guinea, Eritrea, Ethiopia, Liberia, São Tomé and Principe, Seychelles, Somalia, and Sudan.

[11] WTO accession working parties have been established for the following SSA countries: Cape Verde (July 2000), Ethiopia (February 2003), Seychelles (July 1995), and Sudan (October 1994). Equatorial Guinea (April 2002) and São Tomé and Principe (January 2001) have requested and have been granted observer status in the WTO, indicating each country's intention to begin the accession process within 5 years.

[12] The three countries are Comoros, Eritrea, and Liberia.

Figure 6-1
Gross national income per capita, 2002



Note.—Because of lack of data, Equatorial Guinea, Somalia, and Zimbabwe have not been included.
Source: World Bank, *African Development Indicators,* found at Internet address *http://www.worldbank.org,* retrieved June 2004.

Table 6-2 shows recent tariff rates for SSA countries across several groupings. The first category shows most-favored-nation (MFN)[13] tariff rates for 35 of the 38 SSA WTO members. The average MFN tariff rate for these countries was about 16.8 percent ad valorem for agriculture and 13.1 percent ad valorem for industrial goods. A second category reports only bound tariff rates for the other three WTO members during 2003, for which no MFN or applied tariff data were available. The average bound tariff rate for these three countries was 68.1 percent ad valorem for agriculture and 38.8 percent ad valorem for industrial goods. Lastly, a third group shows tariff rates for 4 of the 10 non-WTO member countries that maintain a de facto application of the General Agreement on Tariffs and Trade[14] or that have applied for WTO accession. This third group of countries indicates “MFN-like” tariffs of 29.2 percent ad valorem for agriculture and 21.4 percent ad valorem for industrial goods. All three groupings are exclusive of other duties and charges.

Technical Notes

Attempts have been made to provide standard and consistently defined measures for each country profile, but information may vary among the 48 countries and among sources because of varying statistical methods and data limitations, coverages, and practices. Consequently, full comparability cannot be assured. In general, the statistical information should be treated as indicative, and emphasis placed on broad trends over time. To facilitate cross-country comparisons, values of many national currencies have been converted from the national currencies into U.S. dollars, using the World Bank Atlas methodology.[15] Data series are expressed in constant U.S. dollars and exchange rates use a base year of 1995. Most group averages are weighted according to the relative importance of the countries in the group total where appropriate, and shares and ratios are calculated using current price series.[16] Some data based on estimates in previous editions have been updated or replaced with actual data or improved estimates. In situations where official exchange rates diverge by an exceptional margin from the rate effectively applied to international transactions and a more appropriate conversion factor is estimated, the dollar value of GDP may not match the local currency GDP value multiplied by the exchange rate.

[13] Also called “Normal Trade Relations” duty rates in the United States.

[14] The General Agreement on Tariffs and Trade (GATT) consists of the multilateral rules governing international trade, which were first agreed in 1947 (GATT 1947), and which continue in the form of the GATT 1994 (although essentially identical in substance, GATT 1947 and GATT 1994 are nonetheless legally distinct documents). The World Trade Organization (WTO) was established in 1995 to oversee the GATT 1994.

[15] World Bank, *Development Indicators Database*, 2004.

[16] Ibid.

Table 6-2
Tariffs in sub-Saharan African countries, various years

Country	Agriculture	Industry	Source	Year
	— Percent ad valorem —			
WTO members (MFN tariff rates)				
Angola	9.4	8.7	UNCTAD TRN	2002
Botswana	9.1	5.3	WTO IDB	2002
Burkina Faso	14.3	11.6	UNCTAD TRN	2003
Burundi	33.0	21.9	UNCTAD TRN	2002
Cameroon	22.0	17.5	UNCTAD TRN	2002
Central African Republic	22.0	17.5	UNCTAD TRN	2002
Chad	22.0	17.5	UNCTAD TRN	2002
Congo (DROC).	13.0	11.9	UNCTAD TRN	2003
Congo (ROC).	22.0	17.5	UNCTAD TRN	2002
Côte d'Ivoire	14.3	11.6	UNCTAD TRN	2003
Djibouti	20.5	32.6	UNCTAD TRN	2002
Gabon	22.0	17.5	UNCTAD TRN	2002
Ghana	19.9	13.8	UNCTAD TRN	2000
Guinea	6.6	6.4	WTO IDB	1998
Guinea-Bissau	14.3	11.6	UNCTAD TRN	2003
Kenya	23.1	18.5	UNCTAD TRN	2001
Lesotho	9.1	5.3	WTO IDB	2002
Madagascar	5.8	4.4	UNCTAD TRN	2001
Malawi	14.9	12.8	UNCTAD TRN	2001
Mali	14.6	10.6	WTO IDB	1999
Mauritania	12.6	10.6	UNCTAD TRN	2001
Mauritius	19.5	18.3	UNCTAD TRN	2002
Mozambique	16.4	11.4	UNCTAD TRN	2003
Namibia	9.1	5.3	WTO IDB	2002
Niger	14.3	11.6	UNCTAD TRN	2003
Nigeria	52.4	26.6	UNCTAD TRN	2002
Rwanda	12.6	9.5	UNCTAD TRN	2003
Senegal	14.3	11.6	UNCTAD TRN	2003
South Africa	8.8	7.9	UNCTAD TRN	2001
Swaziland	9.1	5.3	WTO IDB	2002
Tanzania	18.1	12.9	UNCTAD TRN	2003
Togo	14.3	11.6	UNCTAD TRN	2003
Uganda	12.1	8.1	UNCTAD TRN	2003
Zambia	18.7	13.2	UNCTAD TRN	2003
Zimbabwe	25.5	18.7	UNCTAD TRN	2001
Average	16.8	13.1		
WTO members (bound tariff rate ceilings)				
Benin	61.8	11.5	UNCTAD TRN	2003
The Gambia	102.2	56.4	UNCTAD TRN	2003
Sierra Leone	40.3	48.5	UNCTAD TRN	2003
Average	68.1	38.8		

See footnotes at end of table.

Table 6-2—*Continued*
Tariffs in Sub-Saharan Africa countries, various years

Country	Agriculture	Industry	Source	Year
	— *Percent ad valorem* —			
Non-WTO members (MFN* tariff rates)				
Cape Verde	([1])	([1])		
Comoros	([1])	([1])		
Equatorial Guinea	22.0	17.5	UNCTAD TRN	2002
Eritrea	([1])	([1])		
Ethiopia	21.7	18.4	UNCTAD TRN	2002
Liberia	([1])	([1])		
São Tomé and Principe	([1])	([1])		
Seychelles	38.4	26.8	UNCTAD TRN	2001
Somalia	([1])	([1])		
Sudan	34.6	22.9	UNCTAD TRN	2002
Average	29.2	21.4		

[1] Not available.

Note.–Harmonized System (HS) chapters 1 to 24 constitute agricultural goods, and HS 25 to 97 comprise industrial goods. MFN* indicates MFN-like tariff rates of non-WTO members that maintain a de facto application of the rules of the GATT or that have applied for WTO accession. UNCTAD TRN indicates the Trade Analysis Information System (TRAINS) database of the United Nations Conference on Trade and Development, taken from the World Bank's WITS database. WTO IDB indicates the Integrated Database of the World Trade Organization, taken from the World Bank's WITS database. Data shown from the most recent year available; data from the WTO IDB supplements that of the UNCTAD TRN database where multiple entries are available for the same year.

Source: World Bank, *World Integrated Trade Solution Database*, Aug. 2004.

Statistical data for the 48 countries were sourced from the most recent data available from the Economist Intelligence Unit (EIU) (economic and world trade indicators),[17] World Bank Africa database (FDI),[18] and the U.S. Department of Commerce (U.S.-SSA trade data).[19] Some countries' "Composition of GDP" charts are divided into primary, secondary, and tertiary sector aggregations used by the EIU. These sectors are defined as: primary (agriculture, fisheries, mining, and quarrying); secondary (manufacturing, construction, electricity, water, and other utilities); tertiary (primarily services activities, such as retail, financial, real estate, and government services). As a result of rounding, "Composition of GDP" charts may not add to 100. Text references to the "formal" sector indicate activity that is linked to official administrative entities (such as through tax collection); and text references to the "informal sector" indicate activity primarily unmonitored by administrative entities (such as cash payments to employees). In addition, some country profiles refer to "Article IV" consultations with the IMF. This term refers to "Articles of Agreement of the International Monetary Fund, Article IV – Obligations Regarding Exchange Arrangements."[20] Where U.S. dollar equivalents were not provided in the source material, IMF exchange rates for relevant years were used to provide estimated U.S. dollar equivalent values.[21] Textual update information was drawn from numerous sources, including the Economist Intelligence Unit country profiles and Viewswire articles, Newsedge articles, Allafrica articles, and U.S. Department of State.[22] All country profile text discussions represent reported information from the above-referenced sources, and are not Commission opinion or assessment.

[17] Economist Intelligence Unit, "Sub-Saharan African Countries' Economic Structure Profiles," 2003. EIU data include both official government data and EIU estimates when official source information is unavailable.

[18] World Bank, *Development Indicators Database*, 2004, retrieved July 2004.

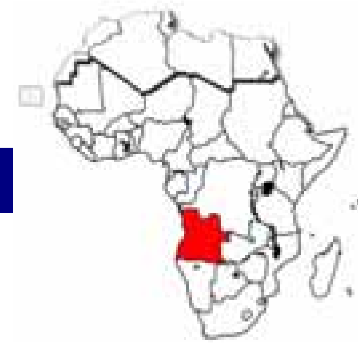
[19] Compiled from official statistics of the U.S. Department of Commerce.

[20] For more information, see IMF, "Articles of Agreement of IMF," found at Internet address *http://www.imf.org/external/pubs/ft/aa/aa04.htm*, retrieved Sept. 23, 2003.

[21] IMF, *IFS Database*, found at Internet address *http://www.imfStatistics.org*, retrieved May 2004.

[22] For a more detailed list of primary nongovenmental information sources, see source list at the end of this chapter.

ANGOLA

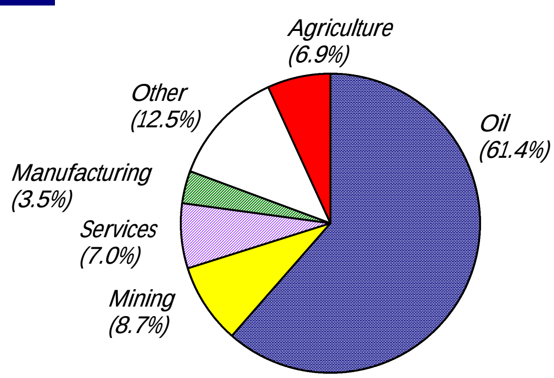


Economic Overview

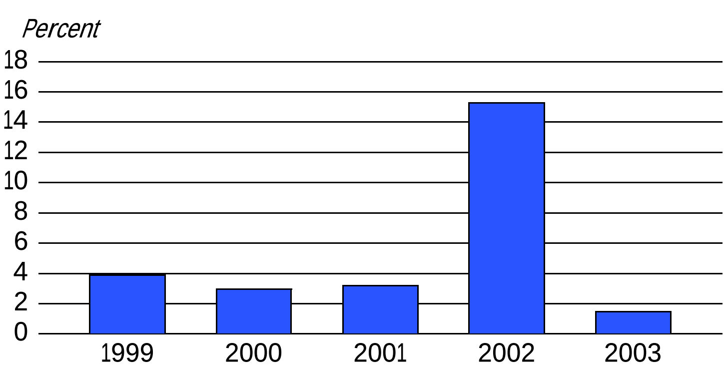
Economic Indicators

	2002	2003	Difference
GDP (nominal, Kz bn)	525.7	954.4	428.7
GDP (US$ bn)	12.1	12.7	0.6
CPI Inflation (annual average, %)	106.0	76.6	-29.4
Goods Exports (US$ mn)	8,333.4	9,618.5	1,285.1
Goods Imports (US$ mn)	3,709.0	4,079.9	370.9
Trade Balance (US$ mn)	4,624.4	5,538.6	914.2
Current Account Balance (US$ mn)	-632.6	-495.2	137.4
Foreign Exchange Reserves (US$ mn)	375.6	845.0	469.4
Total External Debt (US$ bn)	9.4	9.2	-0.2
Debt Service Ratio, paid (%)	17.2	17.5	0.3
Exchange Rate (Kz/US$)	43.5	75.0	31.5

Origins of GDP (1999)



Real GDP Growth Rate



Economic Update

- Unrest in the Angolan countryside, drought, and relocation contributed to a decrease in agriculture production in 2003. The decline in the agricultural sector contributed to increased food imports in 2003.
- Production in Angola's fishing industry continues to decline because of government intervention and insufficient investment and technology.
- As the second-largest oil exporter in SSA, Angola's petroleum sector has continued to expand rapidly.
- Despite rapid economic growth, Angola remains underdeveloped according to socioeconomic indicators. In late 2003, efforts began to improve inadequate infrastructure hampered by civil unrest in previous years.
- Angola is the world's fourth-largest diamond producer.
- Production within the manufacturing industry continues to be hampered by high costs, corruption, inadequate services, and ineffective laws.
- Major government initiatives for 2003 included growth in nonpetroleum sectors, specifically agriculture and livestock, and improvement of land and water transportation; energy, water, supply and sanitation; and housing and public services, including schools and health clinics.
- Government plans for privatization, tax reforms, and budget reforms are progressing slowly.
- Post-war rehabilitation continued to improve in early 2004 with the third phase of the World Bank's reconstruction program. Co-founded by the World Bank / International Development Association, EU, Norwegian government, U.S. Agency for International Development, and ChevronTexaco (U.S.), Angola received a social action fund of $137 million to rehabilitate its social and economic infrastructure over the next four years.
- Continued macroeconomic instability, oil-backed lending, and corruption contributed to Western donor and foreign aid agency reluctance to offer financial assistance for reconstruction after the recent civil unrest. Because of decreased financial assistance, the government expressed interest in establishing a new program with the IMF in March 2003. In April 2004, the World Bank granted Angola $33 million to facilitate societal reintroduction of 140,000 soldiers. In October 2003, Angola and neighboring São Tomé, & Principe signed agreements regarding oil, tourist activity, and financial responsibility. In early 2004, DROC and Angola signed cooperation agreements focusing on construction of new roads; rehabilitation of railways; and cooperation in the areas of legal, social, and political communication.
- In April 2004, Angola and Morocco signed a cooperation protocol focused on the petroleum sector.

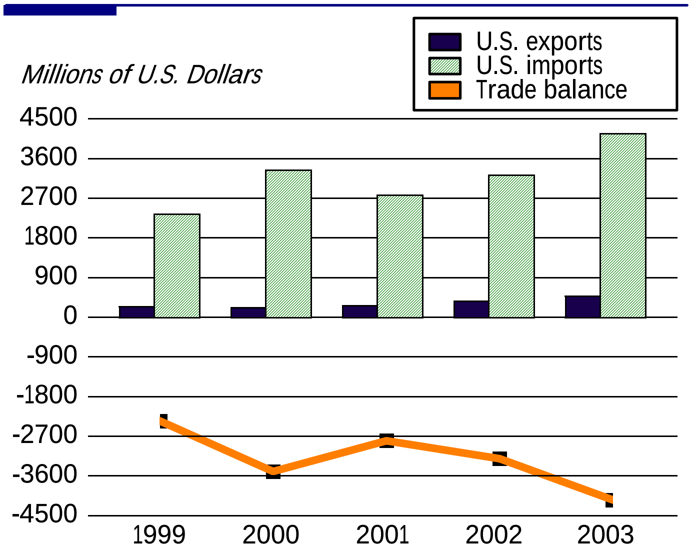
Main Trade Partners, percent of total

Markets (2002)		*Sources (2001)*	
United States	35.8	Portugal	26.0
China	11.6	South Africa	15.9
France	6.9	United States	17.9
Belgium	5.4	France	8.6

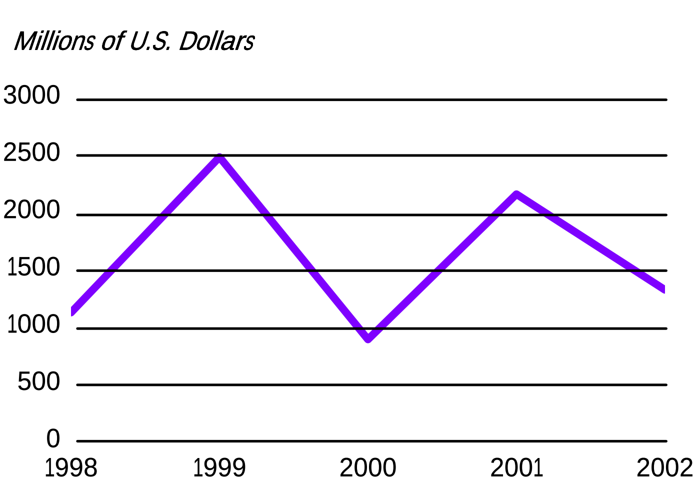
Main Trade Commodities, US$ millions

Exports (1999)		*Imports (1996)*	
Crude oil	4,305.0	Consumer goods (excl food)	712.0
Diamonds	577.0	Capital goods	327.0
Refined Petroleum	75.0	Intermediate goods	299.0
Liquefied petroleum gas	10.0	Food	295.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Passenger and freight use of air travel within Angola has increased because civil unrest in the countryside has hampered ground-based transportation.
- Crown Agents (UK) continued efforts to reform customs procedures. These efforts contributed to an increase in state revenue in early 2003.
- In late 2003, Angola announced plans to explore the exportation of liquified natural gas (LNG) as a means of reducing the flaring of gas, a by-product of oil production. Inadequate infrastructure investment has prevented Angola's export of LNG thus far.
- Efforts to eliminate investment and trade barriers and move toward a market-based economy experienced a setback when the government required all imports to pass through government-controlled posts.
- In 2003, U.S. exports to Angola consisted primarily of machinery and mechanical appliances, aircraft and parts thereof, and meat. U.S. imports from Angola consisted primarily of mineral fuels and oils, precious or semiprecious stones or metals, and organic chemicals. In 2004, Angola was designated an AGOA beneficiary country.

Investment and Privatization Update

- Representing over 50 percent of the foreign investment in Angola in 2003, the United States' investment level was approximately $10 billion and is anticipated to reach $20 billion by 2008.
- Investment continued to focus primarily on the energy sector to help alleviate the frequent power outages caused by an inadequately maintained and inefficiently integrated electricity grid.
- In June 2003, investment in the Angolan oil sector, specifically LNG and refinery operations, was expected to increase by $23 billion over the next 5 years. A $15-billion investment by ExxonMobil (U.S.), after making its seventeenth discovery in Angola's deepwater Block 15, contributed to the expected increase.
- Investment in Angola's diamond mining industry also increased. In June 2003, three kimberlite ore deposits containing diamonds were found at Alto Cuilo by Petra Diamond mine (South Africa). In December 2003, Russian Alrosa began building a $45-million hydroelectric power plant, due to be completed by mid-2006. The power plant will help to increase the number of ore-dressing facilities on the Chikapa River and increase the mine's diamond output. Also in December 2003, Empresa de Diamantes (Endiama) announced its partnership with local companies Gelton, Prodminas, and Saccir and Makitara to mine the Cacolo region for alluvial diamonds.
- Investment in the telecommunications sector increased early in 2004 when Telecom Namibia bought 44 percent of Mundo Startel with a commitment of $14 million over the next 3 years and plans for a national network structure by mid-2006.
- Private sector weakness, a lack of financial and administrative capacity, and inadequate interest in potential buyers continued to constrain the government's privatization program. The privatization of the state banks, initially supported by the IMF, experienced a setback when a tender for a consultancy contract was cancelled. The contract included plans to oversee the sale of over 50 percent of BCI, the first state bank.

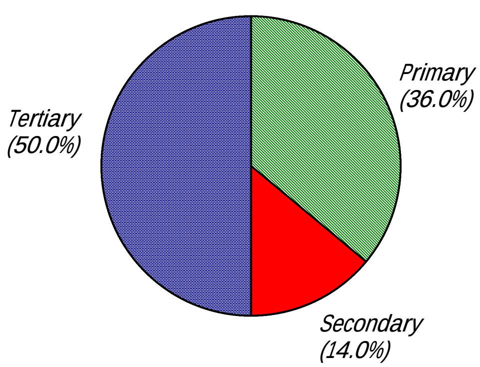
BENIN

Economic Overview

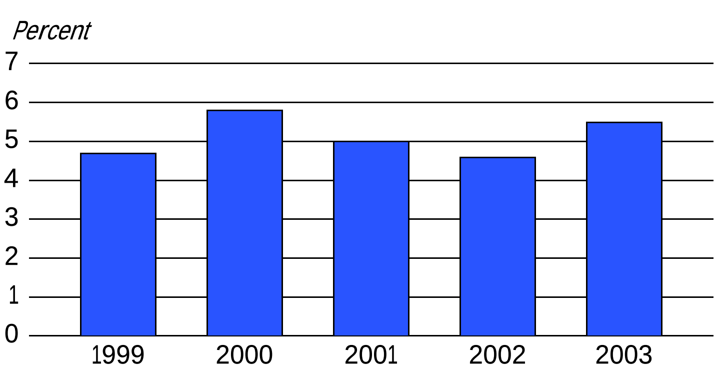
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	1,959.0	2,125.0	166.0
GDP (US$ bn)	2.8	3.7	0.9
CPI Inflation (annual average, %)	2.4	2.8	0.4
Goods Exports (US$ mn)	424.0	484.0	60.0
Goods Imports (US$ mn)	582.0	726.0	144.0
Trade Balance (US$ mn)	-158.0	-242.0	-84.0
Current Account Balance (US$ mn)	-88.0	-147.0	-59.0
Foreign Exchange Reserves (US$ mn)	615.7	631.0	15.3
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (CFAfr/US$)	697.0	518.2	-115.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Benin continued to experience substantial economic growth in 2003.
- The government continues to implement social services projects in areas such as health and education.
- The government's primary macroeconomic strategy includes accelerated growth, poverty reduction, and financial stability. Government revenue is expected to increase from the computerization of the customs and excise department. Customs revenue represents approximately 50 percent of domestic revenue. The efforts, however, continue to be hampered by lack of efficient implementation.
- Benin plans to modernize the Adjaralla dam on the Mono River in order to increase power supplies. This is a joint project with Togo and is estimated to cost $162 million.
- In December 2003, Benin received its first international credit rating, receiving a B+ long-term and B short-term sovereign credit rating.
- Millennium Challenge Corporation (U.S.) designated Benin as a country eligible to receive assistance in 2004.
- Benin continued to follow the IMF PRGF program first initiated in July 2000. The PRGF's fifth review was completed in October 2003. In addition, the IMF approved disbursement of $3.7 million towards the PRGF. PRGF targets for 2003 were expected to be largely met.
- In October 2003, the African Development Bank announced an $18-million loan to finance a rural electrification project costing a total of $23 million. The project will provide electricity for 57 rural areas. The government aims to provide electricity to 29 percent of the population by 2008.
- In February 2004, the West African Development Bank and Benin signed a complementary debt relief agreement worth $8.9 million towards Benin's poverty eradication efforts and HIV / AIDS alleviation.
- The World Bank / IDA is preparing a PRSC of $20 million. The aim is to support the country's poverty reduction strategy.
- The EU allocated a 30 million euro (approximately $39 million) grant to support urban road maintenance and road improvement policy.
- Nigeria shut down its border with Benin for 2 weeks in August 2003 in an attempt to reduce cross-border crime.

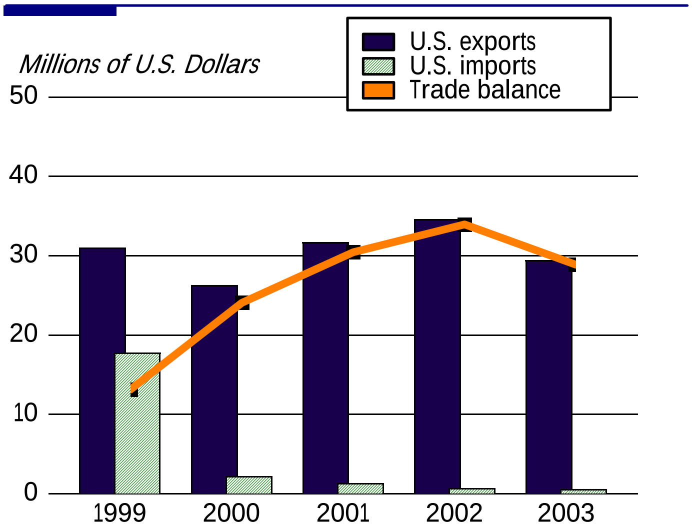
Main Trade Partners, percent of total

Markets (2002)		*Sources (2001)*	
European Union	24.6	European Union	38.1
India	24.2	China (incl Hong Kong)	31.8
Italy	10.8	France	15.6
China (incl Hong Kong)	7.3	United Kingdom	4.7

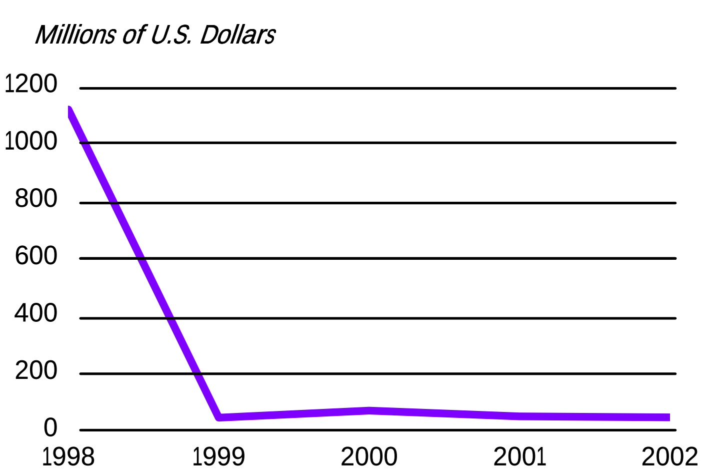
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Re-exports	168.8	Food	160.6
Cotton	141.2	Petroleum products	130.4
		Capital goods	104.8

U.S. Trade Balance



Net Foreign Direct Investment



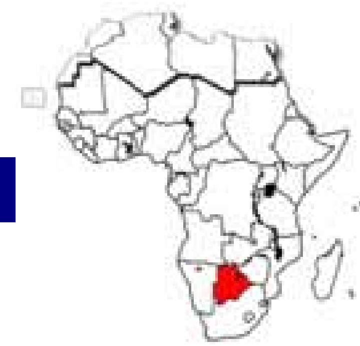
Trade Update

- During 2003, Benin's major port, Cotonou, experienced a large surge in activity, as Côte d'Ivoire's Abidjan port activity was restricted because of civil unrest.
- The IMF and Benin authorities evaluated the requirements of the customs administration for pre-shipment inspection. Specifically, the team examined the monitoring of customs valuation and "special regimes," including audit coverage and transparency of customs procedures.
- France is the largest source of imports for goods including food, mineral fuels, chemicals, machinery, and transport equipment. Imports from China have increased substantially.
- Nigeria is the largest re-export market for Benin's goods. Benin's low tariffs and good port facilities, and its large border with Nigeria, create an informal market for trade.
- In recent years, production of crops such as palm oil, cashew nuts, coffee, cocoa, groundnuts, and shea nuts has increased substantially in northern and central Benin.
- Construction of the Cotonou fishing port is scheduled to be completed in mid 2004. The modernization project, funded by Japan and the United States, included installation of a refrigeration plant and the construction of two unloading docks and boat-repair and storage facilities. Also planned are an electricity generating plant, a laboratory, and research offices.
- In 2005, Benin and UEMOA plan to establish a full economic union.
- In 2003, U.S. exports to Benin consisted primarily of motor vehicles and parts thereof, machinery and mechanical appliances, and used clothing and textiles. U.S. imports from Benin consisted primarily of live animals, cotton yarn or fabric, and wood and articles of wood. In 2003 and 2004, Benin was designated an AGOA beneficiary country, including qualifying for apparel benefits in 2004.

Investment and Privatization Update

- Libercom, a state-owned mobile phone operator and the largest mobile phone operator in Benin, plans to increase its customer base from 69,000 in 2002 to 140,000 in 2003.
- The telecommunications industry is still slated for privatization. In addition, privatization of Continental Bank is still planned, while two hotels were put up for sale July 2003.
- In July 2003, the government offered for sale ginneries owned by the state-owned cotton marketing and processing company. The company's processing plants were to be sold in four parts: Bembereke and Glazoue ginneries, Bohicon 1 and 2 and Kandi ginneries, Banikoara and Hagoume ginneries, and Parakou 1 and 2 and Savalou ginneries.
- During 2003, the government continued plans to privatize the Cotonou port.

BOTSWANA

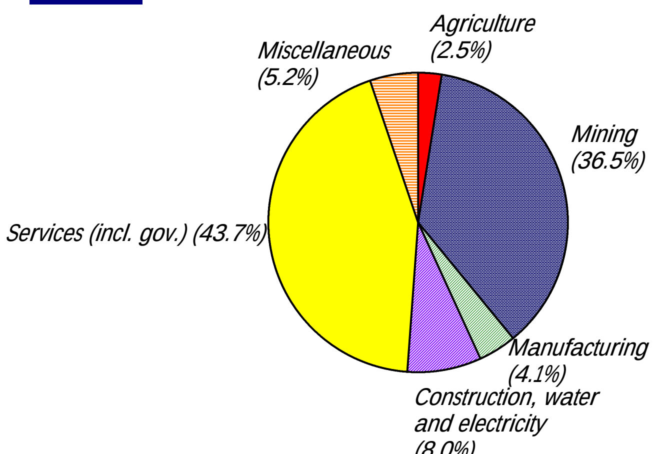


Economic Overview

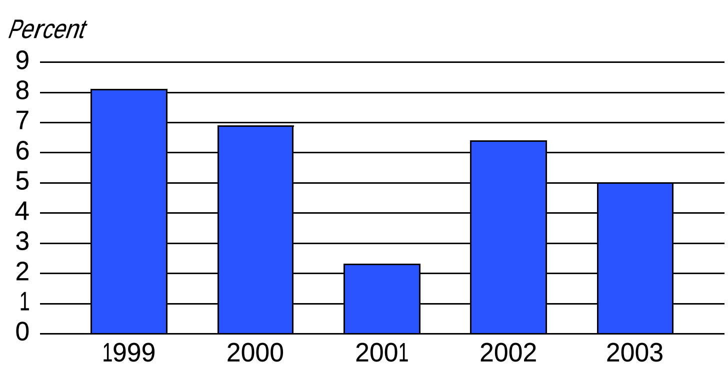
Economic Indicators

	2002	2003	Difference
GDP (nominal, P bn)	35.9	41.2	5.3
GDP (US$ bn)	5.7	8.3	2.6
CPI Inflation (annual average, %)	8.0	9.2	1.2
Goods Exports (US$ mn)	2,368.0	2,544.0	176.0
Goods Imports (US$ mn)	1,704.0	1,753.0	49.0
Trade Balance (US$ mn)	664.0	791.0	127.0
Current Account Balance (US$ mn)	540.0	591.0	51.0
Foreign Exchange Reserves (US$ bn)	5.5	5.8	0.3
Total External Debt (US$ mn)	383.3	417.8	34.5
Debt Service Ratio, paid (%)	1.9	1.8	-0.1
Exchange Rate (P/US$)	6.3	5.0	-1.3

Origins of GDP (2000)



Real GDP Growth Rate



Economic Update

- In June 2004, the World Economic Forum ranked Botswana as Africa's top competitive economy because of the quality of its public institutions and the openness of the economy.
- Botswana earns 80 percent of its foreign exchange from the mining sector. Botswana is the world's largest diamond producer by value. Diamond production is not labor intensive and accounts for only 5 percent of employment in the formal sector. A substantial proportion of output is mined by the DeBeers Botswana Mining Company, also known as Debswana, a joint venture between De Beers and the Government of Botswana. Botswana is expected to maintain a current account surplus through 2004 because of increased output from the mining sector.
- Botswana continues to be hampered by a small consumer market, and its landlocked location limits the supply of usable water and also results in high transport costs.
- The spread of HIV / AIDS continues to hinder economic development, accounting for continued increasing social costs. In early 2004, the Central Statistics Office was tasked with conducting a national AIDS impact study.
- In 1999, the Mining and Minerals Act was revised to increase private sector investment in mining exploration in remote regions. A new policy proposed for 2004 is expected to reduce investor risk by providing baseline geological data, as well as streamlining the production process for the mining of raw materials such as diamonds, copper-nickel, soda ash, and coal.
- In February 2004, the finance minister announced immediate plans to devalue the local currency, the pula. The devaluation is aimed at improving Botswana's competitive position in international markets for the mining sector and establishing a competitive edge for nonmining activities.
- The government has indicated its intent to decrease the current budget deficit through the sale of the Public Debt Service Fund loan book and a reduction in public spending.
- The Ninth National Development Plan was launched in April 2003 and will be completed in March 2009. This plan will explore opportunities to promote investment and to increase activity in nonmining sectors in order to diversify the economy away from its reliance on diamond mining.
- The government announced plans to fund a development plan to achieve global competitiveness through diversified development. Sectors identified by the Botswana Export Development and Investment Authority include textile and garment production, glass manufacturing, jewelry manufacturing, leather tanning, tourism, public sector reform, and meat products.
- A new diamond mine opened in October 2003 and is expected to contribute 25,000 carats to the national output level.

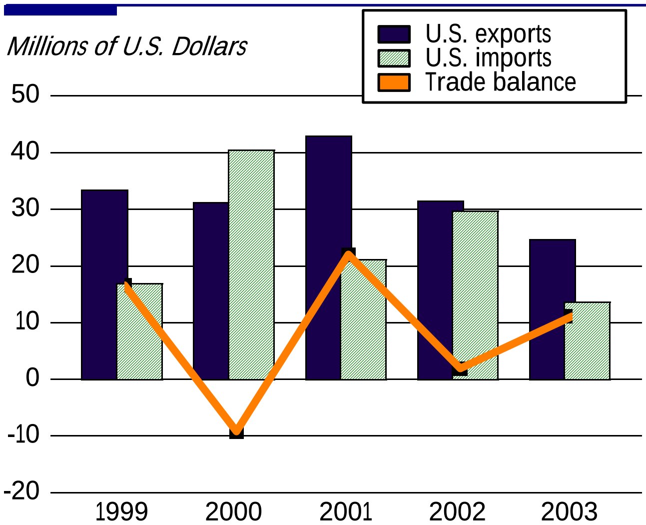
Main Trade Partners, percent of total, 2000

Markets		*Sources*	
European Free Trade Area	87.0	Southern African Customs Union	74.0
Southern African Customs Union	7.0	European Free Trade Area	17.0
Zimbabwe	4.0	Zimbabwe	4.0

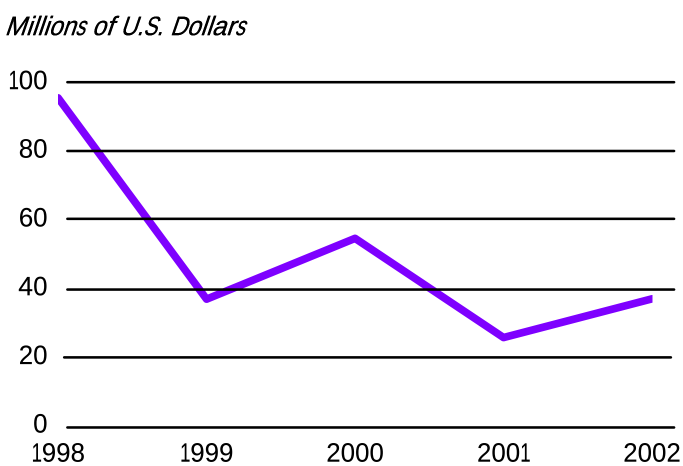
Main Trade Commodities, US$ millions, 2000

Exports		*Imports*	
Diamonds	2,231.0	Machinery & electrical goods	462.0
Copper & nickel	163.0	Food, beverages & tobacco	293.0
Vehicles	53.0	Vehicles & transport equipment	258.0
Meat & meat products	52.0	Chemical & rubber products	203.0

U.S. Trade Balance



Net Foreign Direct Investment



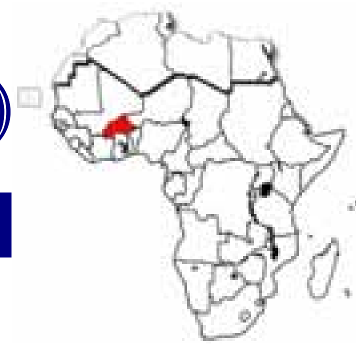
Trade Update

- In May 2003, the Botswana Meat Commission's abattoirs were temporarily closed because of foot-and-mouth disease. Exports to the EU, Botswana's largest market, and South Africa were temporarily halted. In July 2003, beef exports to the EU were resumed. Beef is the primary agricultural export from Botswana, with exports totaling more than $300 million per year.
- A Tourism Board was established in late 2003 after the passage of the Tourism Bill. The board's role will be to promote tourism with the aid of a development fund. Tourism has dwindled because of civil unrest in the region and political instability in neighboring Zimbabwe.
- In August 2002, Botswana was granted the right under AGOA to source raw materials from third-party countries for apparel production because of its limited domestic resources.
- Improved production processes in the mining industry have increased diamond output, which reached 28.4 million carats in 2002 and 30.3 million in 2003.
- In 2003, U.S. exports to Botswana consisted primarily of aircraft and parts thereof, electrical machinery and equipment, and machinery and mechanical appliances. U.S. imports from Botswana consisted primarily of precious or semiprecious stones or metals, apparel, and footwear. In 2003 and 2004, Botswana was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Botswana totaled $6.3 million in 2003.

Investment and Privatization Update

- Major government initiatives encouraging joint ventures between foreign investors and domestic partners include facilitating the issuance of trade licenses, streamlining the process for issuing work permits, and allowing tax write-offs for employee training.
- Although Botswana allows for free repatriation of profits, has one of the lowest corporate tax rates in the region at 25 percent, and has a special corporate tax rate (15 percent) for certain categories of manufacturing, the slow progress of privatization and the slow adoption of competition policy legislation continues to hamper investment.
- Gallery Gold (Australia) has signed separate joint venture agreements with De Beers Prospecting (Botswana) and Albidon (Australia) that cover exploration work in Botswana's Tati greenstone belt.
- An 18-month exploration program was announced for the kimberlite region by African Diamonds (Ireland) and is to be funded through the Alternative Investment Market (UK). The firm, which was also awarded a prospecting license for the Damtshaa mine that opened in October 2003, has indicated its intent to explore ancient river systems in the hope of discovering diamond deposits.
- The original target sale date of the national airline, Air Botswana, was postponed to 2003 from 2001. In late 2003, the privatization was further halted because of the decision of Comair and Air Mauritius to withdraw their bids. Comair expressed concern over the current state of the international airline industry, and Air Mauritius has undergone changes in senior management.

BURKINA FASO

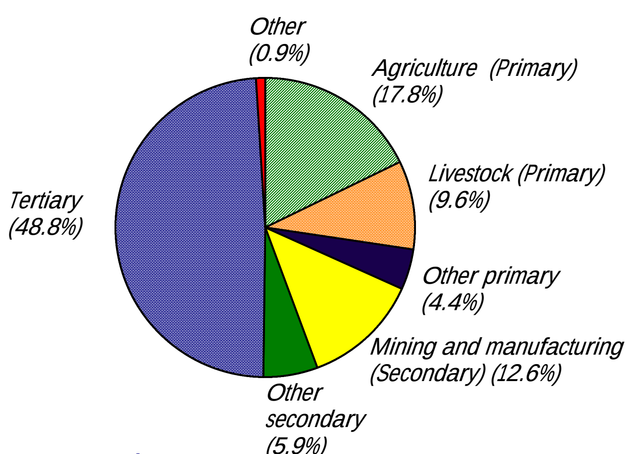


Economic Overview

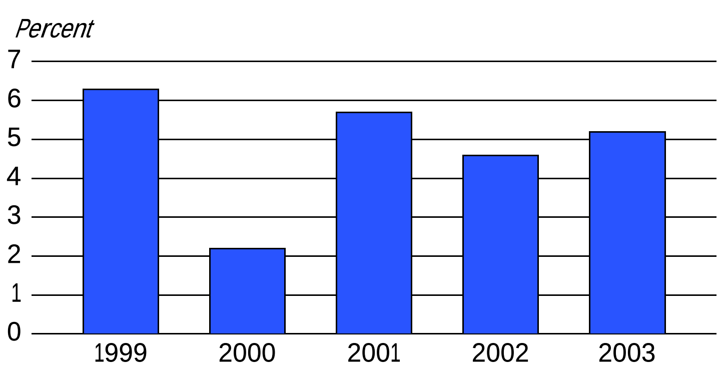
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	2,004.0	2,157.0	153.0
GDP (US$ bn)	2.9	3.7	0.8
CPI Inflation (annual average, %)	2.3	2.0	-0.3
Goods Exports (US$ mn)	236.0	324.0	88.0
Goods Imports (US$ mn)	548.0	699.0	151.0
Trade Balance (US$ mn)	-312.0	-375.0	-63.0
Current Account Balance (US$ mn)	-313.0	-381.0	-68.0
Foreign Exchange Reserves (US$ mn)	213.0	341.0	128.0
Total External Debt (US$ bn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (CFAfr/US$)	697.0	581.2	-115.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Agriculture remains an important sector of the economy. Approximately 90 percent of the population derives its livelihood from agriculture and livestock, with over 80 percent depending on subsistence agriculture.
- Gold is Burkina Faso's main mineral resource and limited amounts are sold commercially. It is the third-largest source of export receipts, after cotton and livestock. Although Burkina Faso has some manganese deposits, the country has yet to invest in their development.
- The government has announced biotech cotton trials as part of a cooperative agreement with Monsanto (U.S.) and has agreed to co-host a regional biotech conference.
- In April 2003, along with Mali, Benin, and Chad, Burkina Faso introduced a plan to end cotton subsidies.
- Government economic policy is expected to focus on making primary education compulsory and free, giving local communities greater authority and resources, monitoring the PRSP process, increasing financial support of private enterprise, and coordinating donor support.
- The most recent PRGF was approved by the IMF on June 11, 2003. PRGFs have placed significant emphasis on social expenditure and rural development. IMF supported goals for development under the 2003-06 PRGF include minimizing the budget deficit, protecting social spending, improving tax collection efficiency, promoting private sector and rural development, opening the cotton sector to private markets, promoting good governance, fighting corruption, encouraging debate, and facilitating privatization.
- Nine donor agencies, including the World Bank and European Development Bank, have agreed to provide $105 million for the construction of a power line between Ouagadougou, the capital, and Bobo-Dioulasso.
- Grants represent 70 percent of the $2 billion secured to reduce poverty by funding initiatives in education, healthcare, and the campaign against HIV / AIDS.
- In early 2004, the AfDB pledged 3 million euro (approximately $4 million) to Burkina Faso to support land reform efforts.
- India pledged $500 million in low-interest loans in early 2004 to help Burkina Faso, Chad, Côte d'Ivoire, Equatorial Guinea, Ghana, Guinea-Bissau, Mali, and Senegal create the Techno-Economic Approach for Africa India Movement, which will focus on generating employment, and promoting pharmaceuticals production and healthcare, information technology and telecommunications, and agriculture.

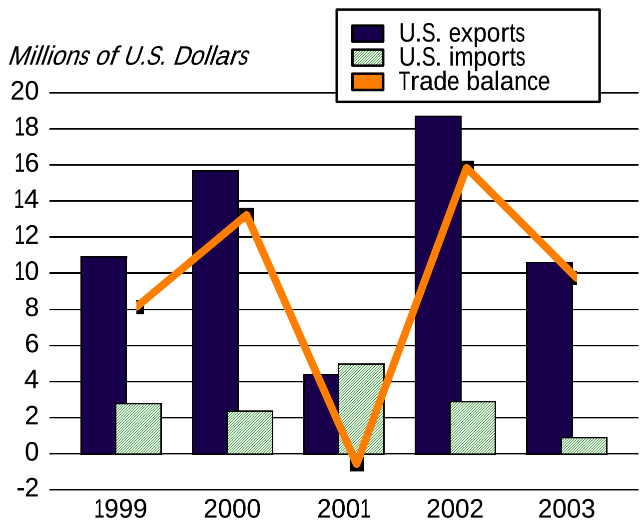
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
France	45.3	France	19.6
Côte d'Ivoire	9.2	Côte d'Ivoire	18.8
Indonesia	5.0	Japan	9.3
Mali	4.1	Germany	6.0

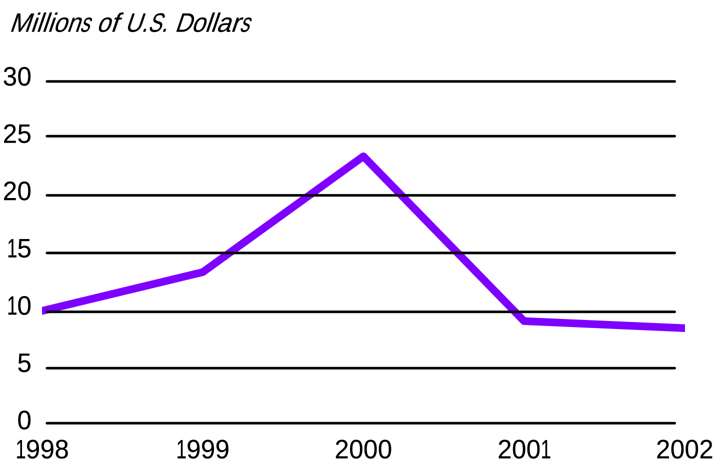
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Cotton	127.7	Capital goods	178.6
Animal products	49.3	Petroleum products	101.9
Gold	5.7	Food	69.6

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Despite significant investments in recent years, the transport system remains inadequately developed. The government is implementing a transport sector adjustment program with funding of $92 million from the World Bank. Main focal points of this project include developing a policy and regulatory framework and improving the road and rail networks.
- In September 2003, the border with Côte d'Ivoire was reopened to commercial and private traffic. Before its closing, Burkina Faso extensively used the Abidjan port for worldwide trade. Route interference, however, contributed to economic hardships in the western part of the country. While the ports were closed, shippers diverted trade to ports in Ghana and elsewhere in Africa. To alleviate the situation, the government lifted all taxes and duties on the importation of 100 new trucks to be used in the transport of internationally traded goods.
- Plans exist to construct a $750-million railway line from Burkina Faso to Ghana's ports on the Atlantic. This project would provide alternative trade transport options for the landlocked country other than the Abidjan port in Côte d'Ivoire.
- In 2003, U.S. exports to Burkina Faso consisted primarily of electrical machinery and equipment, machinery and mechanical appliances, and cereals. U.S. imports from Burkina Faso consisted primarily of works of art; edible fruit and nuts; and coffee, tea, mate, and spices.

Investment and Privatization Update

- A PRSP progress report released in early 2004 delineates steps to improve the country's business environment and encourage investment. The government has shortened the time required to establish a new business from 3 months to 15 days. Plans were developed in meetings with the private sector with goals to relax bonded warehouse regimes; to fund technical education, occupational training, and apprenticeships; and to provide companies with computer equipment. The government is also making efforts to reduce the cost of electricity, water, telecom, and transport.
- Twenty-six state enterprises were privatized between 1992 and 2003, with several on offer and more than a dozen placed in liquidation. Most liquidation has taken place in the manufacturing sector because of stiff competition from imports. Onatel (telecommunications), Sonabel (electricity), Sonabhy (energy provider), Onea (water), Cnea (agriculture sector parastatal), a hotel, and the Ougadougou and Bobo-Dioulasso airports still await privatization.
- In March 2003, the government announced the sale of all equipment owned by cotton parastatal Sofitex. It launched the partial privatization of Onatel, a telecom parastatal, in May 2003. The process is expected to be completed by 2009.
- In mid-2004, Burkina Faso passed legislation to encourage and provide protection for German FDI.

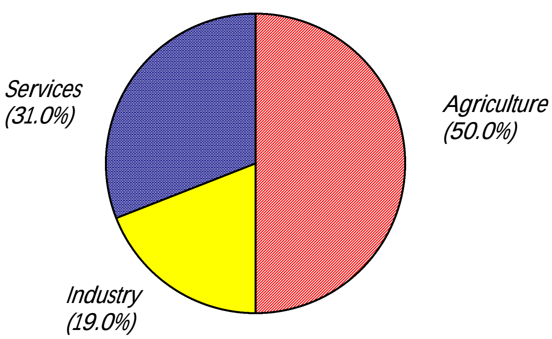
BURUNDI

Economic Overview

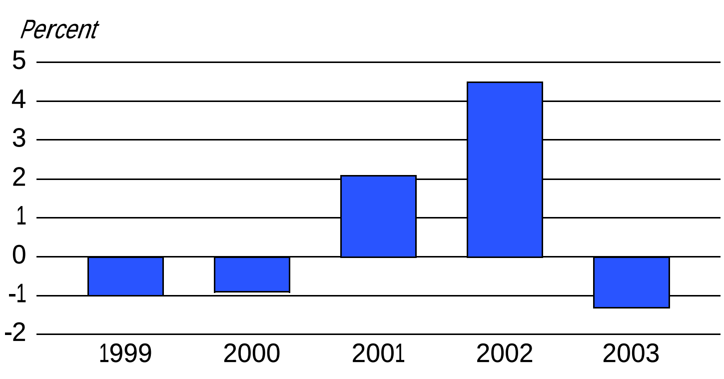
Economic Indicators

	2002	2003	Difference
GDP (nominal, Bufr bn)	567.0	617.0	50.0
GDP (US$ mn)	609.2	599.0	-10.2
CPI Inflation (annual average, %)	-1.4	10.2	11.6
Goods Exports (US$ mn)	30.0	40.0	10.0
Goods Imports (US$ mn)	106.0	128.0	22.0
Trade Balance (US$ mn)	-76.0	-88.0	-12.0
Current Account Balance (US$ mn)	-35.0	-47.0	-12.0
Foreign Exchange Reserves (US$ mn)	58.8	63.3	4.5
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (Bufr/US$)	930.8	1,030.0	99.2

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- Subsistence farming remains predominant. Civil unrest, sanctions, import shortages, and inadequate domestic demand hamper development of the industrial sector.
- The coffee sector continues to be affected by inadequate agricultural inputs, weak prices, and long-term international price decline.
- In December 2003, the government passed a budget that broadly conforms with performance criteria specified by the post conflict emergency program.
- The government's economic policy aims to reduce poverty, promote recovery, increase GDP growth, and improve delivery of public services. The government pledged to reduce the fiscal deficit by promoting price stability, pursuing structural reforms, and increasing expenditures on poverty relief.
- The IMF broadly approved Burundi's economic progress despite civil unrest and decreased economic activity.
- In early 2004, the IMF and the Burundi government signed an agreement for $104 million to support the economic reform program for 2004-07.
- Burundi is expected to receive debt relief under the HIPC initiative upon the IMF's approval of the PRGF and poverty reduction strategy in late 2004.
- The World Bank pledged to provide a loan of $26 million for macroeconomic support, and $33 million to assist the socioeconomic reintegration of displaced combatants.
- The World Bank approved an $84-million credit to improve access to agricultural production centers, social services, and national and international markets.
- In June 2003, the Burundi External Relations and Cooperation minister and the Chinese Ambassador to Burundi signed a $4-million aid agreement.
- In April 2004, the Government of Italy canceled debt owed by Burundi and committed to efforts to restructure Burundi's remaining international debt.

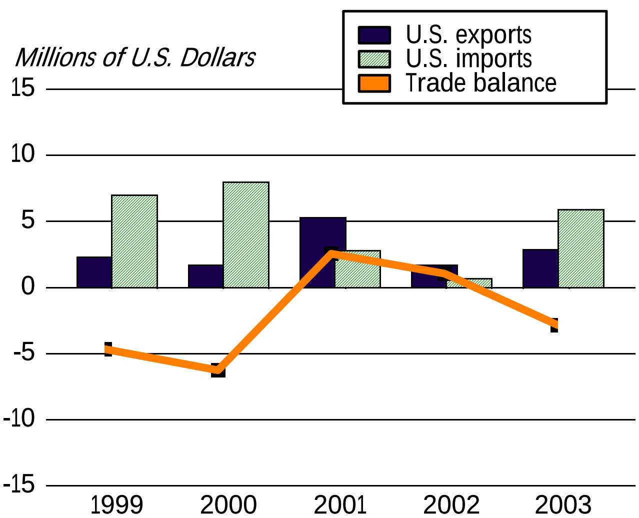
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Switzerland	28.8	Belgium	12.4
Germany	20.2	Saudi Arabia	12.3
Belgium	9.5	Tanzania	9.3
Kenya	7.7	Kenya	7.7

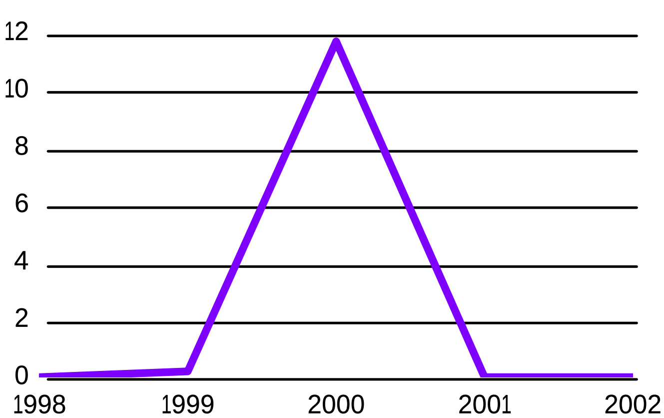
Main Trade Commodities, US$ millions, 1999

Exports		*Imports*	
Coffee	44.1	Intermediate goods	50.2
Tea	10.3	Consumer goods	37.4
Manufactures	1.0	Capital goods	30.0
Hides	0.1	Food	10.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Civil unrest, instability, and sanctions contributed to an increase in unrecorded exports and imports. Years of social unrest have also substantially reduced Burundi's imports of manufactured goods. The expected reduction in civil unrest should support an environment conducive to increased trade.
- The government has committed to exchange rate reforms in an attempt to decrease the gap between official and parallel exchange rates.
- The government liberalized regulations for sugar imports and exports because of supply shortages driven by price discrepancies with neighboring countries.
- The government has continued to diversify the country's export base. For example, nontraditional exporters are exempt from customs duties and are eligible for a 10-year tax holiday.
- In 2003, U.S. exports to Burundi consisted primarily of vegetables, cereals, and machinery and mechanical appliances. U.S. imports from Burundi consisted primarily of coffee, tea, mate, and spices; fish, crustaceans, and molluscs; and live animals.

Investment and Privatization Update

- The government announced plans to privatize the telecommunications parastatal in early 2001; however, political unrest continues to delay completion of the sale.
- Although the privatization minister has indicated the government's commitment to privatizing a variety of enterprises, resistance from public sector workers has slowed the process.

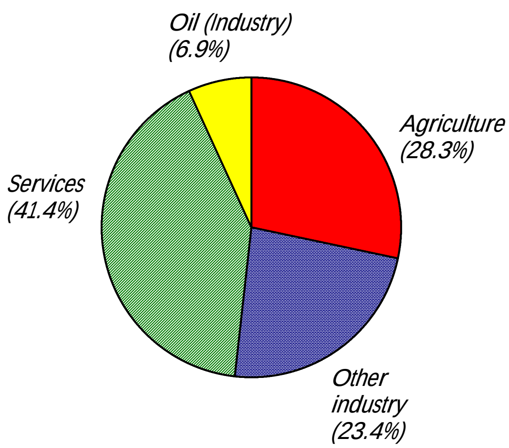
CAMEROON

Economic Overview

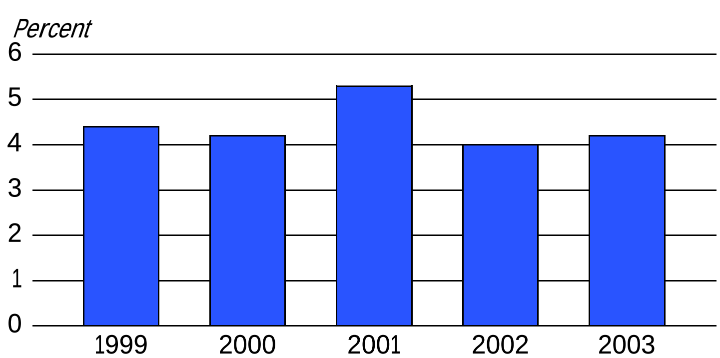
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	7,132.0	7,581.0	449.0
GDP (US$ bn)	9.7	12.1	2.4
CPI Inflation (annual average,%)	2.7	2.3	-0.4
Goods Exports (US$ mn)	1,884.0	2,170.0	286.0
Goods Imports (US$ mn)	1,858.0	2,247.0	389.0
Trade Balance (US$ mn)	26.0	-77.0	-103.0
Current Account Balance (US$ mn)	-550.0	-563.0	-13.0
Foreign Exchange Reserves (US$ mn)	629.7	680.7	51.0
Total External Debt (US$ bn)	7.4	7.3	-0.1
Debt Service Ratio, paid (%)	14.9	9.7	-5.2
Exchange Rate (CFAfr/US$)	697.0	581.2	-115.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- In 2003, agriculture, including forestry, livestock, and fishing, was the most important sector of the Cameroonian economy. Cocoa, coffee, cotton, palm oil, rubber, bananas, and pineapples are the country's primary commodity crops. Most of the farming, with the exception of rubber and palm oil, is semi-subsistence and carried out on approximately 15 percent of the land.
- The forestry sector continues to play a significant role in the Cameroonian economy because of its direct and indirect contribution to employment, exports, and GDP.
- Cameroon is expected to fall to fifth place in oil production in the Central African Franc Zone in 2004 after Chad's oil production reaches full capacity.
- The Government of Cameroon is forecasting that the country's oil reserves will be depleted by 2010 unless new reserves are found.
- Parliament passed a law in 2003 to establish an independent audit court as provided for under the 1996 constitution.
- Because of a decline in oil revenue, the government plans to reform its tax codes to boost nonoil revenue by 2005. The reforms include a broader tax base, improved efficiency of value-added tax and public expenditure, improved transparency, a restructuring of the personal income tax, and initialization of a property tax. A computerized expenditure tracking system was implemented in September 2003.
- The government remained committed to addressing the country's rising poverty level. Because of the HIPC initiative's focus on the national debt, debt-related savings are being spent on improving healthcare, primary education, and HIV prevention. However, much of the money freed by the HIPC initiative remained unspent in 2003 because of inefficient processes. Less strict controls and improved efficiencies are expected in 2004, so that funds can be spent on public projects and poverty alleviation.
- Poverty alleviation initiatives in 2004 include developing a stable economy, enhancing growth through diversification and privatization, improving infrastructure, enacting environmental protection measures, and improving governance.
- In August 2003, the government presented its PRSP to the IMF and World Bank, which specifies the country's goal of halving the number of Cameroon inhabitants living below the poverty line by 2015.
- In December 2003, after finishing its review of the government's reforms and economic policies, the IMF granted $23 million to the country and an extension of the PRGF program to December 2004. Cameroon received an additional $4 million because of the current HIPC initiative. The country's recent economic stability was applauded, but the IMF encouraged further structural reform and improved governance.

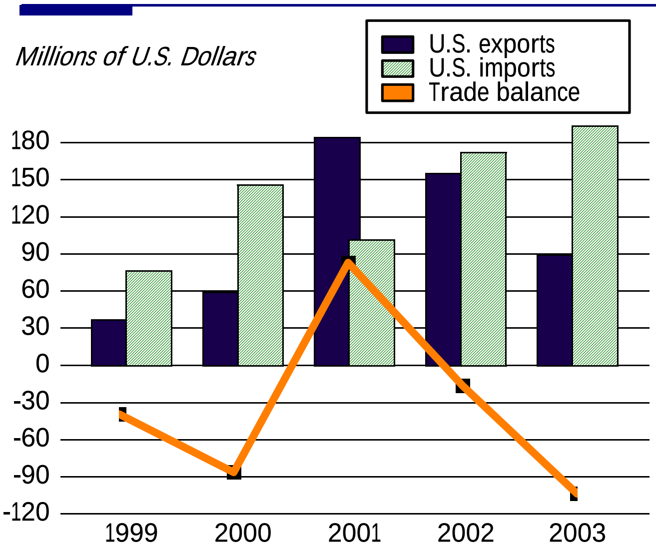
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Italy	16.5	France	28.4
Spain	15.9	Nigeria	12.8
France	12.7	United States	8.0
United States	8.3	Germany	5.8

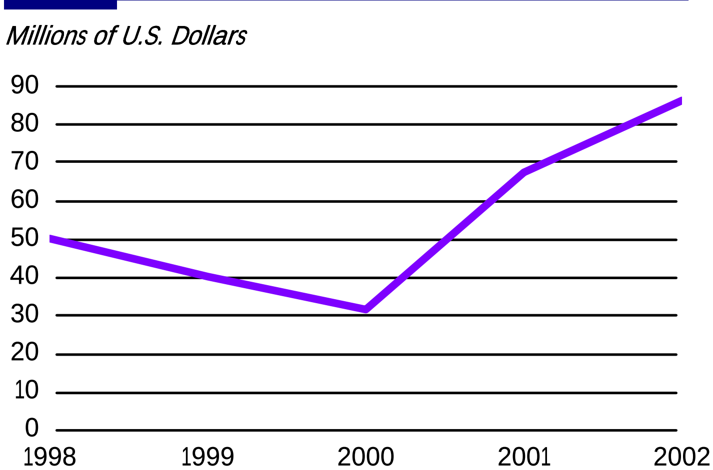
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Crude oil	827.1	Food & consumer goods	1,335.9
Timber	254.3	Capital goods	369.7
Cocoa	243.0	Intermediate goods	61.3
Cotton	94.2		

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Inadequate transport infrastructure continues to hamper the international competitiveness of, and trade with, Cameroon. Many areas of the country remain nearly inaccessible.
- In May 2003, the government announced plans for construction of a $200-million oil platform repair yard.
- In July 2003, the Chad-Cameroon oil pipeline, the country's largest construction project, was finished nearly 7 months earlier than expected. Two U.S. firms, ExxonMobil and ChevronTexaco, and one Malaysian firm, Petronas, own the pipeline. Loans from the World Bank and IFC contributed to its timely construction.
- By subcontracting port operations to international companies, the Cameroonian government improved efficiency at the port of Douala, its busiest port. Les Abeilles (France) was hired in October 2003 to control towing and anchoring operations, and a consortium of Bollore (France) and Maersk (Denmark) was hired in December 2003 to administer the container terminal.
- In 2003, U.S. exports to Cameroon consisted primarily of machinery and mechanical appliances, cereals, and optical or measuring equipment and parts thereof. U.S. imports from Cameroon consisted primarily of mineral fuels and oils, cocoa and cocoa preparations, and wood and articles of wood. In 2003 and 2004, Cameroon was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Cameroon totaled $147.0 million in 2003.

Investment and Privatization Update

- Unstable electricity supply and frequent power outages continue to hinder Cameroon's investment environment. Investment in the telecommunications sector remained low because of factors such as outdated equipment and inefficient service.
- In 2003, government policy continued to focus on improved governance. The government established an Audit Chamber of the Supreme Court in April 2003, and anti-corruption units in the ministerial departments in August 2003.
- In April 2003, the government granted Geovic Cameroon (U.S.) permission to mine the eastern province of Cameroon for cobalt-nickel deposits, which could make the country the leading producer of cobalt in the world.
- In general, privatization efforts have been successful over the past 5 years with the privatization of Camtel Mobile, a division of the telephone company; railway transportation; electricity parastatals; parastatal firms in rubber and palm products; and the tea division of the Cameroon Development Corporation. However, privatization efforts have recently slowed, contributing to decreased investment levels.
- Numerous other parastatals are slated for privatization, but progress has been hampered by lack of interest among potential buyers, financial and legal problems, and the need for restructuring. Companies to be privatized include Camair, the national airline; Sodecoton, a cotton parastatal; and the nontea divisions of the Cameroon Development Corporation. Government efforts to privatize Camair have been hindered by increasing debt and lack of potential investors.

CAPE VERDE

Economic Overview

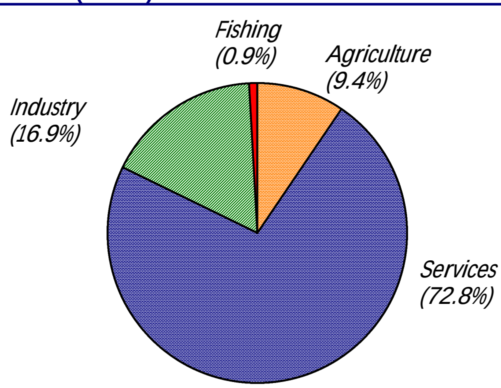
Economic Indicators

	2002	2003	Difference
GDP (nominal, CVEsc bn)	73.3	80.0	6.7
GDP (US$ mn)	625.3	819.7	194.4
CPI Inflation (annual average, %)	1.8	2.0	0.2
Goods Exports (US$ mn)	41.8	43.0	1.2
Goods Imports (US$ mn)	278.0	282.0	4.0
Trade Balance (US$ mn)	-236.2	-239.0	-2.8
Current Account Balance (US$ mn)	-71.5	-65.0	6.5
Foreign Exchange Reserves (US$ mn)	79.8	89.4	9.6
Total External Debt (US$ mn)	338.0	n/a	n/a
Debt Service Ratio, paid (%)	13.0	n/a	n/a
Exchange Rate (CVEsc/US$)	117.2	97.6	-19.6

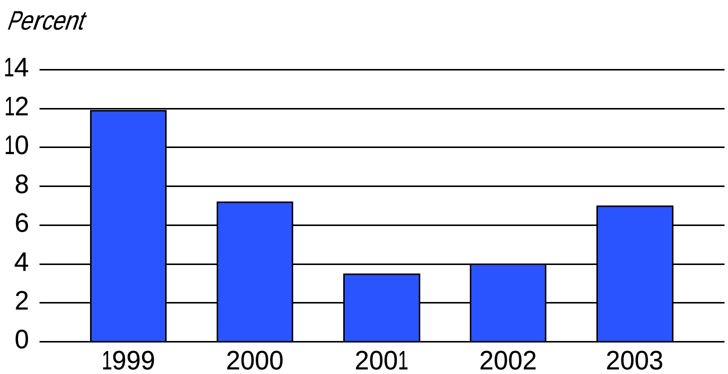
Economic Update

- Per capita GDP was estimated at $1,438 in 2003, one of the highest in Africa.
- Services accounted for over 70 percent of GDP in 2002. Agriculture and fishing represented a small percent of GDP, but employed 53 percent of the workforce. Tourism contributes substantially to employment and economic growth, representing 10 percent of GDP in 2001.
- Cape Verde's small domestic market, geographic isolation, and lack of natural resources continue to hinder economic development.
- The government's main economic goals include increased privatization, control of public spending, increased competitiveness, and improved social services. PRSP policies will be designed to promote growth, to increase social sector investment, and to attract private investment to labor-intensive, export-oriented industries.
- As part of a wide series of fiscal reforms, the government introduced a value-added tax in January 2004.
- A new ferry service between Santo Antao and São Vicente, inaugurated in August 2003, dramatically reduces travel time between the two islands.
- In October 2003, the AfDB released a review of Cape Verde's 2002-04 Country Strategy Paper, noting that economic growth is uneven as the country deals with a large fiscal deficit and macroeconomic instability. The report praised government efforts to lower inflation and stabilize the economy.
- OPEC's development fund announced plans to finance the construction of health centers in Maio, Boa Vista, Santa Cruz, Tarrafal, and Mosteiros. This $6-million project is expected to begin in 2004.
- In May 2004, the Millennium Challenge Corporation voted to make Cape Verde eligible for assistance.

Origins of GDP (2001)



Real GDP Growth Rate



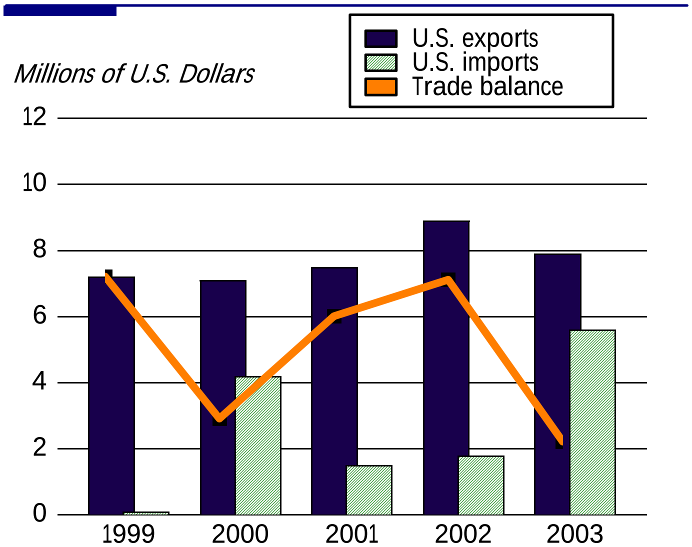
Main Trade Partners, percent of total, 2001

Markets		*Sources*	
Portugal	90.7	Portugal	52.1
United States	6.3	Netherlands	14.9
Germany	0.7	Belgium	7.0

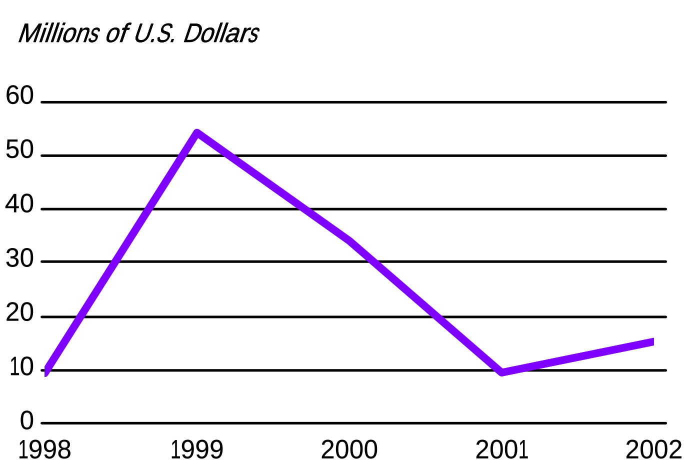
Main Trade Commodities, US$ millions, 2001

Exports		*Imports*	
Fuel (bunkering)	26.0	Food	90.4
Clothing & footwear	11.3	Capital goods	46.3
Fish & fish products	0.4	Fuels	15.4

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Although the country's transportation infrastructure is very good by regional standards, Cape Verde's government continued efforts to improve further the country's roads and port.
- In an effort to boost air traffic, a government initiative of $25 million will be used to upgrade airports, encourage tourism, and improve air safety.
- Although the port of Praia was modernized recently, the government has plans for further expansion. Praia also has a new international airport that is due to open in 2004; ECOWAS will provide $7 million to construct a VIP terminal at the airport and a road serving the terminal.
- New maritime routes established to Portugal, Spain, northern Europe, and mainland Africa are expected to encourage exports. Cape Verde has also expanded ties with Asian countries, including Macao.
- In November 2003, TACV, the state airline, and Cabo Verde Time, an Italian travel agency, publicized plans to create a new air charter company in response to growing tourist demand. In addition, the Tourist Promotion, Investment and Export Centre signed an agreement with Portugal and the Canary Islands to encourage tourism in Maio and Boa Vista.
- In 2003, U.S. exports to Cape Verde consisted primarily of cereals, aircraft and parts thereof, and machinery and mechanical appliances. U.S. imports from Cape Verde consisted primarily of apparel, electrical machinery and equipment, and optical or measuring equipment and parts thereof. In 2003 and 2004, Cape Verde was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Cape Verde totaled $2.5 million in 2003.

Investment and Privatization Update

- Cape Verde maintains strong links with Portugal and the EU and receives investment from Angola, China, Cuba, the Gulf States, Israel, Luxembourg, and South Africa. Foreign investment is expected to exceed $36 million in 2003. The government hopes to attract investment in the fishing and tourism sectors.
- Although speculators believe there may be oil reserves in Cape Verde's waters, substantial investment has not been undertaken.
- In October 2003, work began on a $370,000 satellite-based Internet service that will eliminate the need for Internet users to have a telephone line.
- More than 30 state-owned enterprises have been divested into the private sector. Operators are mostly foreign. ENAPOR (the port authority), EMPROFAC (pharmaceuticals distribution), CABNAVE (the ship yard), INTERBASE (cold storage facilities), and TACV (the national airline) are scheduled for upcoming privatization. TACV is currently undergoing restructuring, a process the government expects to take 12-18 months, and is scheduled to be privatized in 2005.

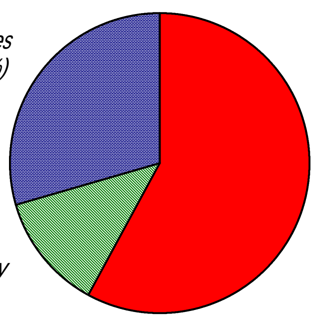
CENTRAL AFRICAN REPUBLIC

Economic Overview

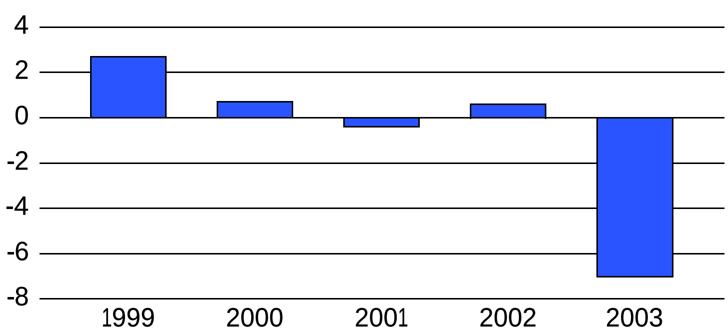
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	709.3	746.9	37.6
GDP (US$ mn)	1,017.6	1,285.1	267.5
CPI Inflation (annual average, %)	2.3	7.0	4.7
Goods Exports (US$ mn)	142.0	127.0	-15.0
Goods Imports (US$ mn)	109.0	105.0	-4.0
Trade Balance (US$ mn)	33.0	22.0	-11.0
Current Account Balance (US$ mn)	-27.0	-25.0	2.0
Foreign Exchange Reserves (US$ mn)	123.0	123.0	0.0
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (CFAfr/US$)	697.0	581.2	-115.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- The Central African Republic is primarily a rural economy, with only one significant urban center. Farming, forestry, fishing, and herding are important to the Central African Republic's economy and supply the livelihood for most of the population.
- Civil unrest continued in the Central African Republic. An IMF and World Bank assessment in early 2004 stated that the Central African Republic was in a state of crisis, with most economic sectors in decline and state institutions experiencing difficulties.
- In September 2003, the government announced that it was unable to pay public salaries because of revenue shortfalls. Salaries account for 90 percent of the nation's budget.
- Military rebellion and rioting throughout 2003 contributed to a rise in inflation and disrupted supply and distribution networks.
- Principal government policy goals include economic stabilization, economic cooperation with foreign donors, paying salaries for state employees, and resuming normal state administration.
- The government is continuing its anti-corruption campaign launched in 2003. The campaign focuses on overhauling the timber and mining sectors, where licenses were previously granted personally and exclusively by the president. In addition, the new code allows for the exploitation of gold and other commodities. The government has extended the use of mining brigades to help curb the level of diamond smuggling.
- Many western countries have closed their embassies in the Central African Republic and withdrawn aid, citing years of political and economic instability.
- The IMF is expected to introduce a 6-month Staff Monitored Program in an effort to establish economic policies that would allow for resumption of formal assistance from the IMF and other international financial organizations.

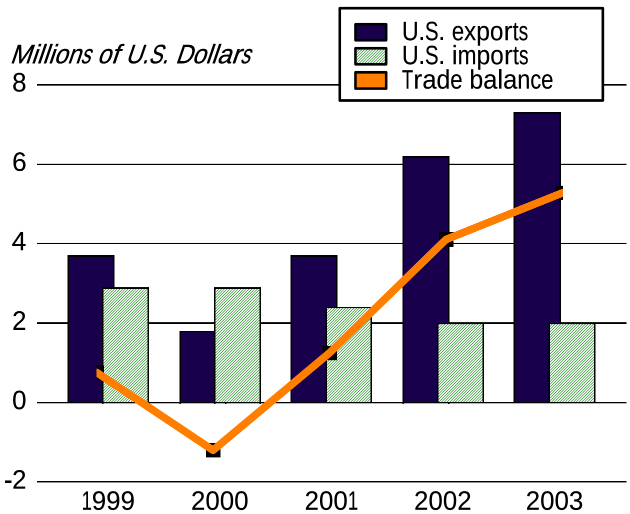
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Belgium	66.8	France	29.9
Spain	6.4	United States	5.1
Kazakhstan	4.0	Cameroon	4.5

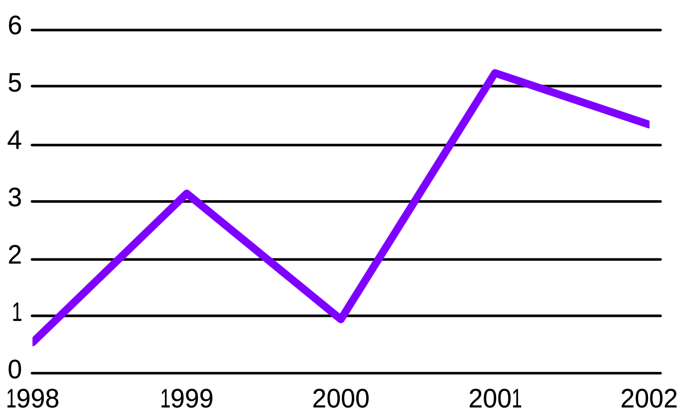
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Timber	71.2	Oil	11.0
Diamonds	52.1	Nonfactor services	86.0
Cotton	9.2		
Coffee	1.4		

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- The Central African Republic's main export market is Belgium and the leading export item is diamonds. The growing timber trade may increase Asia's importance as an export market. Despite the expanding industry, high transportation costs have inhibited development of the forestry sector. For example, transportation infrastructure remains inadequate, with less than 3 percent of the road network paved. Imports come primarily from France, Cameroon, and Belgium. Regional trade is substantial, but is not fully recorded in official accounts. In addition, regional trade remained disrupted by high levels of social unrest and insecurity. Ongoing security problems have also limited safari tourism and revenue.
- The government has encouraged exports of veneer, sawn board, and plywood. However, the wood-processing industry faces high transportation costs, limited workers, and energy supply shortfalls.
- At a workshop to overhaul the mining industry in July 2003, the government announced participation in the Kimberly process. It is estimated that, currently, two-thirds of diamond production is smuggled out of the Central African Republic. The government is considering working with Diamcare (UK) to monitor the production of diamond collectors.
- In 2003, U.S. exports to the Central African Republic consisted primarily of cereals, machinery and mechanical appliances, and organic or inorganic chemicals and compounds. U.S. imports from the Central African Republic consisted primarily of precious or semiprecious stones or metals, electrical machinery and equipment, and machinery and mechanical appliances. In 2003, the Central African Republic was designated an AGOA beneficiary country; however, AGOA eligibility was retracted in 2004. AGOA (including GSP) imports from the Central African Republic totaled $43,000 in 2003.

Investment and Privatization Update

- Inadequate utility services, such as sporadic power outages, continued to hamper the investment environment.
- Minimal progress was made in privatization plans for Enerca, the national electric company. Further activity is not expected to take place until economic and political stability is resumed.

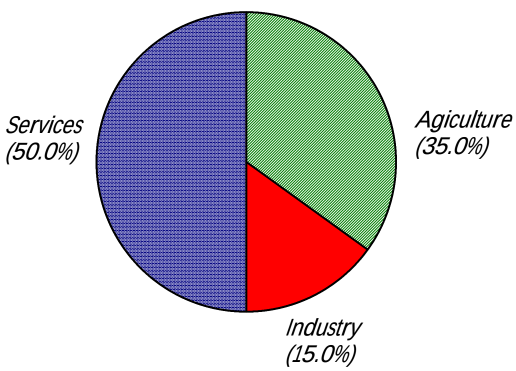
CHAD

Economic Overview

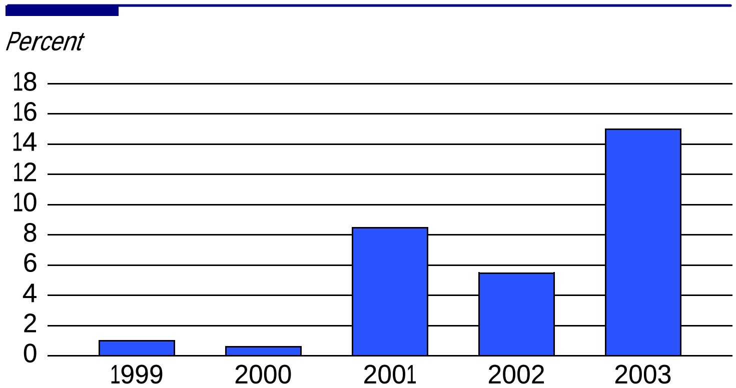
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	1,288.0	1,510.0	222.0
GDP (US$ mn)	1,847.9	2,598.1	750.2
CPI Inflation (annual average, %)	5.2	6.0	0.8
Goods Exports (US$ mn)	168.0	296.0	128.0
Goods Imports (US$ mn)	570.0	770.0	200.0
Trade Balance (US$ mn)	-402.0	-474.0	-72.0
Current Account Balance (US$ mn)	-444.0	-554.0	-110.0
Foreign Exchange Reserves (US$ mn)	219.0	287.0	68.0
Total External Debt (US$ mn)	n/a	n/a/	n/a
Debt Service Ratio, paid (%)	n/a	n/a/	n/a
Exchange Rate (CFAfr/US$)	697.0	581.2	-115.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Current and expected petroleum revenue continues to drive economic growth in Chad. The main oil pipeline was completed in June 2003, a year ahead of schedule. In July, oil production began on the Doba fields. Revenue from this field contributed to an improved economic outlook in late 2003. Petroleum production is expected to increase migration to centralized cities and production locations.
- Chad's economic diversification continued to be hindered by inadequate infrastructure and transportation services, inefficient governance, high utility costs, and social unrest.
- In the agriculture sector, unpredictable weather patterns have contributed to recurrent food shortages. As oil production increases revenue, Chad's government expects to use funds to modernize agriculture methods.
- Government economic policies broadly follow strategies outlined in the PRSP. These strategies include strengthening governance, achieving sustainable economic growth, developing human capital, improving social conditions, and protecting ecosystems.
- Increased petroleum production contributed to a shift in the predominance of Chad's agriculture sector, and is expected to alleviate pressure on the country's public finances. The government's economic policy in 2004 continues to focus on enhancing administrative capacity to manage the influx of petroleum revenue.
- By October 2003, the Miandoum oilfield held 90 drilled wells. Kome and Bolobo, the remaining two fields, will be the next sites for drilling.
- In 2004, petroleum production is anticipated to double, contributing to over 40 percent of Chad's GDP. The revenue is expected to decline after 2009 unless further reserves are found.
- In mid-2003, Chad's PRSP, detailing plans for economic policy, poverty alleviation, and debt relief under the HIPC initiative, was accepted by the IMF and international aid agencies.
- The 2002-03 PRGF, funded by the IMF and extended until January 2004, focuses on improving the tax efficiency and customs administration efficiency, as well as the management of revenue generated by petroleum production. However, inefficient administration of reforms and an increase in Chad's military-related expenditures may have contributed to the IMF's cancellation of a board review scheduled in early 2004 to approve the last payment of funds to Chad under the PRGF in January 2004.
- In early 2004, India offered $500 million in loans to Chad and other countries in western Africa as part of the formation of Team-9, the Techno-Economic Approach for Africa India Movement. The funds will focus on improving agriculture-related and small business industries.

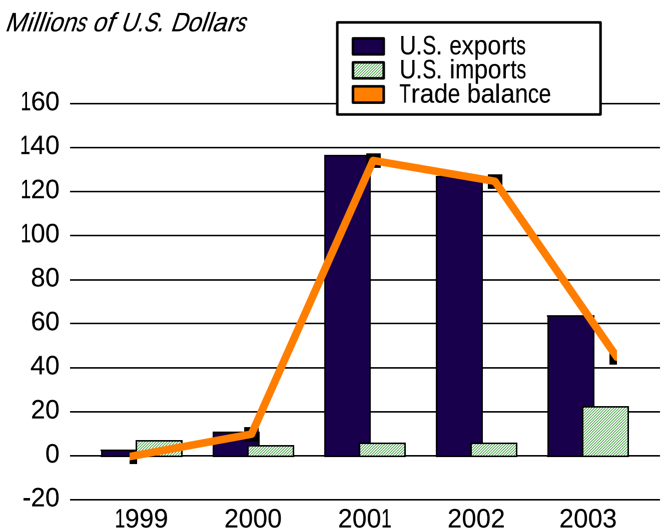
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Portugal	28.0	France	38.0
Germany	14.0	United States	38.0
United States	8.0	Germany	7.0
Czech Republic	7.0	Nigeria	6.0

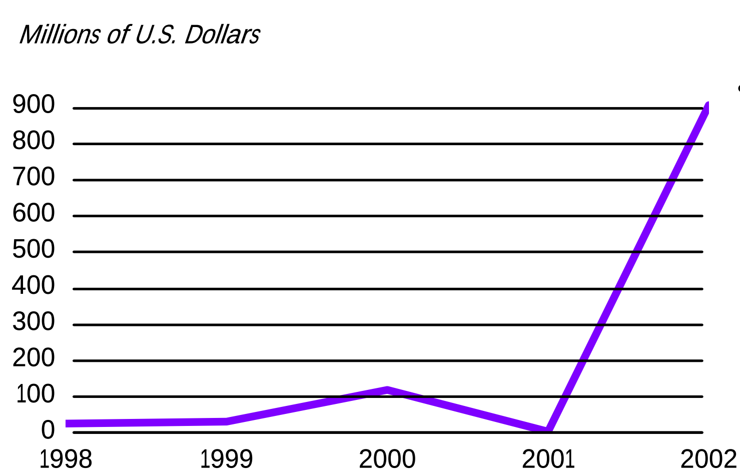
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Livestock & meat	75.0	Oil sector	498.0
Cotton	48.0	Nonoil sector	98.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Inadequate transportation facilities continue to hinder Chad's international trade performance. Chad has no sufficient methods of transportation over long distances, with limited domestic air transportation and no railway system.
- Inadequate irrigation systems and transportation structure continue to hinder Chad's cotton industry, a principal export crop for the country.
- Because cotton and cattle have historically been Chad's largest sources of export revenue, commodity prices and variations on agricultural production broadly determined export performance. According to the IMF, oil exports, however, are expected to represent 86 percent of Chad's total exports in 2004.
- In 2003, U.S. exports to Chad consisted primarily of machinery and mechanical appliances, iron or steel, and electrical machinery and equipment. U.S. imports from Chad consisted primarily of mineral fuels and oils; lac, gums, and resins; and electrical machinery and equipment. In 2003 and 2004, Chad was designated an AGOA beneficiary country. AGOA (including GSP) imports from Chad totaled $14.5 million in 2003.

Investment and Privatization Update

- Petroleum production on the Doba fields contributed to an increase in FDI; FDI was estimated at less than $50 million in 1999, but increased to estimates of $700 million to $900 million in 2002.
- The Doba oil fields project represents the largest investment ever in SSA by the U.S. private sector.
- Improved telecommunications services are expected to improve nonpetroleum-related investment. High prices, inadequate services, and frequent outages in electricity provision continued to dissuade nonpetroleum-related investment.
- Although the government is expected to continue privatization efforts, it has been reluctant to privatize parastatals in the cotton, electricity, and telecommunications industries. Most other state-owned enterprises have been sold or liquidated.
- Privatization of Soteltchad, a parastatal firm holding a monopoly on the fixed and international telecommunications sector, was hindered by the government's granting of a license to a second cellular company.
- A private consulting firm was hired to privatize the ginning and cotton-export divisions of CottonTchad. In early 2003, a new company was formed from the oil and soap production divisions of the large enterprise.

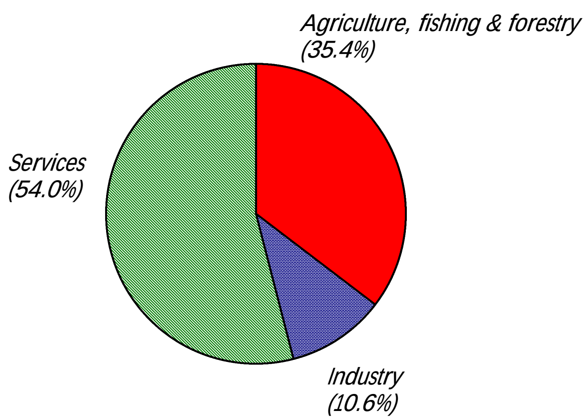
COMOROS

Economic Overview

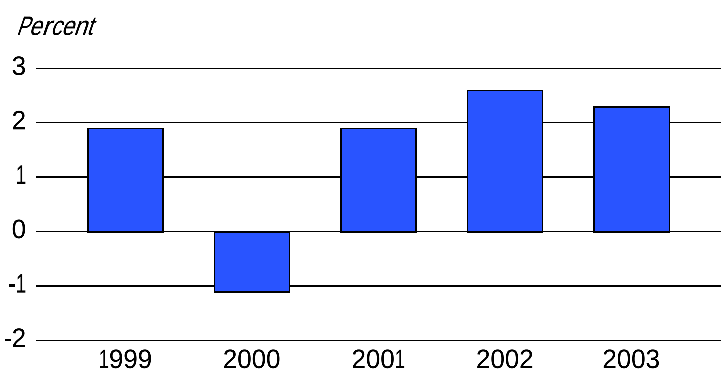
Economic Indicators

	2002	2003	Difference
GDP (nominal, Cfr bn)	128.4	140.5	12.1
GDP (US$ mn)	245.6	322.3	76.7
CPI Inflation (annual average, %)	3.7	7.0	3.3
Goods Exports (US$ mn)	18.9	16.4	-2.5
Goods Imports (US$ mn)	47.5	53.4	5.9
Trade Balance (US$ mn)	-28.6	-37.0	-8.4
Current Account Balance (US$ mn)	-23.3	-28.0	-4.7
Foreign Exchange Reserves (US$ mn)	79.9	83.0	3.1
Total External Debt (US$ mn)	233.0	243.0	10.0
Debt Service Ratio, paid (%)	5.9	6.5	0.6
Exchange Rate (Cfr/US$)	522.7	435.9	-86.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Agriculture and trade are the primary components of Comoros' economy. Agriculture accounts for approximately 40 percent of GDP and is the main source of livelihood. Seventy percent of the population works in rural areas, primarily in subsistence farming.
- Comoros is highly indebted. Interest arrears on long-term debt totaled $21 million in 2001, with principal arrears totaling $64 million. High levels of grant aid come from Belgium, France, the World Bank, the EU, the UNDP, and the AfDB. The Comorian government has also solicited aid from Arab states.
- In July 2003, the World Bank calculated that 691,000 euro (approximately $780,000) was needed to fully restore power to the country. The Arab League has allocated $2 million to help rehabilitate the electricity grid.
- In May 2003, a World Bank mission found major impediments to establishing a cooperative long-term development strategy and expressed concern that it would have difficulty soliciting donor assistance.
- In March 2004, the World Bank / IDA announced plans to grant a $20-million aid package to Comoros. The package is intended to promote infrastructure development, including the restoration of water supply; assist business development in rural zones; and support NGOs working to improve education and healthcare.

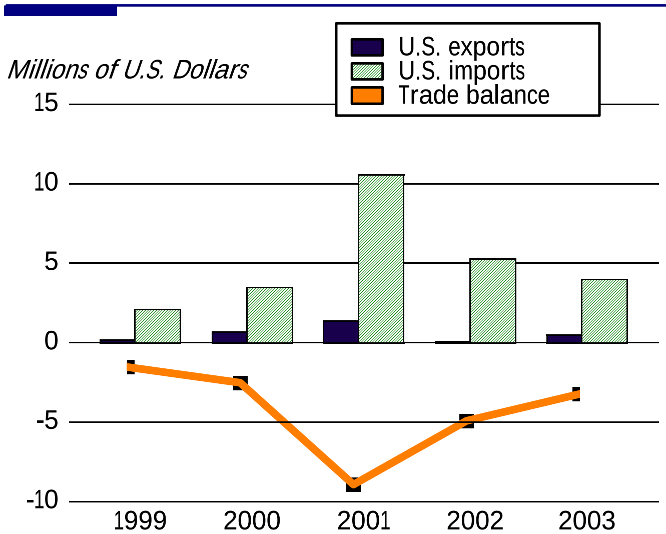
Main Trade Partners, percent of total, 2001

Markets		*Sources*	
France	31.3	France	25.0
United States	18.8	South Africa	16.7
Singapore	18.8	Kenya	6.7
Germany	6.3	Pakistan	3.4

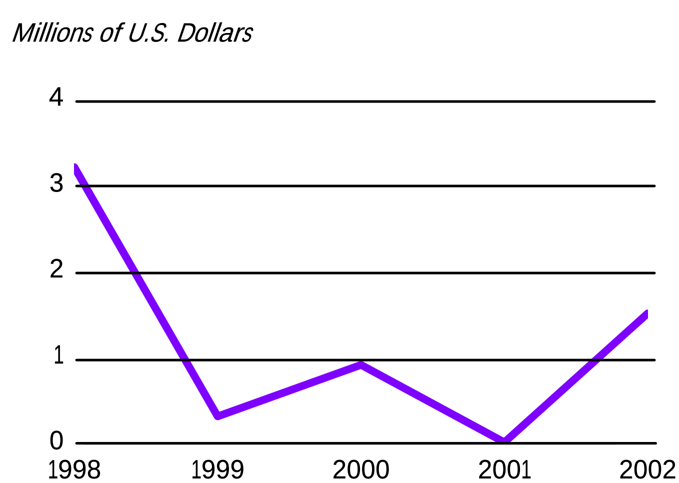
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Vanilla	12.6	Petroleum products	9.2
Cloves	3.8	Rice	5.9
Ylang-ylang	2.0	Vehicle parts	5.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Main export crops include vanilla, cloves, and ylang-ylang. Comoros is the world's largest producer of ylang-ylang. The government fixed the price of vanilla in 2003 to prevent fluctuation. Major imports include rice, petroleum products, meat, cement, and iron and steel. Primary trading partners are France, the United States, and Germany.
- Inadequate transportation infrastructure hinders trade. Comoros has no railway system and inadequate domestic and international shipping networks. Most freight to Comoros is routed through South Africa. In recent years, the government has undertaken a program to upgrade roads and improve access to rural areas.
- In late 2003, the French construction firm Bouygues expressed interest in renovating and managing the Moroni port. The firm has also expressed interest in developing a second international port in the country, which could expand trade.
- In 2003, U.S. exports to Comoros consisted primarily of chemical products, organic chemicals, and plastics and articles thereof. U.S. imports from the Comoros consisted primarily of coffee, tea, mate, and spices; essential oil and resinoids; and live animals.

Investment and Privatization Update

- Comoros has found it difficult to attract investors because of the small size of the economy and political instability.
- The fishing sector is largely underdeveloped. The EU and Comoros entered into an agreement under which the EU may catch tuna in Comorian waters. Proceeds from this arrangement, totaling $411,000, are expected to fund development of the domestic fishing industry.
- In late 2003, China agreed to finance renovation of the Prince Said Ibrahim airport, building a new terminal and access roads. The airport is expected to boost tourism in Comoros.
- SNPT, the state post and telecommunications company, aims to increase telephone communications. In conjunction with Alcatel (France), the parastatal plans to build the infrastructure for a wireless telecommunications system.
- Although the government has continued efforts to privatize a number of hotels owned by Comotel, lack of transparency in the privatization process has hindered progress.

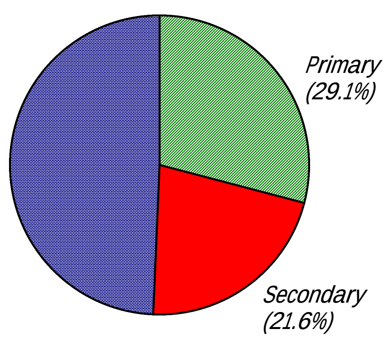
CÔTE D'IVOIRE

Economic Overview

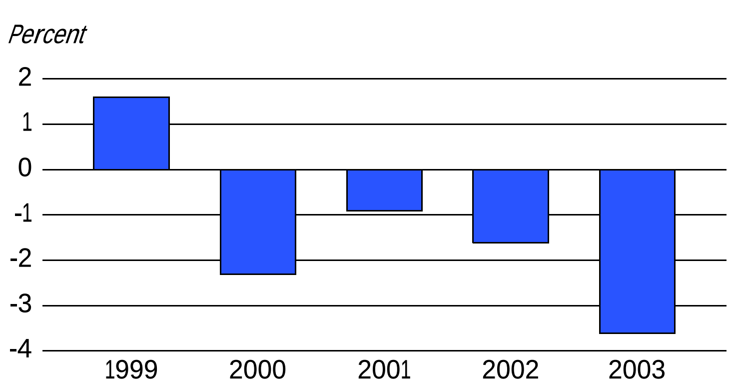
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	8,167.0	8,047.0	-120.0
GDP (US$ bn)	11.7	13.8	2.1
CPI Inflation (annual average, %)	3.1	3.3	0.2
Goods Exports (US$ mn)	5,167.0	5,300.0	133.0
Goods Imports (US$ mn)	2,432.0	2,776.0	344.0
Trade Balance (US$ mn)	2,735.0	2,524.0	-211.0
Current Account Balance (US$ mn)	767.0	551.0	-216.0
Foreign Exchange Reserves (US$ mn)	1,863.0	2,100.0	237.0
Total External Debt (US$ bn)	11.0	10.9	-0.1
Debt Service Ratio, paid (%)	13.8	13.5	-0.3
Exchange Rate (CFAfr/US$)	697.0	581.2	-115.8

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- Despite the implementation of a UN peacekeeping mission in April 2004, instability in Côte d'Ivoire continues to hinder economic growth.
- Agriculture, petroleum, and mining are important components of Côte d'Ivoire's economy. Côte d'Ivoire has reserves of 100 million barrels of oil and 1.1 trillion cu meters of gas, along with substantial deposits of gold, iron, and nickel.
- Although Côte d'Ivoire's road network is one of the most developed in western Africa, it is fraught with security checkpoints and tolls. The World Bank renewed CI-PAST, a transport sector adjustment program, until July 2004, which is expected to enable maintenance and renovation of the road network through transport sector financing.
- Under the 2002 PRGF, the government expressed plans to achieve better public expenditure control, tighter fiscal control, measures to streamline the tax structure, and a program to pay off debts.
- Minimal progress towards a political settlement has delayed the release of $369 million for reconstruction committed by donors at January 2003 peace talks. Because of instability, only emergency funds have been made available.
- The AfDB, which had maintained its headquarters in Abidjan, has moved most of its personnel and operations to Tunisia because of political instability.
- In April 2002, the Paris Club restructured Côte d'Ivoire's public external debt, suspending payments until the end of 2004, after the government lapsed on payments to nearly all creditors aside from the World Bank and IMF. By early 2004, Côte d'Ivoire also failed to pay debt servicing arrears of $21 million to the World Bank. The World Bank halted the disbursement of further loans.
- The World Bank and the EU have pledged $57 million and 30 million euro (approximately $39 million), respectively, to assist in stabilizing the education system.
- India pledged $500 million in low-interest loans in early 2004 to help Burkina Faso, Chad, Côte d'Ivoire, Equatorial Guinea, Ghana, Guinea Bissau, Mali, and Senegal create the Techno-Economic Approach for Africa India Movement, which will focus on generating employment.

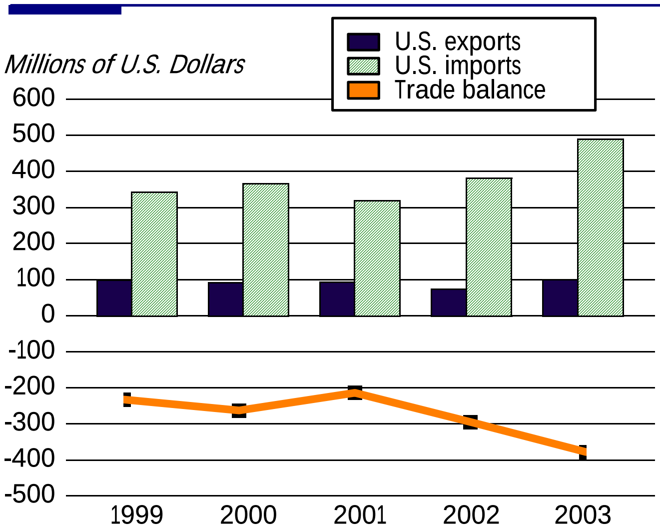
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
France	14.5	France	23.1
Netherlands	12.9	Nigeria	16.9
United States	7.6	China	8.0
Germany	5.2	Italy	4.2

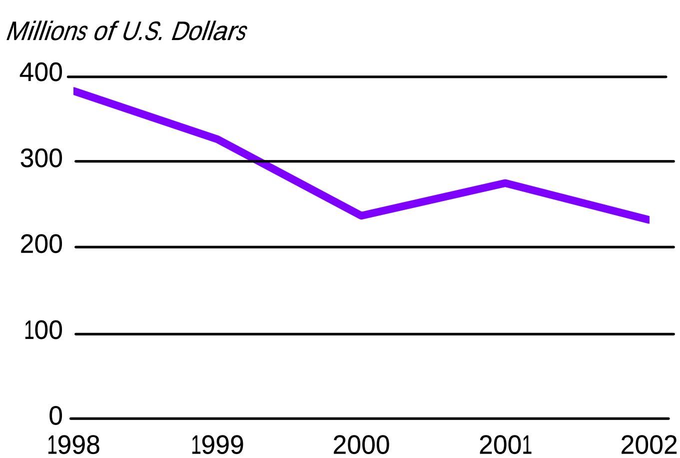
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Cocoa & products	2,257.0	Capital equipment & raw materials	836.0
Petroleum & products	690.0	Foodstuffs	595.0
Timber	225.0	Petroleum & products	532.0
Coffee & products	119.0	Consumer goods	505.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- The reopening of the border with Burkina Faso in September 2003 is expected to restore regional trade to its pre-2002 level, allowing neighboring landlocked countries access to the port of Abidjan. While it was closed, these countries diverted their trade through ports in Ghana, Togo, and Senegal. Historically, the port of Abidjan has been the busiest port in francophone western Africa. Activity at Abidjan, which accounted for nearly 90 percent of Côte d'Ivoire's exports before 2002, had fallen by almost two-thirds.
- Plans to extend the railway line to Mali and Niger are expected to make freight transport more reliable.
- In March 2002, the government implemented a price stabilization system that raised taxes on cocoa exports and provided for forward selling.
- In 2003, U.S. exports to Côte d'Ivoire consisted primarily of machinery and mechanical appliances, cereals, and plastics and articles thereof. U.S. imports from Côte d'Ivoire consisted primarily of cocoa and cocoa preparations, mineral fuels and oils, and wood and articles of wood. In 2003 and 2004, Côte d'Ivoire was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Côte d'Ivoire totaled $88.0 million in 2003.

Investment and Privatization Update

- The government hopes to focus investment efforts on basic health, primary education, roads, and rural electrification.
- A contract awarded to build a new terminal in Abidjan is expected to double Abidjan's container-handling capacity. Operation of the already existing Vridi container terminal was awarded to Bollore (France) in January 2004.
- A number of offshore gas and oil fields have been discovered in recent years, contributing to increased petroleum-related investment in Côte d'Ivoire. In early 2004, Côte d'Ivoire signed two petroleum production-sharing agreements with Tullow Oil (Ireland) and Africa Petroleum (U.S.).
- In October 2001, Air France purchased a 51-percent stake in Nouvelle Air Ivoire, a previously state-owned domestic carrier. The remaining 49-percent share is still state owned. The state also holds a 49-percent share in Côte d'Ivoire Telecom.
- In 2003, the government announced plans to sell its 47-percent stake in SIR, an oil processing company. Gestoci, a petrol storage company, and Petroci, a hydrocarbons company, are also slated for privatization. The government hopes to divest 80 percent of CIDT-Nouvelle, a textile parastatal, to a farmers' cooperative. The cooperative has thus far been unable to raise the necessary capital.
- In early 2004, the government officially ended the telecommunication parastatal's monopoly. The government instituted a transition period before other providers can enter the market, in order to enact additional legislation.

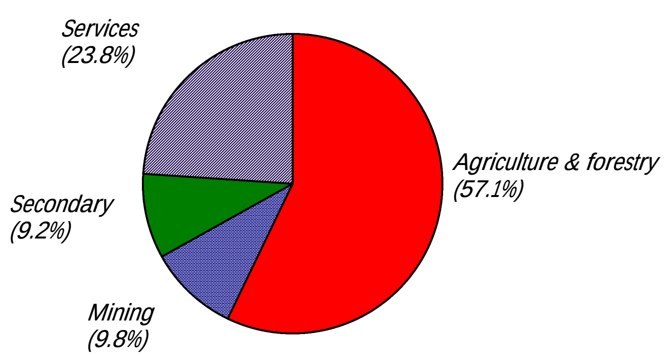
DEMOCRATIC REPUBLIC OF THE CONGO

Economic Overview

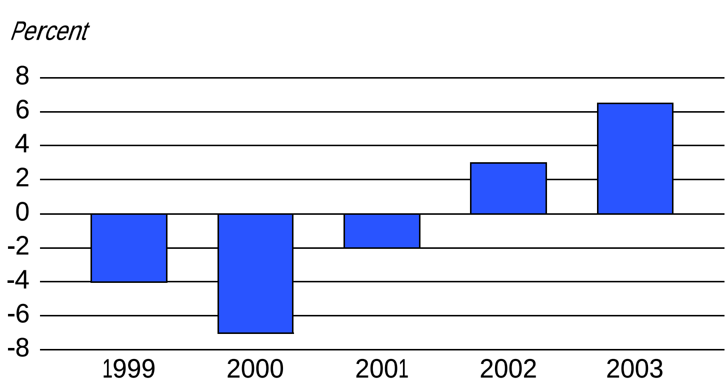
Economic Indicators

	2002	2003	Difference
GDP (nominal, FC bn)	1,911.0	2,309.0	398.0
GDP (US$ bn)	5.5	5.7	0.2
CPI Inflation (annual average, %)	25.0	6.0	-19.0
Goods Exports (US$ mn)	1,109.0	1,260.0	151.0
Goods Imports (US$ mn)	1,405.0	1,489.0	84.0
Trade Balance (US$ mn)	-296.0	-229.0	67.0
Current Account Balance (US$ mn)	-150.0	-45.0	105.0
Foreign Exchange Reserves (US$ mn)	n/a	n/a	n/a
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (FC/US$)	346.5	405.0	58.5

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- After more than 5 years of civil unrest that has discouraged economic development, an early 2004 IMF assessment projected GDP growth for DROC of 6.7 percent annually to 2006.
- Timber production grew in 2003. The World Bank has announced plans to encourage the exploitation of timber resources to support government expenditures and public welfare programs. Timber is potentially a richer source of state income than the mining sector.
- In July 2003, DROC became the 27th country to qualify for the HIPC initiative. The World Bank expects to provide $1.03 billion and the IMF another $472 million. Debt relief is expected to amount to approximately $10 billion, which is nearly 80 percent of DROC's total external debt.
- The World Bank has agreed to provide $1.08 billion in 2004 and $1.2 billion in 2005 to development projects in DROC; 70 percent of these funds are allocated toward infrastructure development, while 30 percent is intended to improve social sector services. The World Bank also approved a $200-million IDA Credit in March 2004 to help pay domestic arrears, to pay utility suppliers, and to initiate civil service reform.
- A 3-year PRGF of $786 million was approved in June 2002, of which the government has already drawn more than $569 million. An IMF review encouraged liquidating insolvent banks and ending the lack of government transparency in the use of petroleum revenue.
- The EU has pledged $230 million to aid the new transitional government. European Development Fund funds were suspended from 1992 to 2002 because of political instability. The funds are intended to be used for debt relief, rebuilding the health system, and building government institutions.
- The African Development Fund has appropriated a $64-million loan and a $4.32-million grant to finance economic recovery. These funds are to be used to establish macroeconomic stability and increase the efficiency and transparency of public expenditure management.
- In November 2003, Switzerland forgave $23.7 million of debt owed to it by DROC.
- DROC signed a $10-billion agreement with South Africa in early 2004 aimed at improving defense and security, the economy and finance, and agriculture and infrastructural development.
- In early 2004, the Government of Belgium pledged 1.5 million euro (approximately $2 million) for the rehabilitation of the Nyemba bridge. This rehabilitation is expected to facilitate internal agricultural trade and distribution.

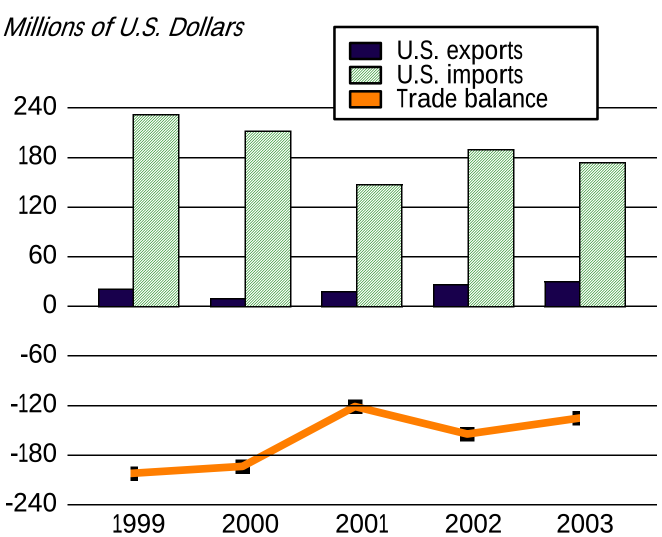
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Belgium	64.2	South Africa	16.2
United States	13.4	Belgium	14.4
Zimbabwe	6.6	Nigeria	10.2
Finland	4.9	France	9.3

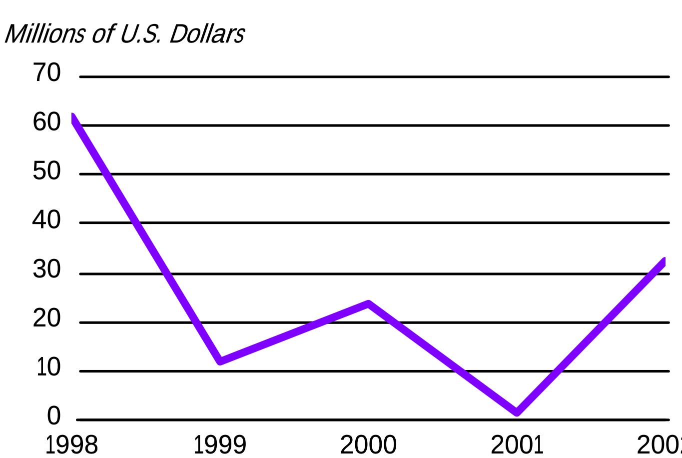
Main Trade Commodities, US$ millions

Exports (2000)		*Imports (1999)*	
Diamonds	437.0	Consumer goods	263.0
Crude oil	141.0	Raw materials	115.0
Cobalt	97.0	Capital goods	110.0
Copper	45.0		

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- In early 2004, South Africa surpassed Belgium to become DROC's largest source of imports. Increased ties between the two countries in foreign investment, commerce, and travel have contributed to the growth in trade.
- In May 2004, DROC signed an economic and social cooperation agreement with Angola. The countries plan to build new roads along the border and a railway linking the two countries.
- International and internal trade is hindered by inadequate infrastructure networks. DROC has almost no paved roads and relies heavily on river transport. Civil unrest has limited trade to air transport in many locations.
- In 2003, U.S. exports to DROC consisted primarily of machinery and mechanical appliances, electrical machinery and equipment, and cereals. U.S. imports from DROC consisted primarily of mineral fuels and oils, precious or semiprecious stones or metals, and works of art. In 2003 and 2004, DROC was designated an AGOA beneficiary country. AGOA (including GSP) imports from DROC totaled $119.5 million in 2003.

Investment and Privatization Update

- More than 100 investment applications worth $2.3 billion were approved in 2002-03, of which 33 percent were filed by domestic investors. These projects reportedly created over 14,000 local jobs. For one project, Klaxon Power (South Africa) has agreed to construct two dams worth more than $23 million.
- Mobile telephone firms have set up relays on a mountain near Kinshasa, lowering the cost of phone calls and facilitating communication between different parts of the country. Vodacom (South Africa, in which Vodafone (UK) has a large stake) is planning to invest $250 million to expand its mobile-phone network. Rutel (Canada) has invested $3 million to establish a satellite-based telecommunications service.
- DROC has significant deposits of gold, diamonds, copper, uranium, and other minerals that may encourage investment in the country. DROC signed a $8.4-million agreement with the South African Chamber of Commerce to aid Gecamines, a DROC-owned mining corporation, to explore mining opportunities.
- Ashanti Goldfields (Ghana, recently purchased by South Africa's Anglogold) could invest up to $200 million to launch production at Mongbwalu, where reserves are thought to be in excess of 100 tons of gold worth $1.2 billion.
- The World Bank has announced plans to harmonize and codify mining laws in a dozen African states, including DROC. Streamlined rules are expected to encourage mineral exploration and investment.
- In October 2003, the UN Security Council called for two large state-owned mineral resource firms to be broken up, in an effort to end illegal resource exploitation.
- In December 2003, the national coffee office launched a $100-million plan to recapitalize the industry, extend the area under cultivation, and increase input supply.
- As suggested by the IMF, SNPC, the national oil company, has reorganized its corporate structure to become a holding company with seven subsidiaries in order to provide greater autonomy and improve transparency.

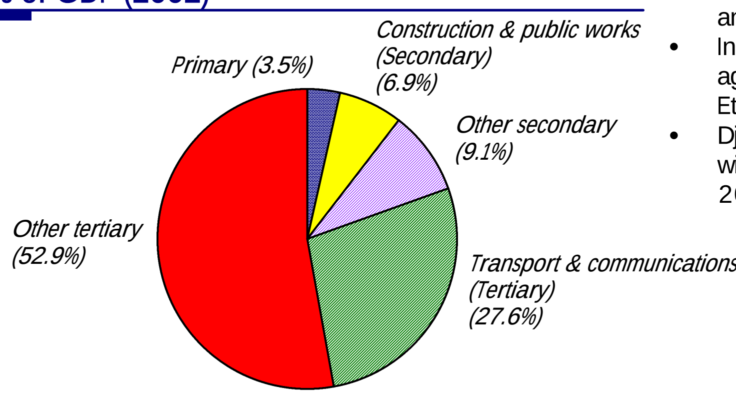
DJIBOUTI

Economic Overview

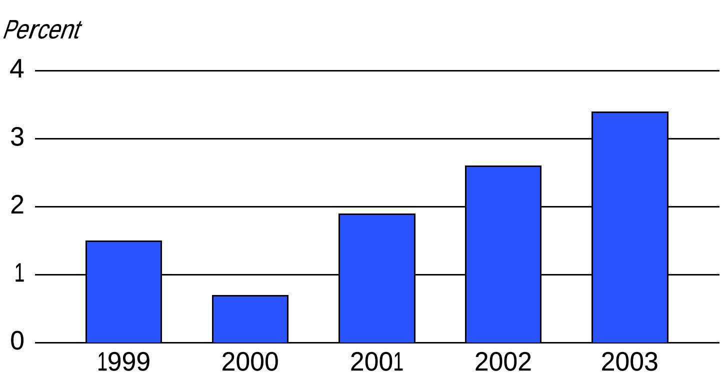
Economic Indicators

	2002	2003	Difference
GDP (nominal, Dfr bn)	105.2	111.0	5.8
GDP (US$ mn)	592.0	624.6	32.6
CPI Inflation (annual average, %)	1.5	2.0	0.5
Goods Exports (US$ mn)	83.0	86.0	3.0
Goods Imports (US$ mn)	287.0	310.0	23.0
Trade Balance (US$ mn)	-204.0	-224.0	-20.0
Current Account Balance (US$ mn)	-15.0	-13.0	2.0
Foreign Exchange Reserves (US$ mn)	73.7	85.0	11.3
Total External Debt (US$ mn)	335.0	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (Dfr/US$)	177.7	177.7	0.0

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Djibouti's close proximity to the Indian Ocean makes it a base for military operations for the United States and France. As compensation, over the next decade, the government expects to receive $34 million per year from France and $31 million per year from the United States.
- The services industry is the largest contributor to GDP. Activities include loading and unloading at the port, government civil service activities, and services provided to the French Military Garrison.
- The port of Djibouti is an important source of revenue for the country, accounting for almost one-third of GDP. Somalia, Ethiopia, and Eritrea rely heavily on the Djibouti port for trade.
- In mid-December 2003, the IMF began discussions with the Government of Djibouti for a new PRGF program. Successful implementation of the PRGF program is expected to facilitate admittance to the IMF-World Bank HIPC initiative.
- The AfDB is granting a $10-million loan to help finance a new terminal, including a 42,000 grain and wheat storage and processing facility, at the Djibouti port.
- In March 2003, the joint Ethio-Djiboutian Commission agreed to regular meetings to discuss liberalization of Ethiopia's export trade in the agriculture sector.
- Djibouti is the top recipient for aid from the United States within SSA, and will receive $90 million in FY 2003 and 2004.

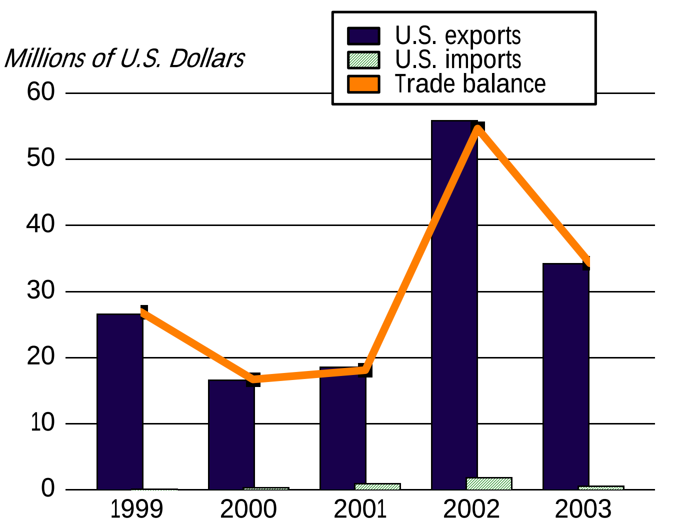
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Somalia	62.0	Saudi Arabia	18.1
Yemen	22.0	Ethiopia	10.5
Pakistan	5.2	United States	9.2
Ethiopia	4.8	France	8.5

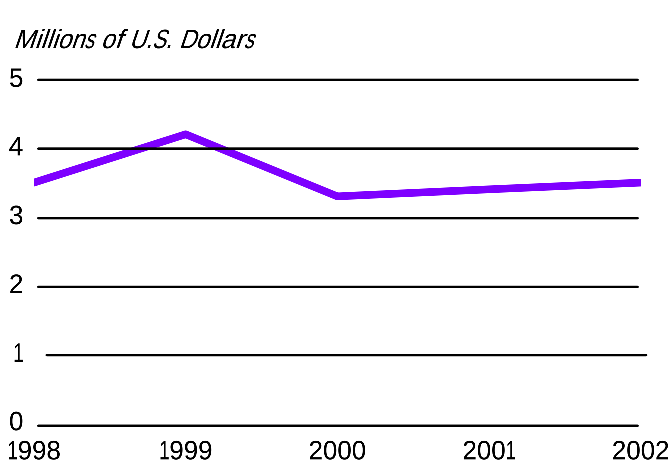
Main Trade Commodities, US$ millions

Exports (2002)		*Imports (2000)*	
Manufactures	52.9	Food & beverages	75.3
Food & live animals	6.8	Machinery & electrical equipment	49.1
Coffee & derivatives	6.5	Petroleum products	40.0
		Qat	26.7

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Manufactured goods represent the majority of merchandise exports, and livestock is the second-largest export. In early 2004, construction began on a regional center for export of livestock in Damerjog. Management of the regional center will be carried out by a private firm.
- Dubai Port International, which holds a 20-year contract for the management of Djibouti's port and international airport, began work in June 2003 on a container port at Doraleh, which is set to be ready for use by September 2004. There are also plans to construct an oil terminal and commercial and industrial free zone, but no target date has been set.
- In 2003, U.S. exports to Djibouti consisted primarily of cereals, books or other printed products, and fertilizers. U.S. imports from Djibouti consisted primarily of animal or vegetable fats and oils, machinery and mechanical appliances, and milling industry products. In 2003 and 2004, Djibouti was designated an AGOA beneficiary country. AGOA (including GSP) imports from Djibouti totaled $27,000 in 2003.

Investment and Privatization Update

- Djibouti is seeking to diversify its trade infrastructure by increasing access to other ports in the region. For example, Djibouti is seeking to attract investment from Independent Petroleum Group (Kuwait) as part of plans to construct an oil pipeline from Djibouti to Addis Ababa. The project is expected to attract $300 million in investment from international, African, and Arab financial institutions.
- The Government of Djibouti has signed with several donors to help modernize infrastructure and reduce poverty. In March 2003, the Arab Fund granted a loan of $10 million to Electricite de Djibouti for the purchase and installation of equipment; during the same period, the Kuwait Fund agreed to lend $5 million to establish the Djibouti Economic Development Fund.
- In April 2003, the UNDP committed $4.5 million for capacity building and poverty reduction, and OPEC announced plans to lend $4.5 million to update the nationalized printing company and develop the educational research institute. In May 2003, the Saudi Development Fund agreed to a loan of $4 million for development of a rural water supply; in addition, the World Bank / IDA provided $6 million to support work on the EU-funded International Road Corridor Rehabilitation Project between Djiboutiville and Ethiopia.
- For FY 2004 and 2005, the government proposes the privatization of public utilities including state-owned Djibouti Telecom, as well as Electricite de Djibouti, the state electricity company. The airport and port have already been privatized.
- The EU is funding a $52-million rehabilitation of the joint Djibouti-Ethiopia railway. The Governments of Djibouti and Ethiopia are seeking a private sector partner for the management of the railway under a 25-year contract to begin in June 2005. The EU is also planning to invest $15 million to increase container handling facilities beginning in June 2004.

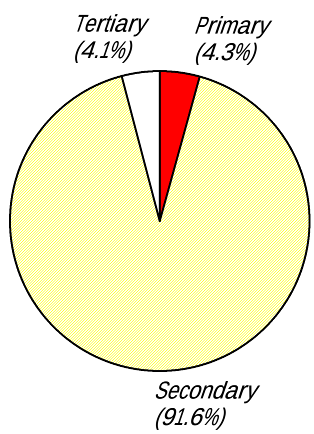
EQUATORIAL GUINEA

Economic Overview

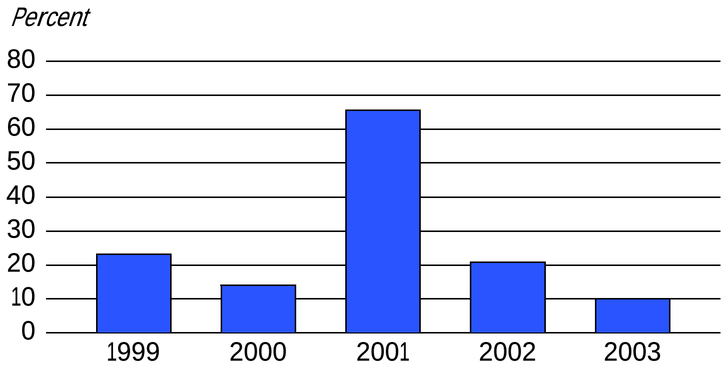
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	1,523.9	1,507.8	-16.1
GDP (US$ mn)	2,186.0	2,602.0	416.0
CPI Inflation (annual average, %)	7.6	6.0	-1.6
Goods Exports (US$ mn)	2,216.0	2,586.0	370.0
Goods Imports (US$ mn)	501.0	1,163.0	662.0
Trade Balance (US$ mn)	1,715.0	1,423.0	-292.0
Current Account Balance (US$ mn)	-294.0	-863.0	-569.0
Foreign Exchange Reserves (US$ mn)	88.6	176.0	87.4
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (CFAfr/US$)	697.0	579.5	-117.5

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- The discovery of petroleum in the 1990s accelerated economic growth and spurred urbanization. Petroleum accounted for over 80 percent of GDP in 2002. Although petroleum has become the principal foreign-exchange earner, timber is still a profitable sector.
- The government has announced plans to create a petroleum reserve fund to secure future income, and it paid $259 million into the fund in 2002. By the end of 2003, the fund contained $733 million.
- Government revenue from the petroleum sector is used in part to rehabilitate the country's infrastructure. In November 2003, the government announced a program to improve the road network and to rehabilitate the airport at Bata.
- In early 2003, the government implemented a two-tier system creating separate wages for all private sector workers.
- The government has taken steps to increase transparency for petroleum-related transactions in an effort to improve the country's relationship with the IMF.
- UNDP is cooperating with the government to provide $5.2 million over 4 years to encourage increased access to primary school.
- In July 2003, Spain agreed to write off $80 million of Equatorial Guinea's $134-million debt to Spain. The countries also agreed to establish procedures to protect Spanish investment in Equatorial Guinea.
- India pledged $500 million in low-interest loans in early 2004 to help Burkina Faso, Chad, C"te d'Ivoire, Equatorial Guinea, Ghana, Guinea Bissau, Mali, and Senegal create the Techno-Economic Approach for Africa India Movement, which will focus on generating employment, pharmaceutical production and healthcare, information technology and telecommunications, and agriculture.

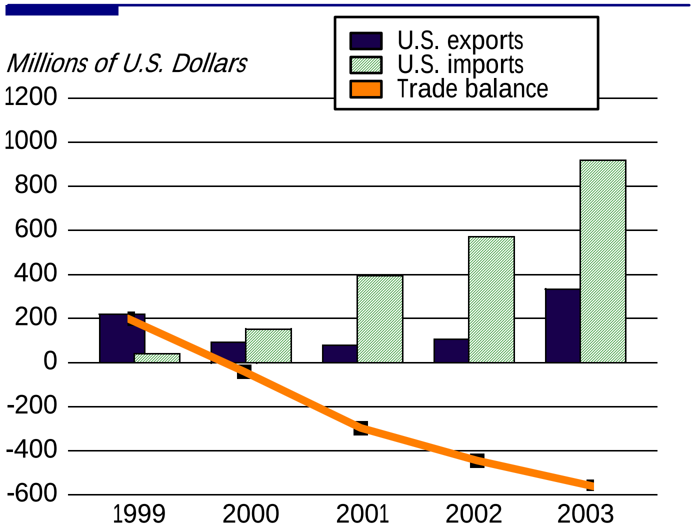
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United States	28.3	Yugoslavia	29.1
Spain	25.3	United Kingdom	15.9
China	17.4	United Sates	14.8
Cameroon	4.9	France	10.4

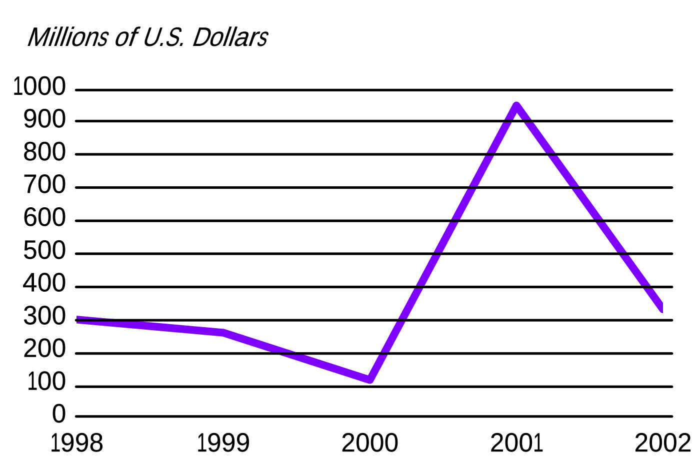
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Petroleum including gas	2,103.0	Petroleum sector	356.2
Timber	95.3	Public investment	52.6
Coffee	6.6	Petroleum products	16.0
Cocoa	4.4		

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Incat (UK) is building a port at Luba, and will operate it upon completion. The port is expected to expand trade. The government is also planning a facility in the capital that will serve as a port and service center for the oil sector.
- Agriculture for export, primarily cocoa and coffee, has been declining in recent years.
- In 2003, U.S. exports to Equatorial Guinea consisted primarily of machinery and mechanical appliances, aircraft and parts thereof, and articles of iron or steel. U.S. imports from Equatorial Guinea consisted primarily of minerals, fuels and oils, organic chemicals, and machinery or mechanical appliances.

Investment and Privatization Update

- Large deposits of petroleum and gas continue to draw investment into the country. During 1995-2003, such investments totaled more than $5 billion. Crude oil production now exceeds 265,000 barrels per day. Petroleum sector growth has spurred a construction boom in Malabo and expansion in the services sector.
- Growing demand from Asia has contributed to increased investment in the forestry sector.
- Equatorial Guinea may possess substantial deposits of gold, diamonds, bauxite, iron ore, titanium, copper, manganese, and uranium that could lead to increased investment and development of the mining sector.
- In October 2003, a new terminal opened at the Malabo airport. Iberia (Spain), Spanair (Spain), and KLM (Netherlands) are actively involved in the air travel market. In addition, GEPetrol, the state oil company, agreed with World Airways (U.S.) to provide weekly scheduled flights between Houston and Malabo.
- In 2003, Marathon (U.S.), a main player in the energy sector, received approval to develop a $1-billion liquid natural gas plant, which is expected to be completed in 2007. GEPetrol announced in early 2004 that it was close to securing a $400-million loan to finance its 20-percent share in the project.
- The government has expressed interest in privatizing the electric utility and GETESA, a telecommunications parastatal.

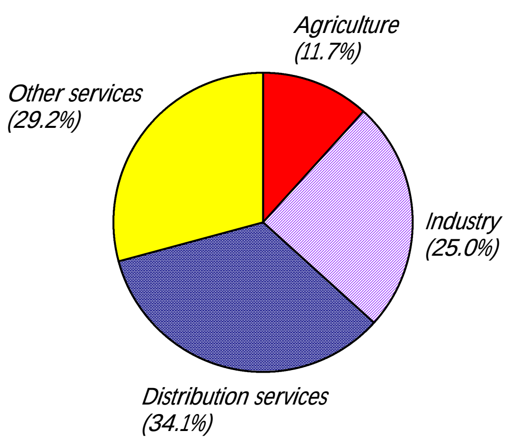
ERITREA

Economic Overview

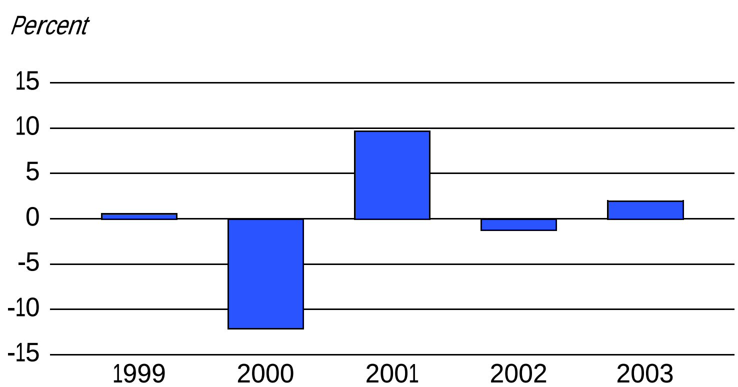
Economic Indicators

	2002	2003	Difference
GDP (nominal, Nfa bn)	9.3	10.7	1.4
GDP (US$ mn)	669.1	764.3	95.2
CPI Inflation (annual average, %)	17.4	12.3	-5.1
Goods Exports (US$ mn)	52.0	56.0	4.0
Goods Imports (US$ mn)	533.0	600.0	67.0
Trade Balance (US$ mn)	-481.0	-544.0	-63.0
Current Account Balance (US$ mn)	-167.0	-161.0	6.0
Foreign Exchange Reserves (US$)	n/a	n/a	n/a
Total External Debt (US$ mn)	508.0	552.0	44.0
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (Nfa/US$)	13.9	14.0	0.1

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Although domestic agricultural production covers just 20 percent of the country's food needs, 70 percent of the population relies on agriculture, pastoralism, or fishing for income. Lack of irrigation, soil erosion, outmoded technology, and a lack of financial services, however, constrain agricultural development.
- Main government goals include developing infrastructure and improving food security.
- War with Ethiopia has left the road network and other infrastructure inadequate. The link from Massawa to Asmara is the only fully paved road. The government plans to pave the coastal road from Massawa to Assab in mid-2004 to improve and increase intra-country trade and transport.
- The World Bank has 10 ongoing projects in Eritrea. Over $200 million was disbursed during 2000-03. Current programs include an emergency demobilization program ($60 million) and an emergency reconstruction project ($90 million). The World Bank also has allocated $45 million to support investment in education, and plans to provide $50 million for rural electrification and $30 million to develop roads.
- A June 2003 IMF report notes Eritrea's unsustainably high fiscal deficits. The IMF has noted that lack of consistent and reliable economic data inhibits coherent policy formation.
- In late 2003, the Arab Bank for Economic Development in Africa agreed to a $15-million loan for a water development project. The project, including dams and a water purifying facility, will cost $80 million. The Abu Dhabi Development Fund, the Saudi Development Fund, and OPEC are also expected to contribute.
- Italy, the United States, and Denmark are significant bilateral aid donors. In 2002, however, Denmark announced that it would stop development assistance by 2005 because of human rights violations.
- In August 2003, the United States agreed to provide $6.4 million in assistance to improve healthcare and increase employment in rural areas.

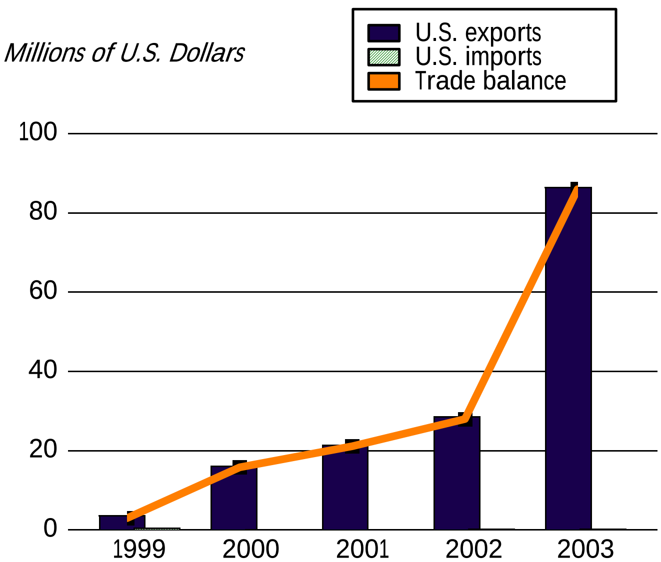
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Sudan	83.0	United Arab Emirates	17.3
Italy	4.9	Saudi Arabia	14.7
Djibouti	2.1	Italy	14.2
Germany	1.1	Germany	4.0

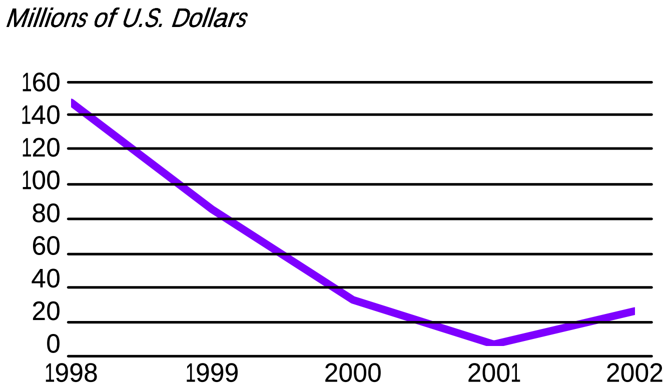
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Food & live animals	30.0	Machinery & transport equipment	115.0
Raw materials	5.0	Food & live animals	103.0
Manufactured goods	4.0	Manufactured goods	88.0
		Chemical & chemical products	29.0

U.S. Trade Balance



Net Foreign Direct Investment



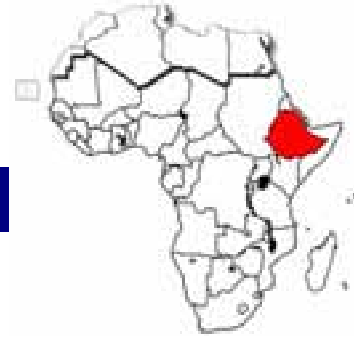
Trade Update

- Food and live animals accounted for over 70 percent of exports in 2002.
- A trade embargo imposed by Ethiopia has made hard currency scarce and hindered investment. Prior to the conflict, Ethiopia was Eritrea's main export partner.
- Apart from food, primary imports include machinery and transport equipment, manufactured goods, and construction materials.
- In 2003, U.S. exports to Eritrea consisted primarily of aircraft and parts thereof, cereals, and animal or vegetable fats or oils. U.S. imports from Eritrea consisted primarily of apparel, electrical machinery and equipment, and works of art. In 2003, Eritrea was designated an AGOA beneficiary country. Eritrea was removed from AGOA eligibility in 2004.

Investment and Privatization Update

- A new airport is being built in Massawa. Eritrean Airlines, the national carrier, made its first flight in April 2003.
- Petroleum exploration has begun with no major announcements of discovery to date.
- Gold reserves are estimated at 17,000 kilograms, which could spur investment in the sector. In 2003, Sub-Sahara Resources (Australia) and Sunridge Gold (Canada) announced plans to jointly explore the Asmara area.
- Eritel, the state phone company, is working with Tecore Wireless Systems (U.S.) to implement a GSM service.
- The government has divested 3 of its 11 hotels.

ETHIOPIA

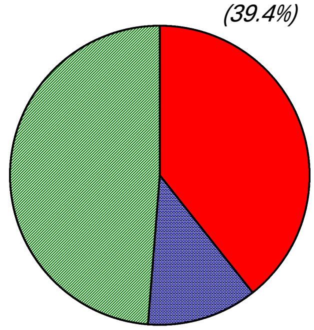


Economic Overview

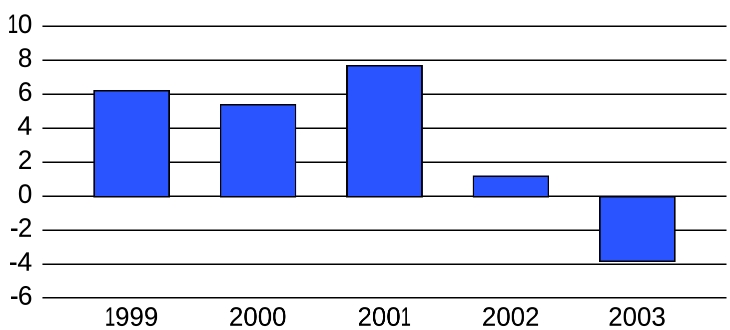
Economic Indicators

	2002	2003	Difference
GDP (nominal, Birr bn)	51.8	56.2	4.4
GDP (US$ bn)	6.0	6.4	0.4
CPI Inflation (annual average, %)	1.5	12.6	11.1
Goods Exports (US$ mn)	480.0	537.0	57.0
Goods Imports (US$ mn)	1,700.0	1,903.0	203.0
Trade Balance (US$ mn)	-1,220.0	-1,366.0	-146.0
Current Account Balance (US$ mn)	-382.0	-473.0	-91.0
Foreign Exchange Reserves (US$ mn)	882.0	920.0	38.0
Total External Debt (US$ bn)	6.0	6.2	0.2
Debt Service Ratio, paid (%)	7.4	7.4	0.0
Exchange Rate (Birr/US$)	8.6	8.8	0.2

Origins of GDP (2002/2003)



Real GDP Growth Rate



Economic Update

- Agriculture is a key component of the economy, with roughly 85 percent of the population deriving its livelihood from agriculture production. Water shortages and seasonal flooding have limited agricultural productivity. The industrial sector grew over 20 percent during 1996-2003, and is expected to become a larger part of the economy.
- Transportation infrastructure is inadequate and hinders economic growth. Only 12 percent of roads are paved, which makes access to ports, markets, and services difficult. The first Road Sector Development Program ran from 1997-02 and received $1.5 billion in funding. The second program is expected to run during 2003-07 and cost $219 million, with $127 million supplied by the World Bank.
- The World Bank is expected to approve a $25-million loan for information and communication technology in 2004. The Ethiopian government has established the Ethiopian Telecommunications Authority in an effort to link federal, regional, and local governments in a single network to improve service to local communities.
- The World Bank's Country Assistance Strategy pledged $1.5 billion to reform the judiciary and civil service, promote private sector development, and develop transportation and energy infrastructure during 2003-06.
- In August 2003, the IMF released $14.6 million after the fourth PRGF review; the program is expected to be completed in mid-2004. Financial sector reform is a primary goal of the PRGF.
- Ethiopia is expected to complete participation in the HIPC initiative in 2004. In April 2004, the IMF and World Bank approved the reduction of Ethiopia's debt to $2 billion.
- The AfDB awarded $1.5 million to Ethiopia to promote women's rights. Key goals include equal rights for women and maternal health care.
- The United States granted Ethiopia $18 million for the campaign against HIV/AIDS.
- In June 2004, the United States announced support for Ethiopia's WTO candidacy.

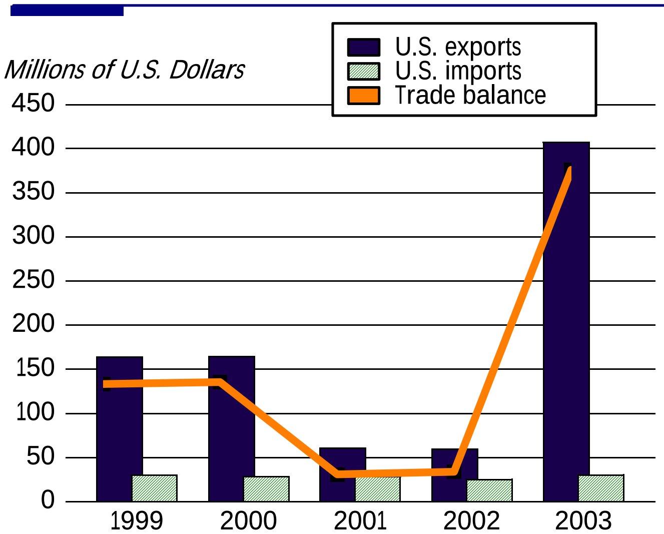
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Djibouti	11.1	Saudi Arabia	28.8
Italy	7.3	Italy	5.9
Japan	6.5	India	4.8
Saudi Arabia	6.5	United States	3.8

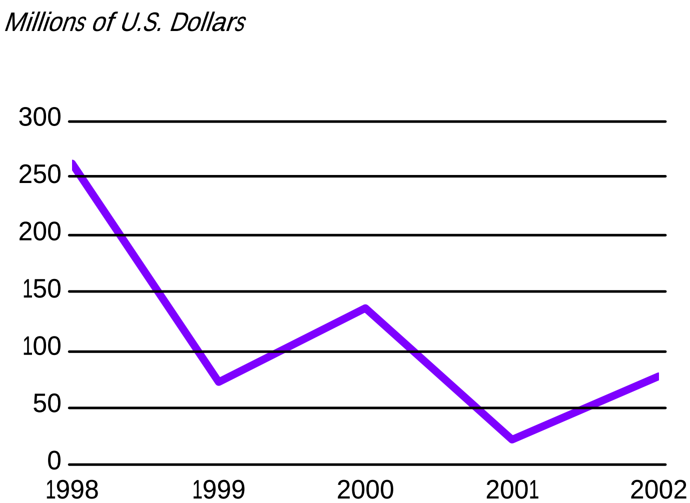
Main Trade Commodities, US$ millions, 2000/2001

Exports		*Imports*	
Coffee	171.0	Consumer goods	459.0
Qat	60.0	Capital goods	436.0
Oilseeds	30.0	Fuel	403.0
Pulses	8.0	Semi-finished goods	278.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Coffee and livestock are important export products. The Livestock Marketing Authority is developing a 20-year plan with the AfDB to promote livestock development. Although coffee prices are expected to rise, Ethiopia may be vulnerable to overproduction.
- Conflict with Eritrea blocked access to the port of Assab, Ethiopia's principal port of entry and exit for trade before 1998. Trade has been rerouted through Djibouti, with the help of a $6-million World Bank loan to build a road that was completed in October 2003. Djibouti currently handles the majority of Ethiopia's trade.
- The railway link between Ethiopia and Djibouti has deteriorated in recent years. The EU provided funds for rehabilitation contingent on reforms, such as the introduction of private management, but the two countries have been slow in implementing requested changes.
- In 2003, U.S. exports to Ethiopia consisted primarily of aircraft and parts thereof, cereals, and electrical machinery and equipment. U.S. imports from Ethiopia consisted primarily of coffee, tea, mate, and spices; seeds, grains, and fruit; and apparel. In 2003 and 2004, Ethiopia was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Ethiopia totaled $2.9 million in 2003.

Investment and Privatization Update

- In April 2003, Ethiopia amended its foreign investment rules. The required minimum level of investment by foreign firms was reduced, minimal capital requirements were lifted, and a 3-year tax break was extended.
- Ethiopia has significant mineral deposits. International interest in mining for gold and other metals and petroleum and gas exploration has increased in recent years.
- Ethiopian Airlines received a $350-million commercial loan to purchase 12 new Boeings by mid-2005. The first two planes were received in November 2003. The airline also has plans to build a new cargo terminal, securing $19 million from the Commercial Bank of Ethiopia for this project.
- The Ethiopian Electric Power Company has plans to build a series of dams on the Blue and White Nile. These include a 300-mw hyrdroelectric plant that will be built by a Chinese consortium for $350 million.
- In late 2003, SI Tech International (Jordan) signed an agreement to develop the hydrocarbon sector in Ethiopia. The 25-year, $1.5 million contract includes the construction of a gas-to-liquids plant with a capacity of 34,000 barrels per day of petroleum products.
- The Bank of Scotland has agreed to provide management support to the Commercial Bank of Ethiopia, after agreeing to a 2-year deal for $2.5 million.
- Privatization is overseen by the Ethiopian Investment Authority and the Ethiopian Privatization Agency. By 1998, 163 privatization projects had been approved, but the divestment of larger state farms and agro-industrial plants was delayed by the conflict with Eritrea during 1998-2000. Over 100 enterprises, primarily hotels, state farms, and plantations, are awaiting privatization.

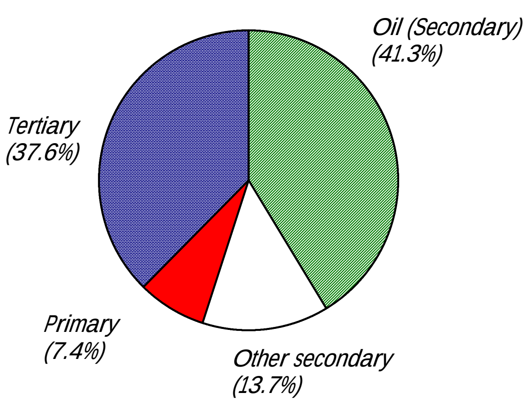
GABON

Economic Overview

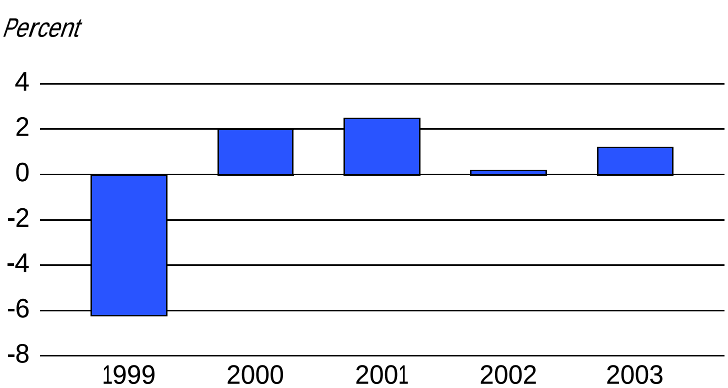
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr trn)	4.3	4.3	0.0
GDP (US$ bn)	6.1	7.5	1.4
CPI Inflation (annual average, %)	0.2	0.5	0.3
Goods Exports (US$ mn)	2,608.0	2,891.0	283.0
Goods Imports (US$ mn)	885.0	1,079.0	194.0
Trade Balance (US$ mn)	1,723.0	1,812.0	89.0
Current Account Balance (US$ mn)	-169.0	-99.0	70.0
Foreign Exchange Reserves (US$ mn)	140.0	149.0	9.0
Total External Debt (US$ bn)	3.4	3.3	-0.1
Debt Service Ratio, paid (%)	10.8	9.2	-1.6
Exchange Rate (CFAfr/US$)	697.0	579.3	-117.7

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Petroleum production continues to decline as reserves are becoming less productive. In 2003, Equatorial Guinea surpassed Gabon as the third-largest petroleum producer in SSA. Gabon's reserves are expected to be depleted by 2010 unless new sources are discovered.
- Petroleum production accounts for 20 to 50 percent of GDP, represents over 70 percent of exports, and funds over 50 percent of government spending.
- Aside from the petroleum sector, the forestry and manganese sectors continue to contribute greatly to the Gabonese economy. Forestry is the nation's second-largest source of export revenue after petroleum. The government hopes to offset the decline in petroleum production and to boost employment by increasing timber activity, but efforts continue to be hindered by inadequate transportation infrastructure and administrative disagreements by various interested parties. In 2003, disagreements between the government and the logging companies, an increase in the surface tax to be implemented in 2004, and a buildup of payment arrears by the national timber firm negatively affected the timber sector.
- Manganese production is expected to increase from 1.9 million tons in 2002 to 2.05 million tons in 2004 after Trois Rivieres, a subsidiary mining company of CVRD (Brazil), discovered a rich ore deposit near an existing source in eastern Gabon. Gabon is the third-largest producer of manganese, possessing 25 percent of the world's known reserves.
- Manufacturing in Gabon continues to progress slowly, hindered by high costs, inadequate skills in the labor force, underdeveloped infrastructure, and a small domestic market. Government policies in 2003 continued to focus on improving economic diversity in nonpetroleum sectors. Diversification efforts, however, continue to be hindered by inadequate infrastructure and high utility costs. Major government initiatives to abate unemployment caused by privatization, include diversifying exports, increasing timber processing, promoting ecological tourism, and establishing a duty-free zone in Mandji.
- In December 2003, the regional bank, the BEAC, decreased the rediscount rate from 6.3 percent to 6.0 percent and began encouraging the use of treasury bills to decrease transaction costs and improve administration efficiency within the country.
- In an effort to secure IMF funds, Gabonese government policies continued to focus on improving transparency and governance. In mid-2003, the government requested IMF aid to alleviate the effects of reduced oil revenue, public debt, and poverty through restructuring the judiciary system and other public reforms, advancing privatization, and diversifying the economy.

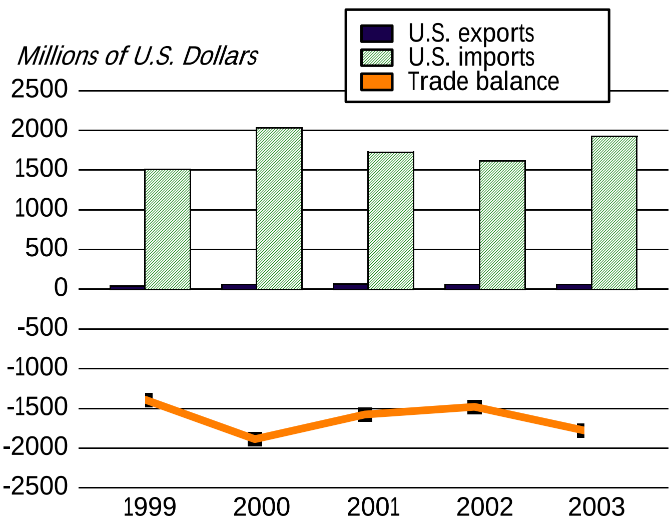
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United States	44.6	France	50.9
France	11.1	United States	6.2
China	7.4	Belgium	3.6
Netherlands Antilles	5.9	Netherlands	3.6

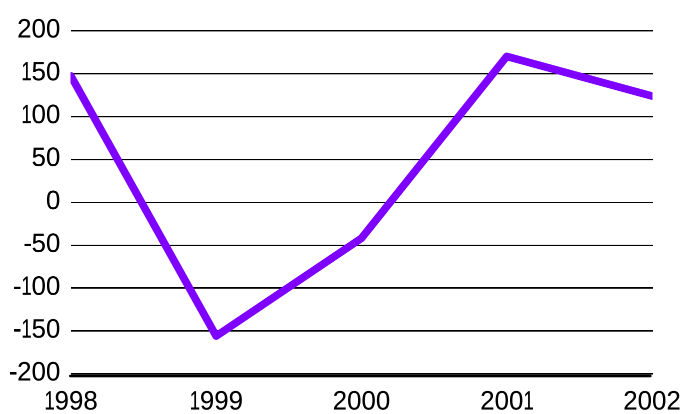
Main Trade Commodities, US$ millions

Exports (2002)		*Imports (2001)*	
Crude petroleum	2,052.5	Consumer goods	290.7
Timber	302.5	Prepared foodstuffs & beverages	160.8
Manganese	135.6	Machinery & mechanical appliances	157.4

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- In early 2004, China and Gabon signed an oil deal that guarantees oil exports to China.
- Gabon strengthened its ties with the United States, Canada, Russia, China, and Islamic countries with the goal of improving the efficiency of its petroleum production and nonpetroleum exports.
- The government is initiating policies to reform and restructure the agriculture sector to offset decreased oil production.
- A regional stock exchange, the BVMAC, was established in June 2003 among the six member countries of CEMAC, with plans to begin operation in early 2004.
- In 2003, U.S. exports to Gabon consisted primarily of machinery and mechanical appliances, articles of iron or steel, and mineral fuels or oils and products. U.S. imports from Gabon consisted primarily of mineral fuels and oils; ores, slag, and ash; and wood and articles of wood. In 2003 and 2004, Gabon was designated an AGOA beneficiary country. AGOA (including GSP) imports from Gabon totaled $1.2 billion in 2003.

Investment and Privatization Update

- In an effort to increase foreign investment, Gabon became a member of MIGA, which guarantees foreign investment coverage.
- In February 2003, the World Bank granted a $100-million loan to Gabon to improve the current transportation infrastructure. In August 2003, construction of two bridges across the Ntem River and a highway connecting Gabon, Cameroon, and Equatorial Guinea began; the projects are being financed by the EU and are scheduled for completion by 2006.
- High oil prices in 2003 and increased interest from the U.S. companies in Gabon's petroleum sector contributed to increased investment in 2003 and early 2004. Shell (U.S.) increased investment in the Rabi-Kounga oilfield. Increased exploration and higher efficiency of production on marginal fields have also contributed to increased investment.
- In late 2003, Southernera Resources (Canada) announced that it would begin exploratory drilling for diamonds in northern, central, and southern Gabon.
- Mining activity is expected to increase in 2004 because of increased capacity in the manganese sector. The European Commission granted Gabon $33 million in January 2003 to reduce the environmental impact of mining. Kumba Resources (South Africa) expressed interest in mining the iron-ore deposits in Gabon. Investment in exploiting large deposits remains hindered by inadequate infrastructure.
- Privatization efforts continue to progress albeit slowly. Companies still slated for privatization include the state-owned rubber and palm-oil enterprises. The farming parastatal has not yet been scheduled for privatization.
- High production costs and financial difficulties continue to delay the privatization of Agripog, the state horticulture company.
- Because of a lack of investor interest in Sogadel and SIAEB, the state-owned meat companies, privatization efforts were halted in 2003 and the firms were liquidated.

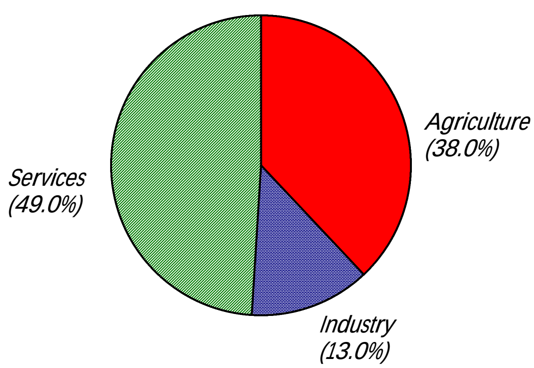
THE GAMBIA

Economic Overview

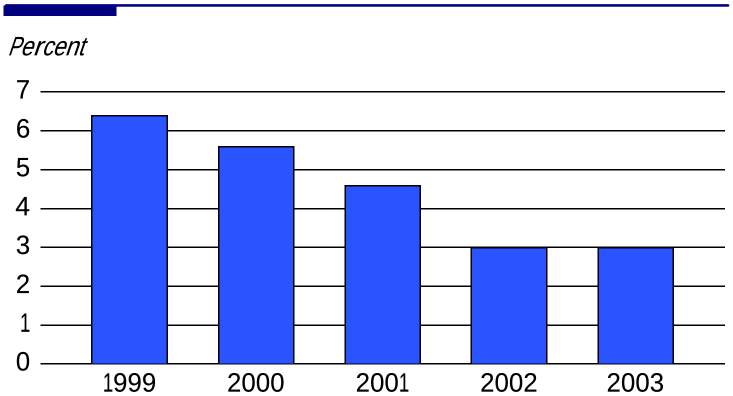
Economic Indicators

	2002	2003	Difference
GDP (nominal, D bn)	7.8	10.9	3.1
GDP (US$ mn)	391.0	401.0	10.0
CPI Inflation (annual average, %)	4.9	10.0	5.1
Goods Exports (US$ mn)	138.0	129.0	-9.0
Goods Imports (US$ mn)	225.0	220.0	-5.0
Trade Balance (US$ mn)	-87.0	-91.0	-4.0
Current Account Balance (US$ mn)	-22.0	-24.0	-2.0
Foreign Exchange Reserves (US$ mn)	107.0	107.0	0.0
Total External Debt (US$ mn)	501.3	585.0	83.7
Debt Service Ratio, paid (%)	5.4	n/a	n/a
Exchange Rate (D/US$)	19.9	27.2	7.3

Origins of GDP (2000)



Real GDP Growth Rate



Economic Update

- Drought and decreased tourist activity hindered real GDP growth in 2003. Increased activity in the agriculture and tourism sectors are expected to contribute to improved growth in 2004.
- Energy shortages, inadequate fiscal management, small growth rates, inflation, and inappropriate expenditures continue to hinder The Gambia's economy and continue to upset progress of the PRGF established by the IMF.
- Government reforms with respect to expenditure reporting and transparency are continuing.
- As indicated under the current PRGF, the government increased domestic revenue in the 2004 budget by increasing fuel prices, road taxes, fees for firearms, driving and fishing licences, and customs documents. Also, the 2004 budget indicates that development expenditure is expected to decline because of decreased investor support.
- The third phase of the UNDP's Economic Management and Capacity Building for Private Sector Development project was announced in May 2003. By granting $1.9 million to the government's Vision 2020 plan, this project will work in conjunction with the AfDB, the World Bank, and bilateral projects to improve government efficiency and policy effectiveness. The project will also promote the provision of information to foreign investors and the improvement of regulation and services for export-oriented firms.
- In mid-2003, the AfDB announced plans to give The Gambia $25 million over the next 3 years to support education, balance-of-payments, expenditure management skills, and public aid.
- As part of the 2003-05 country assistance strategy established by the World Bank, major government policies include improving public expenditure management, promoting growth in the private sector, and improving public services.

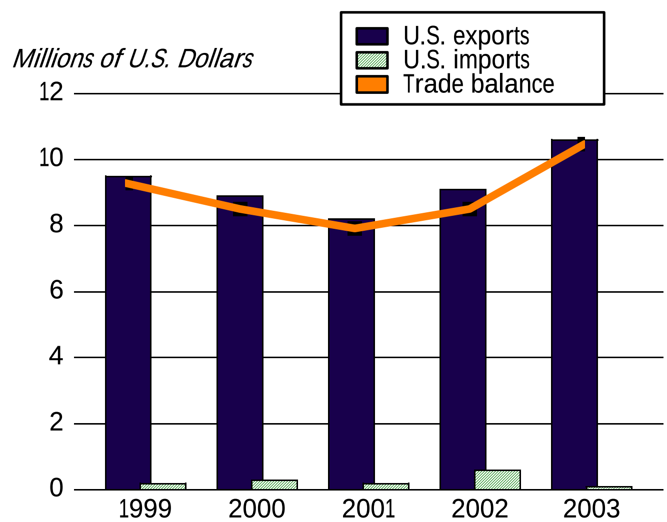
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
France	21.6	China (incl. Hong Kong)	25.7
United Kingdom	18.8	Senegal	9.5
Italy	10.9	Brazil	7.9
Germany	7.6	United Kingdom	6.7

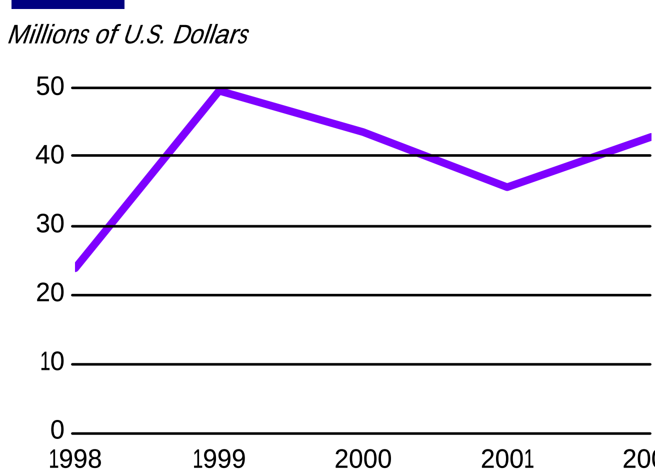
Main Trade Commodities, US$ millions, 1999

Exports		*Imports*	
Re-exports	104.0	Food & beverages	89.4
Groundnut products	10.0	Manufactures	53.8
Fish & fish preparations	3.1	Machinery & transport equipment	46.5
		Minerals & fuel	12.4

U.S. Trade Balance



Net Foreign Direct Investment



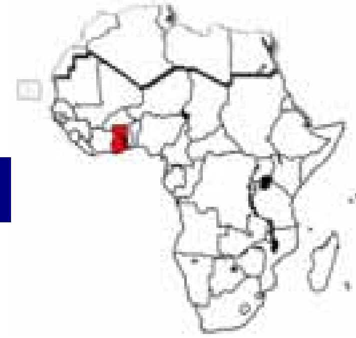
Trade Update

- Groundnuts continued to be The Gambia's leading export product in 2003. Re-exported manufactured goods continued to represent a significant portion of The Gambia's trade profile.
- To improve the inadequate transport infrastructure in The Gambia, the OPEC Fund for International Development loaned $2.8 million in May 2003 to construct an additional road that will reduce the export of goods via the airport, thereby reducing transport costs.
- In 2003, U.S. exports to The Gambia consisted primarily of meat, cotton yarn or fabric, and machinery and mechanical appliances. U.S. imports from The Gambia consisted primarily of optical or measuring equipment and parts thereof, toy or game equipment and parts thereof, and cotton yarn or fabric. In 2003 and 2004, The Gambia was designated an AGOA beneficiary country. AGOA (including GSP) imports from The Gambia totaled $20,000 in 2003.

Investment and Privatization Update

- For 1999-2001, The Gambia was ranked 12th out of 140 countries, and second in Africa for FDI performance by the 2003 World Investment Report by the UNCTAD. The country's active tourist sector and liberal investment climate contributed to the high ranking.
- In June 2003, Clemessy (Germany) and Norelec (France) signed contracts with the government to construct transmission and distribution lines for the national grid as the second phase of the rural electrification project. The AfDB financed the $3.3-million project.
- The government created an Insurance Bill to improve the regulation and effectiveness of the insurance industry. The bill also transfers governance of the industry to the central bank.
- A Money Laundering Bill was passed in 2003 to improve transparency of financial institutions by providing support for firms reporting suspicious transactions. This regulation is expected to decrease corruption and increase foreign investor confidence.
- In early 2003, D. Blankevoort (Netherlands) began a project funded by the AfDB and OPEC to ease coastal erosion. This project is expected to improve the coastal transportation infrastructure and increase tourism.
- As part of the 5-year Global Expansion Project of Gamtel, the state telecommunications agency, $53.9 million will be invested in increasing fixed-line capacity in 2004. In addition, Alcatel (France) will install 35,500 new lines under a $37.2-million contract, and Airspan Networks (U.S.) will supply 2,000 wireless telephones to remote locations.
- Privatization of state-owned enterprises is expected to continue despite slow progress.

GHANA

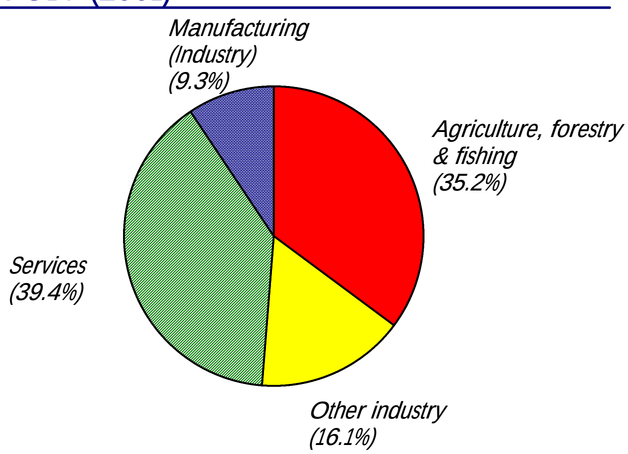


Economic Overview

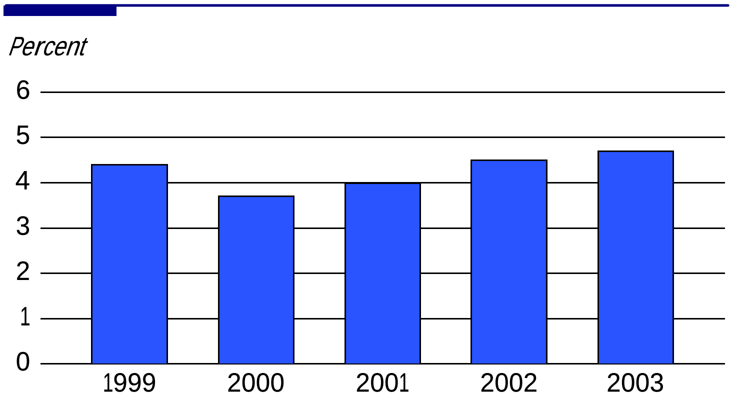
Economic Indicators

	2002	2003	Difference
GDP (nominal, C trn)	44.7	59.7	15.0
GDP (US$ bn)	5.6	6.9	1.3
CPI Inflation (annual average, %)	14.8	26.8	12.0
Goods Exports (US$ mn)	2,015.2	2,641.1	625.9
Goods Imports (US$ mn)	2,705.1	3,239.0	533.9
Trade Balance (US$ mn)	-689.9	-597.9	92.0
Current Account Balance (US$ mn)	-30.6	214.0	244.6
Foreign Exchange Reserves (US$ mn)	539.7	950.0	410.3
Total External Debt (US$ bn)	7.0	7.4	0.4
Debt Service Ratio, paid (%)	11.7	9.4	-2.3
Exchange Rate (C/US$)	7,932.7	8,676.4	743.7

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- Agriculture represents approximately 30 to 40 percent of GDP and employs approximately 60 percent of the workforce.
- The leading export is cocoa, followed by timber, horticulture products, fish / seafoods, and pineapple. Removal of price controls and increased prices paid to cocoa farmers has contributed to growth in the cocoa industry in Ghana. During the 2002-03 growing season, production of cocoa reached an estimated 490,000 tonnes, one of the highest levels recorded in 40 years. Further reform efforts for the sector include increasing the price paid to cocoa producers to 70 percent of the F.O.B. price, as well as establishing a revolving credit fund for farmers.
- The Ministry of Food and Agriculture has set aside $50 million to modernize the agriculture sector in an effort to reduce imports and increase food security. Strategies also include providing incentives for small businesses and greater access to capital.
- In January 2003, the government increased fuel prices by an average of 90 percent in an effort to reduce the level of debt of the country's sole refinery.
- In 2003, foreign exchange reserves for the country reached a 30-year high. Cocoa exports recovered, reaching an estimated $772 million in 2003, up from $381 million in 2001. Gold earnings also increased to $770 million in 2003 from $618 million in 2002, in part because of rising global gold prices. This contributed to the growth in foreign reserves. Ghana also receives revenue from worker remittances from Ghanaians abroad.
- The government has entered into a new 3-year agreement with the IMF to fund poverty reduction initiatives. The program, for which the IMF would provide $258 million, requires the government to reduce public expenditure, implement reforms in the financial sector to allow private sector development, and increase certain utility prices.
- Much of Ghana's debt has been reduced through the World Bank's HIPC initiative.

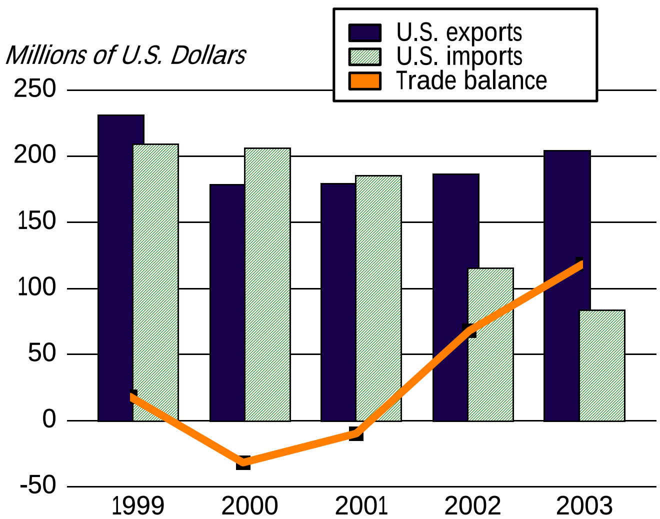
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Netherlands	15.0	Nigeria	21.4
United Kingdom	10.0	United Kingdom	7.2
United States	7.1	United States	6.6
Germany	6.3	China	6.2

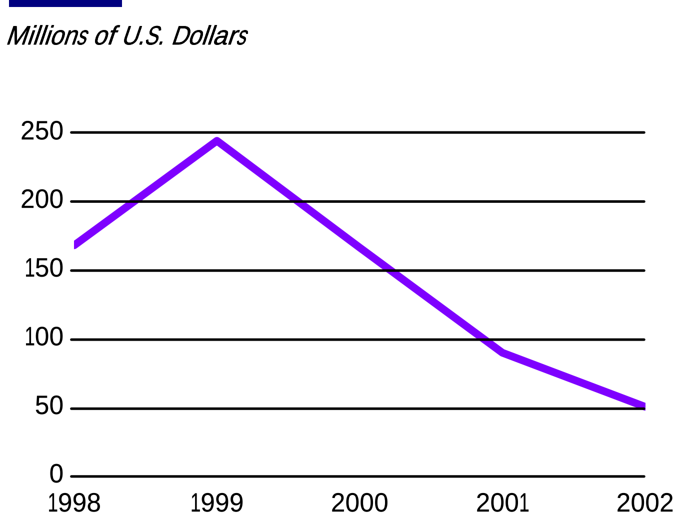
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Gold	689.1	Nonoil	2,197.0
Cocoa beans & products	463.4	Oil	508.1
Timber & products	182.7		

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Ghana's ports are being developed as regional trade hubs; a current project to dredge the port in the city of Tema to build a container terminal is already underway. Further plans include warehousing facilities, export processing zones, packaging facilities, and haulage zones.
- Under the Industry Revival Scheme, efforts are being made to diversify exports by focusing on the services and mining sectors. Gold and manganese are potential export products. The diamond sector experienced a setback in September 2003 when the government was banned from exporting diamonds after it failed to ratify an international agreement against the illegal diamond trade.
- In 2003, the Government of Ghana announced its intentions to extend the rail network to link with Burkina Faso, Côte d'Ivoire, and Togo for both passenger and freight travel. This project should help improve access for private buyers within the cocoa industry, the largest sector of the economy.
- Presidential Special Initiatives were established in 2003 for the garment, cassava, and palm oil industries using training and technical assistance to increase exports and to allow Ghana to take advantage of benefits offered under the U.S. AGOA program.
- In 2003, U.S. exports to Ghana consisted primarily of machinery and mechanical appliances, cereals, and vehicles and parts thereof. U.S. imports from Ghana consisted primarily of wood and articles of wood, mineral fuels and oils, and cocoa and cocoa preparations. In 2003 and 2004, Ghana was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Ghana totaled $40.6 million in 2003.

Investment and Privatization Update

- The city of Accra has outlined plans to reform the financial sector by introducing four new pieces of legislation that aim to attract foreign investment: the Foreign Exchange Bill, the Long-Term Savings Bill, the Credit Union Bill, and the Insurance Bill. The proposed legislation will bring Ghana in line with current international guidelines.
- African Gold (Ireland) purchased a $4-million, 70-percent stake in the Konongo Owere gold reserve. In October 2003, the government also approved the $1.4-billion acquisition of Ashanti Goldfields by AngloGold (South Africa), allowing it to become the largest producer with output of 7.5 million ounces of gold per year.
- The expansion of the country's largest international airport was completed in early 2003 at a cost of $100 million; 60 percent of the project was financed by the Ghana Civil Aviation Authority, and the remainder by private institutions. However, plans to privatize the domestic carrier have been placed on hold indefinitely because of the apparent failure of the potential partner to meet its obligations.
- Privatization slowed in 2003, with key assets still awaiting buyers. Proposed sales include the Volta River Authority, the primary electricity producer and provider; the Ghana Water Company; and the Tema Oil Refinery.

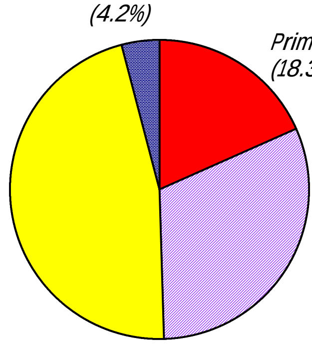
GUINEA

Economic Overview

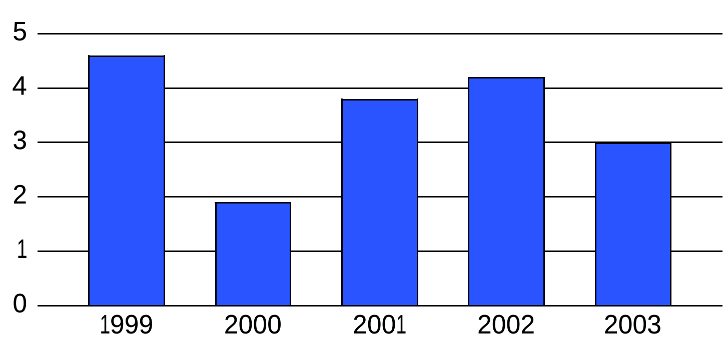
Economic Indicators

	2002	2003	Difference
GDP (nominal, Gnf bn)	6,350.0	7,064.0	714.0
GDP (US$ mn)	3,215.0	3,506.0	291.0
CPI Inflation (annual average, %)	6.1	14.8	8.7
Goods Exports (US$ mn)	700.0	705.0	5.0
Goods Imports (US$ mn)	650.0	625.0	-25.0
Trade Balance (US$ mn)	50.0	80.0	30.0
Current Account Balance (US$ mn)	-208.0	-225.0	-17.0
Foreign Exchange Reserves (US$ mn)	171.0	120.0	-51.0
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (Gnf/US$)	1,976.0	1,990.0	14.0

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Guinea is rich in natural resources such as bauxite, gold, aluminum, and diamonds. These mineral deposits were the principal exports for the country in 2002, and the top earners of foreign exchange. However, declining international prices and reduced foreign investment have resulted in decreased output, and taxes have been raised to recover the lost revenue.
- Agriculture is another important sector for the economy, much of which is subsistence farming. Paddy rice is the dominant crop. Output has declined mainly because of civil unrest across the border in Sierra Leone.
- In 2002, GDP growth was driven by a strong harvest and growth in the construction sector.
- In July 2003, the IMF completed its Article IV consultation report. The report highlighted a slowdown in privatization because of presidential elections held in 2003.
- In March 2004, the World Bank proposed the harmonization of mining laws within a number of countries in sub-Saharan Africa, including Guinea. The new codes are aimed at stimulating investment by increasing the ease of obtaining mineral title deeds.
- The World Bank / IDA announced in mid-June 2004 that it was suspending further loans and halting field projects because of Guinea's failure to pay off debt servicing arrears of $2.4 million. The IDA had supported Guinea with loans of $30 million per year. Guinea had previously lost support from the IMF in 2002 because of financial mismanagement, corruption, and improper economic practices.
- In 2001, the IMF granted a $81.3-million loan to reduce poverty, promote GDP growth, improve social services, and support economic stability. The IMF granted only $17 million of the total loan in 2002, however, because of limited progress by the government in implementing programs.
- In June 2003, $3.6 million was given to Guinea under the HIPC initiative.
- Guinea sources much of its power through hydroelectric plants. In 2003, the plants experienced frequent power outages, which in turn affected water supply. To combat power shortages, the Islamic Development Bank announced approval of a $15-million loan to Guinea to replace an aging generator. Varsila (France) also proposed plans to build a power station at Tombo.

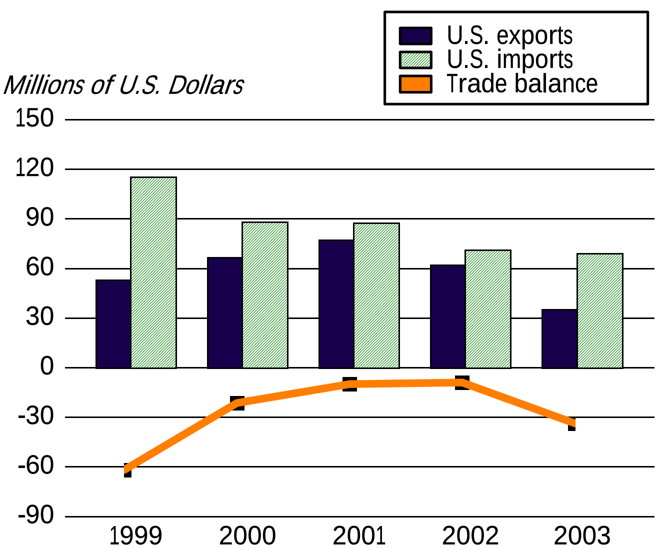
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Spain	10.5	France	19.6
Belgium	10.1	Côte d'Ivoire	11.6
Cameroon	10.1	United States	8.6
United States	9.6	Belgium	7.9

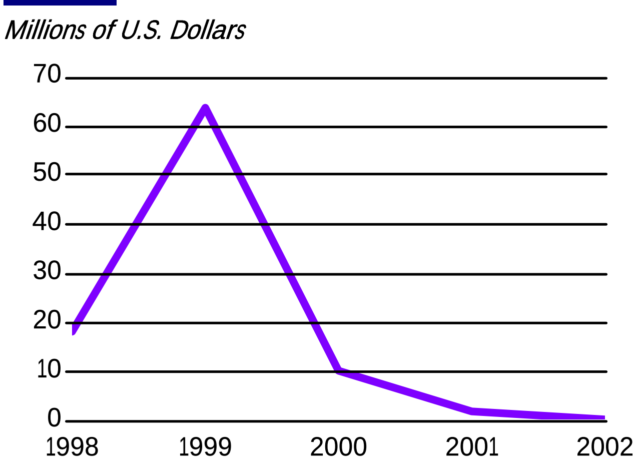
Main Trade Commodities, US$ millions

Exports (2002)		*Imports (2001)*	
Bauxite	305.0	Mineral products	186.0
Gold	144.0	Chemicals & plastic	74.0
Alumina	128.0	Foodstuffs, beverages & tobacco	60.0
Diamonds	35.0	Machinery	51.0

U.S. Trade Balance



Net Foreign Direct Investment



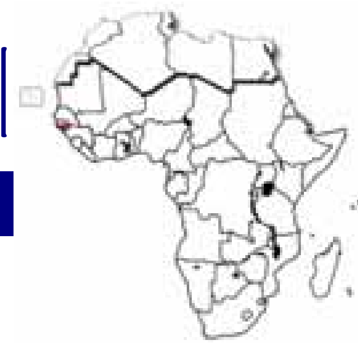
Trade Update

- Guinea is a member of the West African Monetary Zone, the second monetary area to be created in western Africa. The monetary zone is scheduled to be introduced in July 2005, with the intention of integrating with the West African Economic Monetary Union's CFA Zone to create a single West African currency by 2007.
- In October 2003, a dispute between the mining companies and the finance ministry over the VAT that was not reimbursed was resolved. The arrangement between the mining firms and the government enumerates that the firms pay VAT and collect a reimbursement within 45 days. The firms claimed that approximately $17 million in funds had been held back.
- In 2003, U.S. exports to Guinea consisted primarily of machinery and mechanical appliances, vehicles and parts thereof, and cereals. U.S. imports from Guinea consisted primarily of ores, slag, and ash; precious or semiprecious stones or metals; and electrical machinery and equipment. In 2003 and 2004, Guinea was designated an AGOA beneficiary country. AGOA (including GSP) imports from Guinea totaled $194,000 in 2003.

Investment and Privatization Update

- The banking sector in Guinea has undergone reforms to promote financial activities. The surge in mining activity has helped increase medium-term lending, increasing confidence in the banking sector specifically, and improving the general investment climate.
- In 2003, foreign investment in the bauxite mining sector strengthened. Russkiy Aluminiy (Russia) proposed financing an aluminum smelter after it won the right to mine bauxite at Dian-Dian. In early 2003, the company bought a majority of the 85-percent stake reserved for foreign investors in the state-owned Guinea Alumina Company.
- GAPCO, a joint venture between Marubeni (Japan), Mitsubishi (Japan), and a U.S. capital venture firm, bought the Boke Alumina Corporation and plans to invest $2 billion to add an aluminum refinery and a bauxite mine. Construction is expected to begin in mid-2004 with operations starting in 2007.
- Gold mining and investment in the sector has increased in recent years. In 2003, Kenor (Norway), which has an 85-percent share in Societe Miniere de Dinguiraye (SMD), was awarded an additional exploration permit for a location adjacent to the existing SMD mine.
- In 2000, Guinea began substantial privatization efforts, but many investors have pulled out of the process citing interference from government officials. Many of the public utilities that were scheduled for privatization returned to state control, including the electricity company, Sogel.
- In June 2004, the state liberalized the telecommunications sector by opening it up to competition. However, there is currently only one GSM provider, Sotelgui.
- In May 2003, the national telecommunications company, Sotelgui, signed a contract with Telekom Applied Business (Malaysia) to supply a prepaid fixed line telephone service.

GUINEA-BISSAU

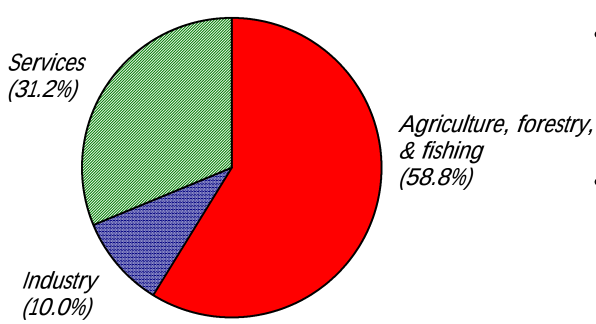


Economic Overview

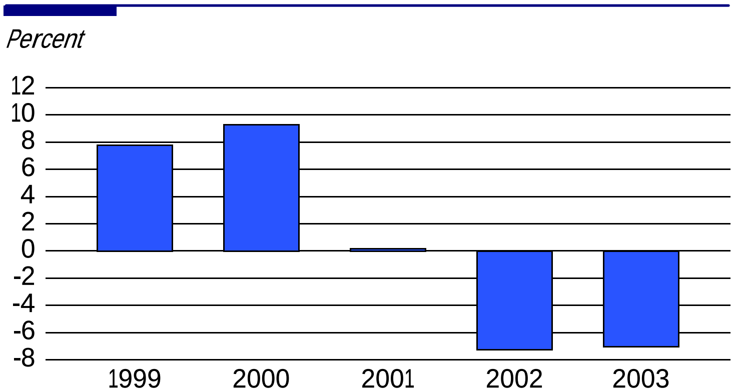
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	150.9	146.0	-4.9
GDP (US$ mn)	216.3	251.2	34.9
CPI Inflation (annual average, %)	4.0	4.0	0.0
Goods Exports (US$ mn)	50.7	40.0	-10.7
Goods Imports (US$ mn)	67.9	59.0	-8.9
Trade Balance (US$ mn)	-17.2	-19.0	-1.8
Current Account Balance (US$ mn)	-32.6	-52.6	-20.0
Foreign Exchange Reserves (US$ mn)	102.7	148.5	45.8
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (CFAfr/US$)	696.9	581.2	-115.7

Origins of GDP (2000)



Real GDP Growth Rate



Economic Update

- Much of the economy relies on the agriculture sector for GDP growth, with cashew production dominating the export sector. Much of the country is rural and underdeveloped, with little diversification occurring in crop production. The mining sector is relatively undeveloped, although the construction industry has begun to show signs of economic recovery.
- Given recent political activity, economic policy remains uncertain. In September 2003, Guinea-Bissau experienced a military coup that replaced the elected President with a legislative council.
- Macroeconomic instability resulting from the coup contributed to a decline in the services sector and a contraction in GDP growth for 2003.
- A budget for 2004 was drafted before the legislative elections, and transitional authorities were working with the IMF, World Bank, the UN, the African Development Fund, and bilateral donors such as Portugal, the Netherlands, and France, to establish an aid "trust fund" to support the budget. Budget implementation is expected to begin in the second half of 2004 after the elections. Budget management would be shared by donor agencies and the local government.
- The IMF is working with Guinea-Bissau to reestablish a PRGF, possibly in 2005, and resume technical assistance that was suspended in May 2001 after emergency assistance was allegedly used for unauthorized expenditures.
- In December 2003, Portugal provided a $1-million grant to Guinea-Bissau to help pay civil servant salaries. While the EU has also proposed assistance to the country, it is barred under the Cotonou Convention from providing assistance to a government that has taken power by force.
- In March 2003, India pledged to provide eight west African nations, including Guinea Bissau, with technical assistance and low-interest loans totaling $500 million for the development of agricultural and other emerging industries.

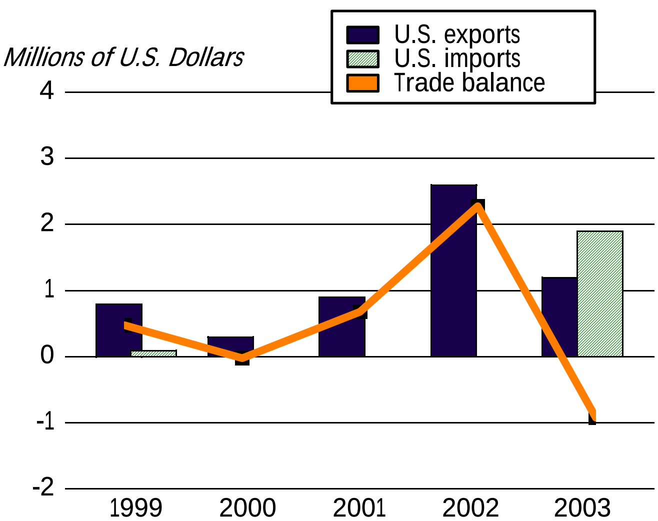
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
India	50.4	Senegal	19.6
Uruguay	19.1	Portugal	19.1
Thailand	19.0	India	15.4
Italy	2.6	China	4.3

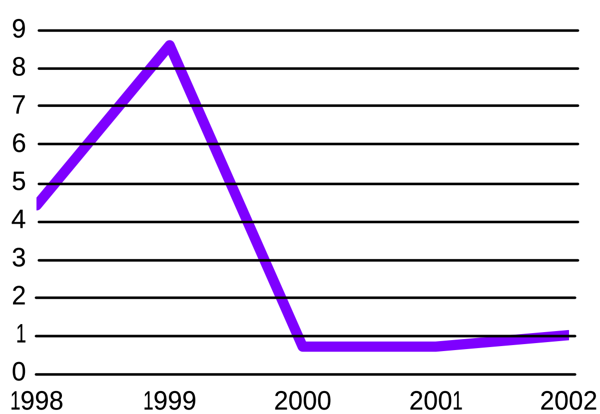
Main Trade Commodities, US$ millions, 2001

Exports		*Imports*	
Cashew nuts	45.1	Foodstuffs	18.1
Cotton	1.1	Petroleum products	6.0

U.S. Trade Balance



Net Foreign Direct Investment



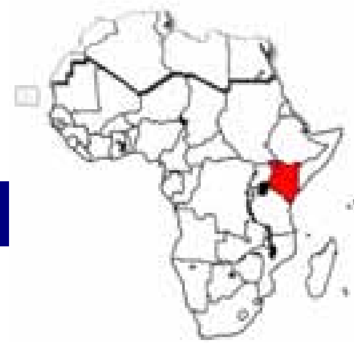
Trade Update

- Guinea-Bissau is a member of several regional frameworks, including the Cotonou Convention, the community of Portuguese speaking countries (CPLP), the AU, ECOWAS, the Franc Zone, and UEMOA.
- Senegal is an important import source. Principal imports include foodstuffs and petroleum. India is an important export market for Guinea-Bissau.
- In July 2004, the Government of Guinea-Bissau began to import rice from neighboring Senegal to ease the shortage driven by farmers who diversified away from staple crops toward cash crops.
- In 2003, U.S. exports to Guinea-Bissau consisted primarily of optical or measuring equipment and parts thereof, machinery and mechanical appliances, and cereals. U.S. imports from Guinea-Bissau consisted primarily of mineral fuels and oils, edible fruits and nuts, and live animals. In 2003 and 2004, Guinea-Bissau was designated an AGOA beneficiary country.

Investment and Privatization Update

- Inadequate infrastructure continues to hinder investment, as much of the transportation networks were neglected during periods of civil unrest.
- In early 2004, three firms-Caelux (Portugal), Dataport (Morocco), and Inestcom Holdings (Lebanon / Luxembourg)-completed the bidding process that will lead to the introduction of mobile phone services for the country. The bids are currently being evaluated, but no timetable has been issued.
- Champion Resources (Canada) is planning to invest $120 million to build a phosphate mine in the northwest region of the country, near the Senegal border.
- The former Government of Guinea-Bissau had begun the process of divesting several state-owned public utility firms to private investors. Portugal Telecom currently has a 51-percent stake in Guinea-Telecom, and the government anticipated further liberalization of the sector. In 2003, the government also announced plans to introduce a cellular telephone service and extend the telephone network to the rural areas. Plans are also under consideration for the privatization of the state power utility, EAGB, but progress has been slow. The state-owned timber company, Socotram, has been divided into four entities as the government prepares to diversify it.

KENYA

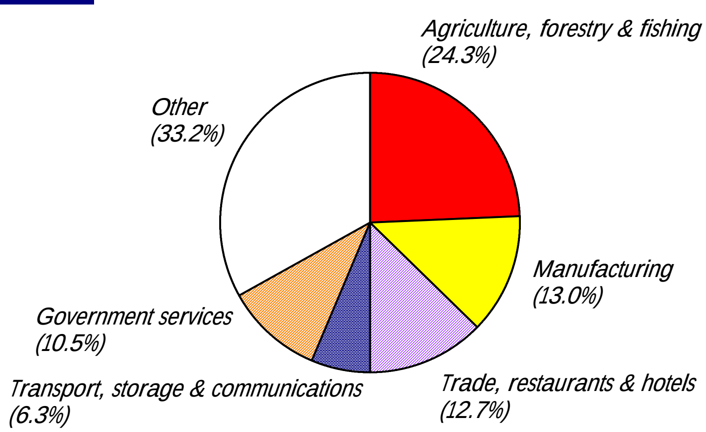


Economic Overview

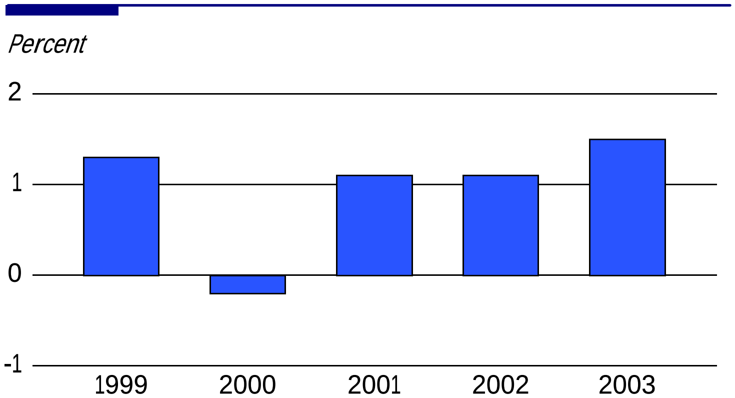
Economic Indicators

	2002	2003	Difference
GDP (nominal, KSh bn)	969.4	1,003.0	33.6
GDP (US$ bn)	12.3	13.2	0.9
CPI Inflation (annual average, %)	1.9	9.8	7.9
Goods Exports (US$ mn)	2,169.0	2,513.9	344.9
Goods Imports (US$ mn)	3,181.0	3,704.6	523.6
Trade Balance (US$ mn)	-1,012.0	-1,190.7	-178.7
Current Account Balance (US$ mn)	-57.0	-315.5	-258.5
Foreign Exchange Reserves (US$ mn)	1,068.0	1,400.0	332.0
Total External Debt (US$ bn)	5.6	5.9	0.3
Debt Service Ratio, paid (%)	10.6	9.1	-1.5
Exchange Rate (KSh/US$)	78.8	75.9	-2.9

Origins of GDP (2002)



Real GDP Growth Rate



Economic Group

- The agriculture sector is the primary source of employment and accounts for nearly 50 percent of employment in the informal sector. Agriculture has also been the driving force for GDP growth in 2003. Farming and cattle rearing are the leading activities. Kenya also relies on primarily tea, horticultural products, and coffee.
- Output of horticulture export crops increased in 2003 because of the development of new markets such as Asia, the United States, and Australia.
- Flower and plant production is expected to benefit from an agreement between the Dutch certification body, Milie Project Sterteelt, and the Kenya Flower Council that will improve compliance with international environmental standards.
- In November 2003, Kenya developed a 3-year Economic Recovery Strategy for Wealth and Employment Creation program to run from 2003 to 2006. The program allows Kenya to be approved for a $253-million loan from the IMF. This loan represents the first loan given to Kenya since 2000 when the IMF, along with the World Bank, froze lending to Kenya over widespread corruption and lax economic reform. The action plan details eight target areas, including reducing the domestic burden, tightening regulatory controls of commercial banks, widening the tax base, reforming the minimum wage rate, introducing anti-corruption measures, lowering tariffs, and restructuring the telecommunications sector. This has encouraged foreign donors to pledge up to $4.1 billion to help revive the economy, with 90 percent of the funds directed to reducing government budget deficits.
- In April 2003, two anti-corruption bills were enacted: the Anti-Corruption and Economic Crimes Bill, which applied to the public and private sector, and the Public Officer Ethics Bill, which introduced a code of conduct for all civil servants.
- In June 2003, the Global Fund Against AIDS, Tuberculosis and Malaria allocated $55 million to the Kenya National AIDS Control Council.
- Progress has been made in rehabilitating transportation infrastructure, such as improvements to the main road between Mombasa and Kisumu; however, many projects are affected by alleged corruption within the government.
- The government is faced with insufficient resources as it tries to balance care for AIDS patients against other health demands. The rapid rate of the spread of HIV / AIDS (13 percent of the population was affected in 2003) is an increasing economic and social cost for the government.
- The European Development Fund remains the primary source of multilateral aid for Kenya. In October 2003, the EU approved a $265-million assistance package for a variety of long-term development projects within Kenya, including macroeconomic development, agriculture sector modernization, transport and infrastructure improvement, small business expansion, export promotion, tourism, and nongovernmental organizations support.

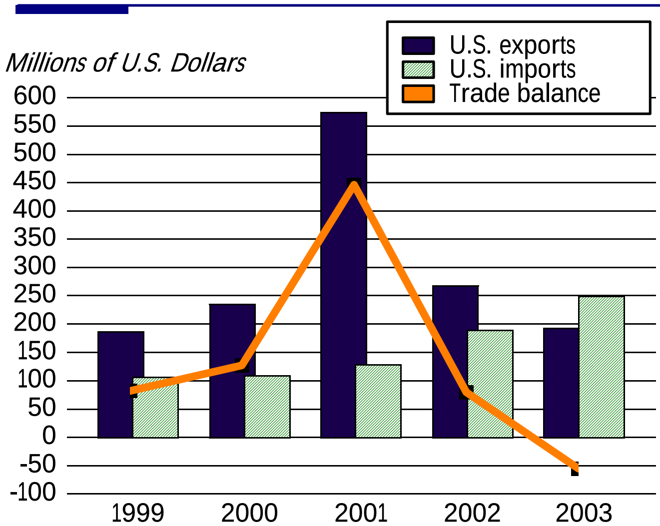
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United Kingdom	13.5	United Kingdom	12.0
Tanzania	12.5	United Arab Emirates	9.8
Uganda	12.0	Japan	6.5
Netherlands	6.5	India	4.4

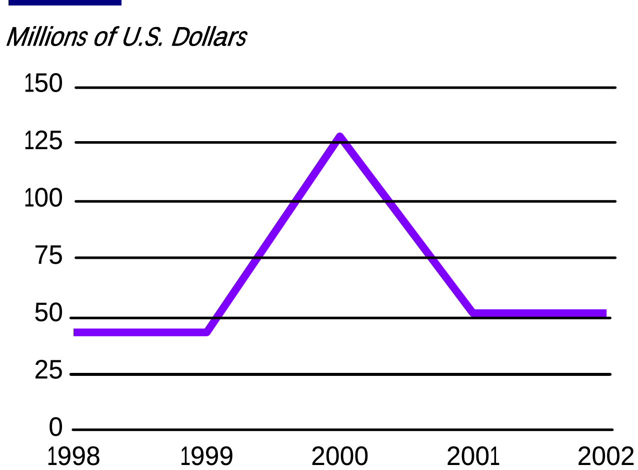
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Tea	439.0	Industrial machinery	484.0
Horticultural products	253.0	Crude petroleum	397.0
Petroleum products	157.0	Refined petroleum products	331.0
Coffee	95.0	Motor vehicles	185.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Kenya currently has 37 export processing zones, of which only two are government owned. An export processing zone is planned for the Lake Victoria basin, which will allow cotton farmers to take advantage of AGOA. Tea factories are being considered for export processing zone status as the Kenya Tea Development Authority plans to spend $326,800 on tea-blending facilities in the hope of penetrating the U.S. specialty tea market.
- In January 2004, fish exports to the EU resumed. A 2-year export ban had been introduced after the EU found Kenya had not met the sanitary conditions of the EU's committee on food chain and animal health.
- Kenya Ports Authority is working in conjunction with Kenya Railways to establish a cargo transport system between Mombasa and Kampala, Uganda. A proposal has been put forward to purchase 200 rail wagons to increase existing services between the two cities. The World Bank has agreed to fund a $39.2-million plan to expand Kenya's airports at Nairobi and Kisumu.
- In 2003, U.S. exports to Kenya consisted primarily of aircraft and parts thereof, machinery and mechanical appliances, and fertilizers. U.S. imports from Kenya consisted primarily of apparel; coffee, tea, mate, and spices; and lac, gums, and resins. In 2003 and 2004, Kenya was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Kenya totaled $184.4 million in 2003.

Investment and Privatization Update

- Woodside Petroleum (Australia) has agreed to fund 80 percent of new seismic surveys that are to begin in mid-2004. Dana Petroleum, the current offshore license holder in the area, will retain a 40-percent stake in the project and Woodside will keep 40 percent, with Star Petroleum of Kenya taking the remaining 20 percent. In late 2003, Woodside signed a farm-in agreement that allows it to explore for oil and fund a $1.3-million seismic survey in exchange for earning a 50-percent stake in the area and becoming the sole operator.
- A new mining code is being proposed that is expected to be introduced in December 2004. The legislation is expected to include lower taxes for investors and to simplify the licensing process. Tiomin (Canada) has purchased a 21-year mining lease to mine titanium near Mombasa. The mining company paid $150 million for the lease, and construction is expected to begin in 2006. The Athi River Mining company plans to invest $6.5 million to open 2 new plants to be operational by late 2005 and early 2006. Diamondworks (Canada) has purchased a 55-percent stake for $2 million in Spectre International, an ethanol fuel additive plant.
- Coca-Cola (U.S.) entered the market in early 2004 by introducing its Dasani brand of noncarbonated beverages. South Africa Bottling Company (Sabco) is looking to consolidate its Kenya operations, and announced plans to buy a local firm for $20 million.
- The government has proposed a new timetable for the privatization of Telkom Kenya. In 2005, a 25-percent stake will be offered to a private investor, with an additional 20 percent to be offered on the Nairobi Stock Exchange. A second national operator is expected to be licensed by June 2005.

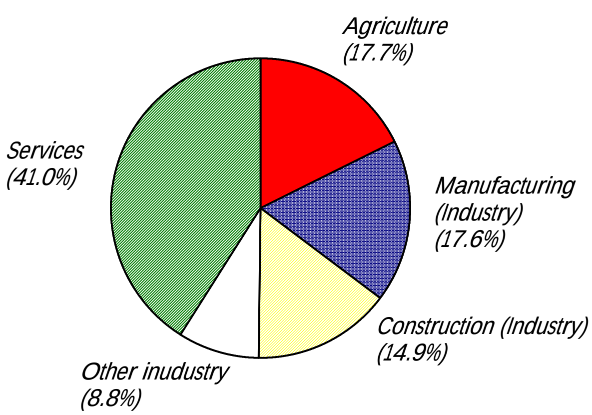
LESOTHO

Economic Overview

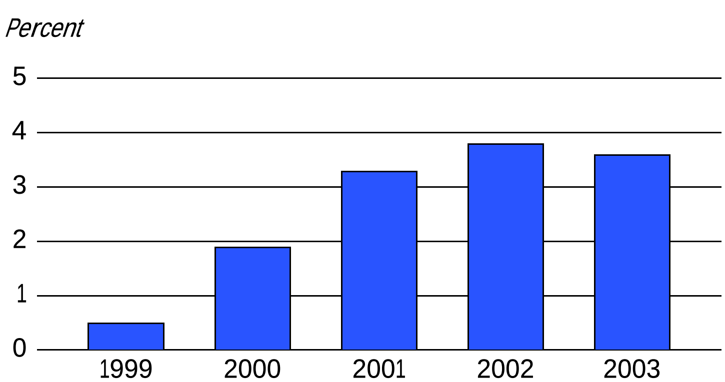
Economic Indicators

	2002	2003	Difference
GDP (nominal, M mn)	7,731.0	8,650.0	919.0
GDP (US$ mn)	736.3	1,138.2	401.9
CPI Inflation (annual average, %)	13.2	6.1	-7.1
Goods Exports (US$ mn)	399.0	450.0	51.0
Goods Imports (US$ mn)	840.0	750.0	-90.0
Trade Balance (US$ mn)	-441.0	-300.0	141.0
Current Account Balance (US$ mn)	-138.0	-88.0	50.0
Foreign Exchange Reserves (US$ mn)	406.0	460.0	54.0
Total External Debt (US$ mn)	600.0	610.0	10.0
Debt Service Ratio, paid (%)	11.0	10.2	-0.8
Exchange Rate (M/US$)	10.5	7.6	-2.9

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Lesotho's economy is closely tied to that of South Africa, with South Africa supplying as much as 85 percent of Lesotho's imports. Migrant mining workers employed in South Africa and livestock contribute to a large share of the GDP. In addition, revenues from the sale of water and hydroelectric power to South Africa also contribute to GNP. Droughts, which began in early 2003, hindered agricultural production. In general, inadequate physical infrastructure and lack of access to bank credit continue to hinder economic development and diversification.
- Government policy in 2003 focused on land tenure system reform to increase the security and protection of private property. The Central Bank of Lesotho is committed to increasing access to financial services for underserved rural areas. In August 2003, the central bank approved the Rural Credit Guarantee Fund for banks to back commercial banks servicing rural communities.
- The HIV / AIDS pandemic may reportedly reduce the GDP growth rate by up to 3 percentage points over the next decade. The HIV / AIDS pandemic has led to decreased agricultural production, and increasing the national employment rate continues to be an important objective. Unemployment levels have been estimated at 40-45 percent.
- In recent years, Lesotho has substantially increased exports, especially of clothing and footwear, to the United States and South Africa. The AGOA program has contributed significantly to this increase.
- The value-added tax of 14 percent, up from 10 percent, was introduced in July 2003 after the establishment of the Lesotho Revenue Authority. As a result, revenues are expected to increase by 15 percent.
- The government produced an interim PRSP (I-PRSP) to prepare for a full PRSP in November 2003. The IMF reviewed the paper and expressed approval of the country's progress, but noted concern regarding the budget deficit, future loss of trade possibilities, and the impact of HIV / AIDS.
- In October 2003, the government's auditor-general could not verify the 2001-02 accounts because of outdated information and lax reporting standards. This deficiency also contributed to waivers of the September 2002 performance condition with the IMF relating to the requirements of the Central Bank of Lesotho.
- Lesotho was among the eight African countries who became eligible in 2004 for the U.S.-sponsored Millennium Challenge Account assistance.

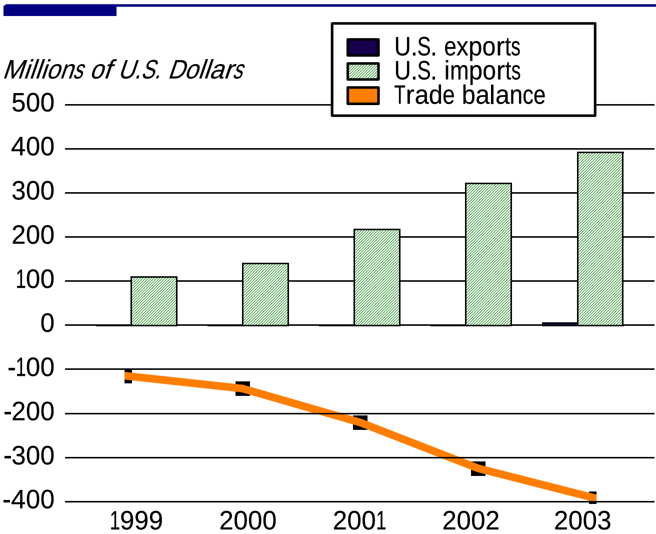
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United States	76.4	Southern African Customs Union	73.5
Southern African Customs Union	22.9	Asia	23.7
European Union	0.2	European Union	1.1

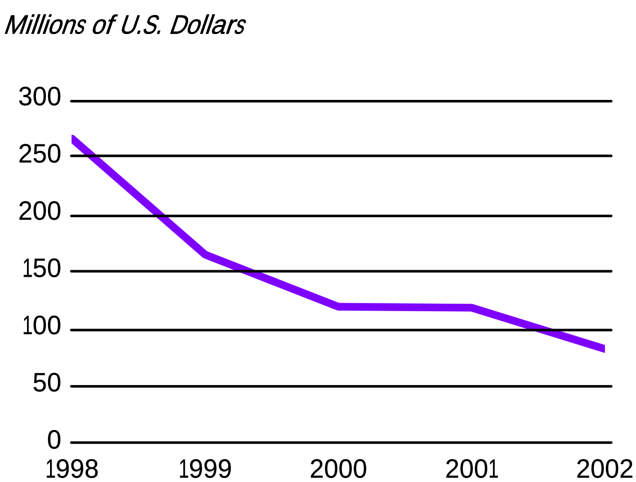
Main Trade Commodities, US$ millions

Exports (2002)		*Imports (1995)*	
Clothing	260.0	Capital goods	368.0
Foodstuffs	19.0	Food	328.0
Footwear	13.0	Fuel energy	216.0
Livestock materials	6.0		

U.S. Trade Balance



Net Foreign Direct Investment



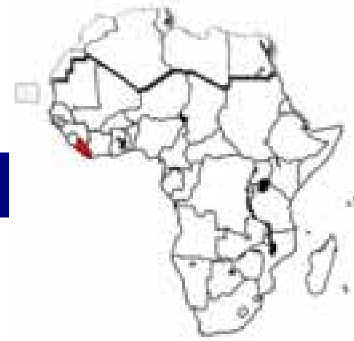
Trade Update

- After Mauritius, Lesotho is SSA's second-largest exporter of clothing and textiles. Approximately 90 percent of exports go to the United States; the remainder go to other southern African markets. In addition to textiles, apparel, and footwear, Lesotho has increased its exports of handicrafts, furniture, pottery, and tapestries.
- Textiles, clothing, footwear, and leather production contributed to the increase in the manufacturing sector's share of GDP, which grew from 8 percent in 1980 to 18 percent in 2002. Three-quarters of Lesotho's total exports are clothing and footwear sent to the United States under the AGOA program. This export growth is largely driven by the relocation of Asian textile manufacturers to Lesotho because of AGOA.
- The government has contributed funds for construction of AfriSki, a ski resort collaboration between Uraban Dynamics, Group 5, Standard Bank Lesotho, and HSP Alpine Service of Austria. The ski resort is expected to increase tourism and, subsequently, foreign exchange receipts.
- The Lesotho government anticipates increased mineral exports and revenue after the reopening of Letseng-la-Terae diamond mine in 2004. Aided by a loan from South Africa's Industrial Development Corporation, full production is expected by late 2004.
- In 2003, U.S. exports to Lesotho consisted primarily of machinery and mechanical appliances, animal or vegetable fats and oils, and vegetables. U.S. imports from Lesotho consisted primarily of apparel, plastics and articles thereof, and used clothing or textiles. In 2003 and 2004, Lesotho was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Lesotho totaled $372.7 million in 2003.

Investment and Privatization Update

- Aside from the textile and apparel sector, Lesotho continues to have difficulty in attracting foreign investment. Contributing factors include lack of government transparency, alleged corruption, and the HIV / AIDS pandemic.
- Lesotho has benefitted from foreign investment because of the AGOA program. For example, the Nien Hsing Company constructed a $100-million denim rolling mill in Maseru and anticipates building a $50-million yarn spinning plant.
- With support from the World Bank, the AfDB, and the EU, a private management company is working to privatize the Lesotho Electricity Corporation (LEC). In 2002, 15 companies expressed interest in purchasing shares of LEC. The immediate goal of privatization is to increase electricity availability from 100,000 to 400,000 residents. In May 2003, the government announced the possibility of offering LEC as a public service concession in lieu of full privatization.

LIBERIA

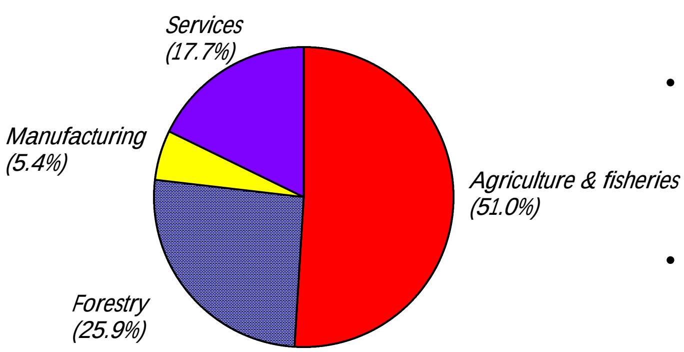


Economic Overview

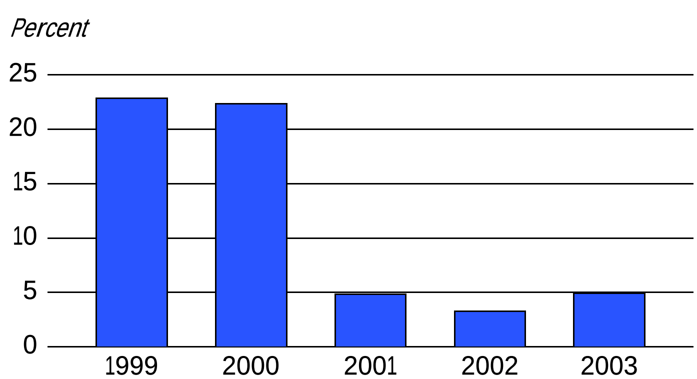
Economic Indicators

	2002	2003	Difference
GDP (nominal, L$ bn)	34.7	34.4	-0.3
GDP (US$ mn)	561.8	687.4	125.6
CPI Inflation (annual average, %)	14.2	18.0	3.8
Goods Exports (US$ mn)	147.2	100.0	-47.2
Goods Imports (US$ mn)	172.8	250.0	77.2
Trade Balance (US$ mn)	-25.6	-150.0	-124.4
Current Account Balance (US$ mn)	-50.0	-140.0	-90.0
Foreign Exchange Reserves (US$ mn)	3.3	1.0	-2.3
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (L$/US$)	61.8	50.0	-11.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Although GDP has grown, it remains less than half of what it was in 1989, before the period of substantial civil unrest in Liberia . Agriculture and fisheries are the largest component of GDP, but their share has decreased. Approximately 75 percent of the workforce derives its income from subsistence agriculture.
- Transportation infrastructure is inadequate. There are few main roads, less than 7 percent of roads are paved, and there is no passenger railway.
- Banks began to open in August 2003 after the resumption of some stability. The first bank to reopen was state-owned Liberian Bank for Development and Investment. The closure of the nation's banks had discouraged commercial activity.
- Despite some improvements, the IMF's September 2003 Article IV report found that economic recovery has stalled, and that growth has been hindered by low productive capacity, inadequate governance, and minimal foreign investment and assistance. Liberia's IMF voting rights were suspended in March 2003.
- In late 2003, the UN appealed to the international community for $69.1 million to cover Liberia's immediate needs: $22 million for food, $9 million for refugees, $8.5 million for health, and the remainder for rehabilitation.
- In February 2004, donors pledged $520 million to help reconstruct infrastructure and to rehabilitate fighters in Liberia. Initial funding will focus on disarmament and demobilization efforts, but funds have also been earmarked for healthcare, education facilities, communication, and transport.
- EU assistance helped to resume water supply to some areas of Monrovia in August 2003. The rehabilitation of the water system is expected to have significant public health benefits.
- In April 2004, the United States pledged an additional $19.5 million in humanitarian assistance for Liberia. The funds are to be used to repatriate and reintegrate internally displaced persons, and provide essential medical services, water and sanitation programs, safe transport for returning refugees, and rehabilitation programs in conflict-affected areas.

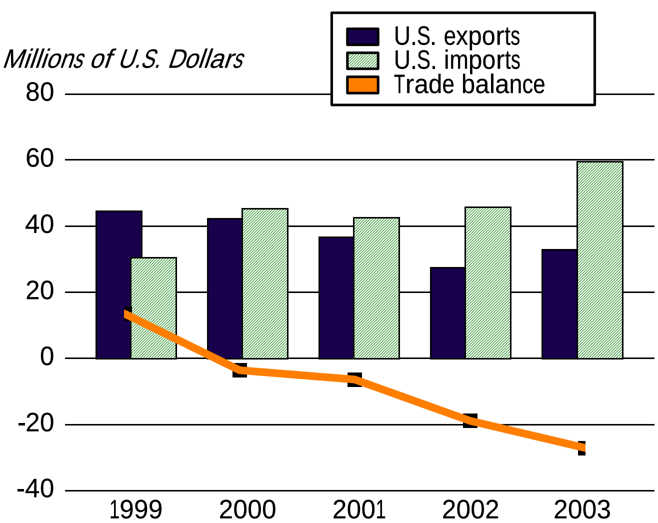
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Germany	55.8	South Korea	25.5
Poland	8.9	Japan	17.9
France	8.5	Germany	17.5
China	4.6	France	10.2

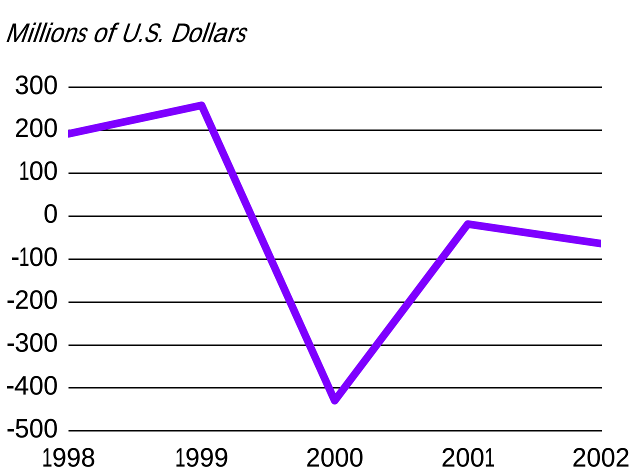
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Timber	84.9	Food & live animals	56.6
Rubber	57.4	Fuels & lubricants	34.5
		Miscellaneous manufactured goods	27.7
		Machinery	17.5

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Rubber and timber accounted for 96 percent of exports in 2002. However, the UN Security Council has extended the ban on timber exports, imposed in May 2003, to the end of 2004. The UN Security Council has also banned the importation of diamonds from Liberia as control over diamond-producing areas contributed to increased conflict.
- Liberia is the world's second-largest flags of convenience (a foreign flag under which a merchant vessel is registered for purposes of reducing operating costs or avoiding government regulations), after Panama, in terms of tonnage. Shipping revenue is the primary source of foreign earnings.
- In 2003, U.S. exports to Liberia consisted primarily of articles of iron or steel, cereals, and used clothing or textiles. U.S. imports from Liberia consisted primarily of rubber and articles thereof, mineral fuels and oils, and precious or semiprecious stones or metals.

Investment and Privatization Update

- Liberia has significant endowments of iron ore, diamonds, gold, timber, and rubber that have not been fully exploited because of social unrest, inadequate infrastructure, social instability, and lack of governance.
- The forestry sector has attracted significant amounts of foreign direct investment. Over 30 percent of the country is forested, with wooded land accounting for another 20 percent.
- The National Port Authority has indicated that rehabilitation of the port would require a $40-million investment.
- In October 2003, the first act of the National Transitional Government of Liberia was to cancel the import monopolies on rice and petroleum products. Monopolies covering the importation and wholesaling of petroleum products have also been removed, and the Liberia Petroleum Refining Company has awarded import licenses to five companies. The price structure has not yet been established.

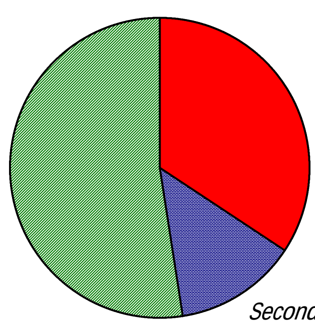
MADAGASCAR

Economic Overview

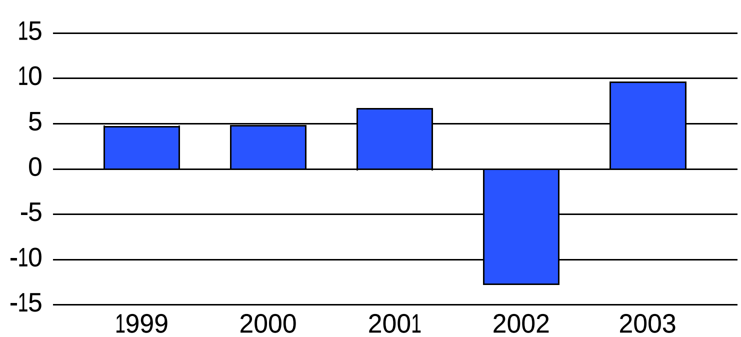
Economic Indicators

	2002	2003	Difference
GDP (nominal, Mgfr bn)	30,058.0	34,266.0	4,208.0
GDP (US$ bn)	4.4	5.5	1.1
CPI Inflation (annual average, %)	15.9	-1.2	17.1
Goods Exports (US$ mn)	486.0	700.0	214.0
Goods Imports (US$ mn)	603.0	920.0	317.0
Trade Balance (US$ mn)	-117.0	-220.0	-103.0
Current Account Balance (US$ mn)	-298.0	-265.0	33.0
Foreign Exchange Reserves (US$ mn)	363.3	450.2	86.9
Total External Debt (US$ mn)	3,942.0	3,825.0	-117.0
Debt Service Ratio, paid (%)	8.0	7.0	-1.0
Exchange Rate (Mgfr/US$)	6,832.0	6,210.0	-622.0

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- Agriculture, in the form of subsistence farming, is one of the largest sources of GDP, employing approximately four-fifths of workers. Rice is the main crop, but production techniques are traditional and yields-per-hectare remain low. Much of the arable land remains underutilized. Underperformance in the agriculture sector has contributed to poverty in rural areas.
- Light industry is emerging as an alternative source of employment and foreign exchange for urban areas. Tourism is also recovering after a slowdown because of civil unrest and a decline in the global travel market.
- In January 2004, the government outlined three key policy priorities as part of the 2004-06 PRSP, including restoring the rule of law and good governance, promoting economic growth, reducing poverty levels, providing human and material security, and protecting the environment. The 15 programs identified for implementation are estimated to cost the government and donors $1.9 billion.
- In July 2003, donors pledged $2.3 billion to help implement the latest stage of the PRSP. The government is aiming to reduce inflation through controlled monetary policy. Donors are encouraging the government to adopt tougher measures that will conserve Madagascar's environment such as tightening controls on logging.
- Legislation to reform the banking sector would allow land to be used as collateral for loans, establish tougher bank supervision, and develop new rules for micro-finance lending. This reform is coupled with the continued privatization of state-owned banks.
- Madagascar will benefit from the HIPC initiative under the IMF. An additional $16 million was also granted to Madagascar after the IMF determined it had increased investment for basic social services, health, and education.
- In April 2003, the French and Madagascan economy ministers reached an agreement to cancel $55 million in commercial debt owed by Madagascar.

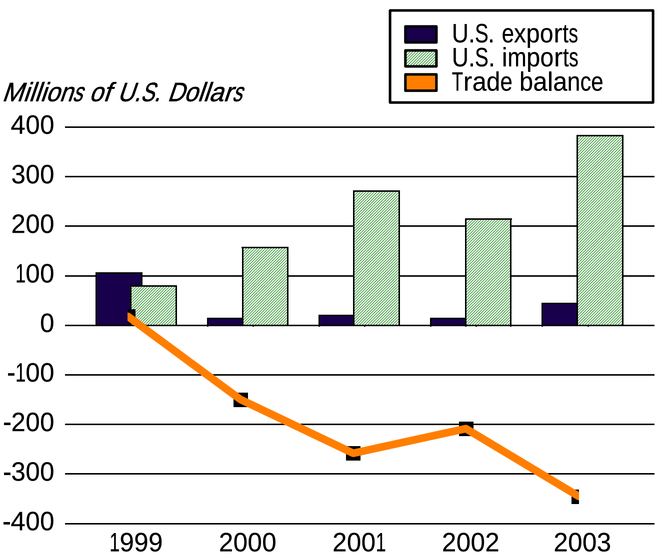
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
France	33.6	France	16.7
United States	24.3	Hong Kong	6.7
Germany	6.2	China	5.8
Japan	3.9	Singapore	2.8

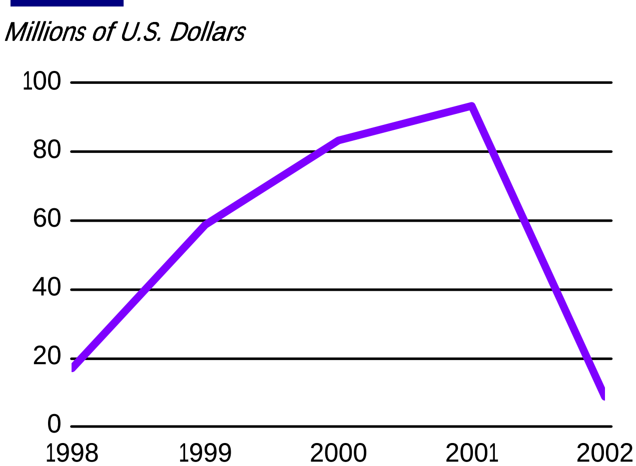
Main Trade Commodities, US$ millions, 2001

Exports		*Imports*	
EPZ products (mainly textiles)	344.0	Fuel products	170.0
Vanilla	166.0	Capital goods	166.0
Cloves	97.0	Consumer goods	134.0
Shellfish	94.0	Raw materials	133.0

U.S. Trade Balance



Net Foreign Direct Investment



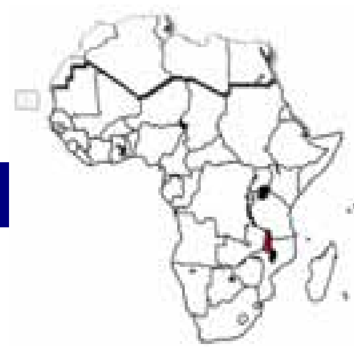
Trade Update

- In early 2004, a cyclone destroyed much of the nation's agricultural resources, including shrimp, rice, and vanilla farms on the north of the island, negatively affecting export earnings. The IMF released an additional $35 million for damage recovery, bringing total lending to $100 million.
- Madagascar has established export processing zones across the country that have encouraged export diversification into aqua-culture, such as modern prawn fishing and traditional fish farming in rice paddies; tourism; and textiles and apparel.
- In mid-2003, the IMF agreed to extend the deadline for Madagascar's current PRGF from February 2004 to November 2004, in part because of damage resulting from cyclone Gafilo. The government also outlined plans to extend growth, to reduce poverty, and to increase income in rural areas that satisfy the IMF-supported PRGF program. The government also outlined a medium-term plan that will diversify its current export base away from raw agricultural commodities, as well as develop the sector. Other elements include incentives for staff training and high quality recruitment for export sectors, and reform of the cotton sector through the removal of existing protectionist barriers to take advantage of benefits offered under AGOA.
- In 2003, U.S. exports to Madagascar consisted primarily of aircraft and parts thereof, animal or vegetable fats and oils, and machinery and mechanical appliances. U.S. imports from Madagascar consisted primarily of coffee, tea, mate, and spices; apparel; and salt, sulfur, earths, and stone. In 2003 and 2004, Madagascar was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Madagascar totaled $187.9 million in 2003.

Investment and Privatization Update

- Infrastructure improvement, in particular the road networks to and from the capital, are a priority for the government. Many of the transport links were damaged during cyclones in 2000 and 2004, and further destroyed during periods of civil unrest in early 2002.
- In mid-2005, Rio Tinto (UK) plans to begin construction on a mine at Fort Dauphin. Rio Tinto is also seeking to enter into a public-private partnership to build a port at Fort Dauphin to support activities at the mine. Investment for both projects would total $400 million. The World Bank has pledged to provide the bulk of the government's share.
- In January 2004, the president announced plans to liberalize the fuel trading sector in an attempt to introduce competition and keep prices at affordable levels.
- The state-owned firm responsible for Madagascar's petroleum and gas licensing has recruited TGS-NOPEC in a bid to promote deep offshore exploration for natural resources. Vanco (U.S.) is also conducting research to determine potential deposit sites.
- In June 2003, the World Bank agreed to lend $32 million over a 5-year period to the Government of Madagascar to support the national mineral resources management project. The government will sponsor the remaining $5.4 million needed to complete the project.
- An April 2004 deadline was set by the government for private investors to submit bids for operation of the national water and power company. The government would like to privatize the company by the end of 2004.
- Sectors targeted for privatization include the state-owned railway network, seaport, and national telecommunications company.

MALAWI

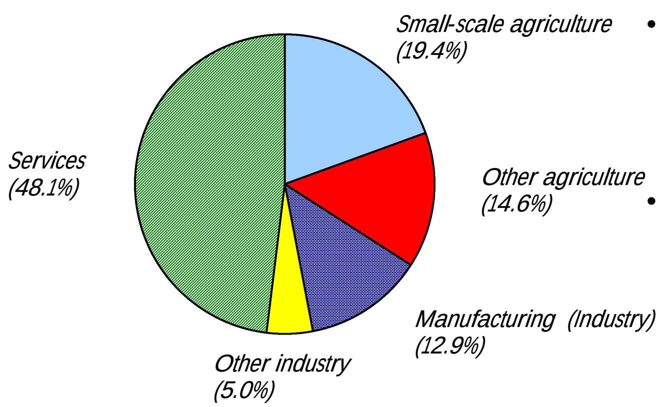


Economic Overview

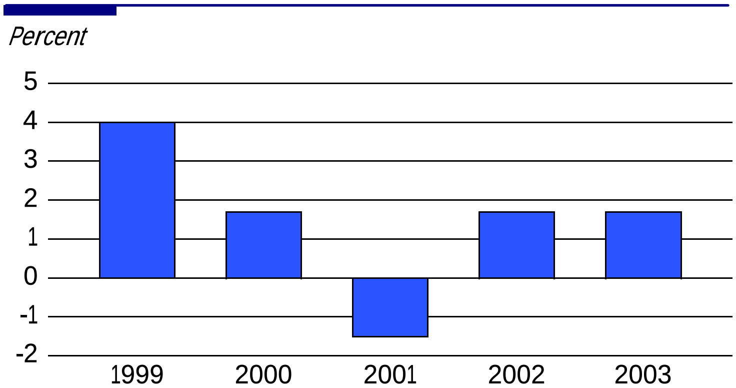
Economic Indicators

	2002	2003	Difference
GDP (nominal, MK bn)	139.4	154.8	15.4
GDP (US$ bn)	1.8	1.6	-0.2
CPI Inflation (annual average, %)	14.7	9.5	-5.2
Goods Exports (US$ mn)	422.4	457.1	34.7
Goods Imports (US$ mn)	573.2	505.4	-67.8
Trade Balance (US$ mn)	-150.8	-48.3	102.5
Current Account Balance (US$ mn)	-200.7	-56.4	144.3
Foreign Exchange Reserves (US$ mn)	162.0	150.0	-12.0
Total External Debt (US$ bn)	2.8	3.0	0.2
Debt Service Ratio, paid (%)	9.3	9.4	0.1
Exchange Rate (MK/US$)	76.7	97.5	20.8

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- The agricultural sector accounts for over 90 percent of export earnings and 35-45 percent of GDP. All arable land is currently under cultivation. Farming in marginal areas and land degradation have contributed to flooding, which impedes agricultural growth. Small scale agriculture employs 85 percent of the workforce. The government has scaled back the starter program that distributes seed and fertilizer packs to smallholder farmers. Typically, the packs include maize and other seeds in an effort to encourage farmers to grow cash crops other than tobacco.
- The manufacturing sector consists primarily of agricultural processing, textiles, clothing, footwear, and building and construction materials. Ongoing power disruptions, partly because of environmental degradation along the River Shire, have contributed to significant productivity losses in mid-2004.
- After consultation with the IMF, the government decided to increase revenue by doubling taxes on petroleum products to compensate for the fall in international oil prices and increasing the excise rate on alcohol products. The government has also pledged to impose fiscal discipline and increase transparency.
- In October 2003, the IMF resumed dispensing funds under Malawi's PRGF, which had been frozen since December 2000. PRGF funds totaled $9.2 million and assistance under the HIPC initiative amounted to $6.6 million. Other donors also began to dispense previously frozen funds because of increased stability.
- The EU has provided ongoing assistance since 1998 to construct and rehabilitate roads in Malawi. In May 2004, OPEC agreed to lend Malawi $5 million to upgrade a road that may boost economic growth in the northern area. The current road system is inadequate.

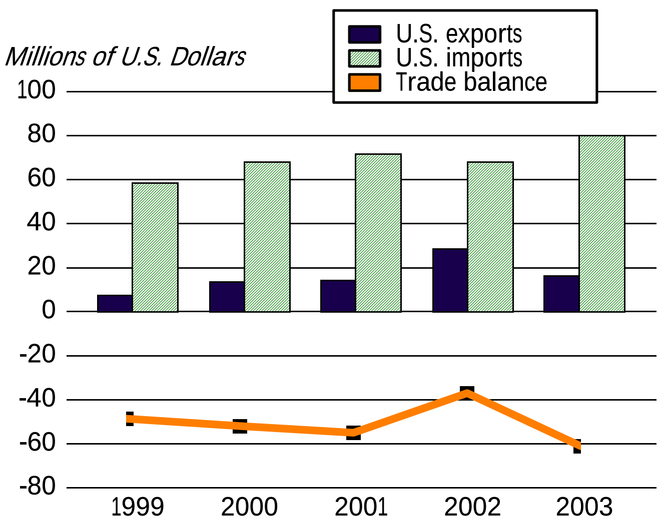
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United States	17.4	South Africa	43.9
Germany	13.5	Zambia	12.6
South Africa	10.2	United States	5.5
Egypt	6.3	India	4.2

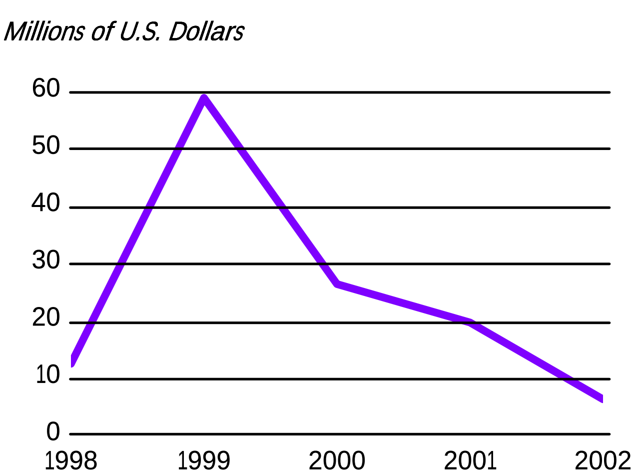
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Tobacco	249.0	Intermediate goods	373.0
Tea	33.0	Fuels oils	76.0
Sugar	32.0	Capital goods	75.0
Textiles	2.0	Consumer goods	66.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Malawi is landlocked and thus most of its trade is routed through Mozambique. Much of Mozambique's transportation infrastructure was destroyed during recent periods of civil unrest and has not been fully rehabilitated.
- Tobacco accounts for 50-70 percent of foreign exchange earnings; however, low prices and static production have decreased tobacco-generated export revenue in recent years. Steps have been taken to reduce farmers' selling costs at auctions. For example, for the 2004 season, the Tobacco Control Commission reduced levies and took over the role of classifying leaf quality at auctions. Some reports suggest that production, especially of flue-cured tobacco, as well as prices, may rise in 2004.
- The Sugar Corporation of Malawi (Sucoma), Malawi's sole sugar producer, uses quota access to the U.S. and EU markets through several trade agreements. Sucoma's sugar production increased more than 20 percent for the 2002-03 season.
- Malawi has increased textile and apparel sector exports to the United States under the AGOA program.
- In 2003, U.S. exports to Malawi consisted primarily of machinery and mechanical appliances, animal or vegetable fats and oils, and milling industry products. U.S. imports from Malawi consisted primarily of tobacco; apparel; and coffee, tea, mate, and spices. In 2003 and 2004, Malawi was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Malawi totaled $59.3 million in 2003.

Investment and Privatization Update

- Although Malawi has exploitable deposits of bauxite, asbestos, graphite, and uranium, it has not yet developed large-scale mining activity. The government has created the Mining Investment and Development Corporation, which held its first conference in 2000. Paladin Resources (Australia) began a mining project at Kayelekera. A full study examining the feasability of mineral exploitation will be completed in 2004.
- Tourism is growing rapidly. Significant investment is underway to increase the number of hotel beds, improve hotel services, and establish better transport infrastructure. Cresta Hospitality plans to take over management of the Cresta Crossroads hotel in Lilongwe.
- Expanding investment is improving access to electricity. For example, progress has been made to link Malawi's electricity grid to that of Mozambique. The full connection is expected to be completed in 2006 at a cost of $87 million.
- Between the start of the privatization program in 1995 and the end of June 2001, 42 parastatals were privatized, generating $22 million in revenue. Privatization has been slow; remaining parastatals employ 500,000 people and account for 20 percent of GDP. The government suspended the privatization program in July 2001 because of concern over selling strategic areas of the economy to foreigners.
- The Agricultural Development and Marketing Corporation recently began divesting some of its subsidiaries. S&A Beefmasters bought the Blantyre abbattoir for $230,000 in October 2003. The sales of an integrated textile producer and a cereal milling firm are still underway.

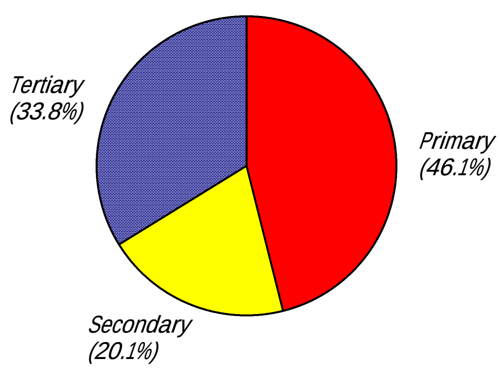
MALI

Economic Overview

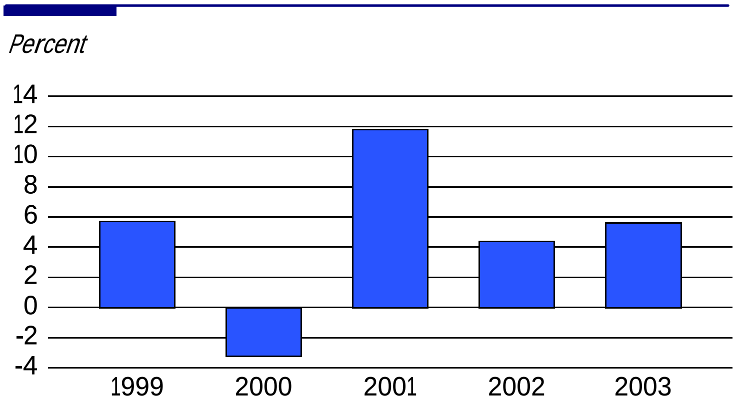
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr mn)	2,346.0	2,549.0	203.0
GDP (US$ mn)	3,366.0	4,386.0	1,020.0
CPI Inflation (annual average, %)	5.0	-1.3	-6.3
Goods Exports (US$ mn)	916.0	929.0	13.0
Goods Imports (US$ mn)	715.0	900.0	185.0
Trade Balance (US$ mn)	201.0	29.0	-172.0
Current Account Balance (US$ mn)	-132.0	-285.0	-153.0
Foreign Exchange Reserves (US$ mn)	595.0	770.0	175.0
Total External Debt (US$ mn)	2,505.0	2,833.0	328.0
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (CFAfr/US$)	697.0	581.2	-115.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- The agricultural sector is an important determinant of economic performance, as 80 percent of the population is employed or supported by this sector. The Niger River provides irrigation, hydropower, and a transportation system for Mali.
- Mali's inadequate transportation infrastructure was improved in recent years as Mali prepared to host the African Nations Cup soccer tournament. Roads were extended and rehabilitated, and new airstrips were built in areas of the country that had previously been isolated. In March 2003, the Governments of Mali and Senegal agreed to sell a 25-year concession to Canac-Getmar (Canada) to run a railway line between the two countries.
- The government's general economic policy for 2003-07 aims to reduce the proportion of the population living in poverty and improve access to social services.
- A 4-year PRGF, calling for increased liberalization, strengthened fiscal performance and management, and increased expenditure on poverty reduction programs was completed in August 2003. Mali also completed participation in the HIPC initiative in 2003.
- In mid-2004, the World Bank announced efforts to harmonize and codify mining law in willing countries, including Mali. This streamlining process is expected to encourage investment in the mining sector. Also in mid-2004, the World Bank approved an IDA grant of $15 million to assist in the campaign against HIV / AIDS.
- The UN launched a $350,000 initiative in mid-2004 to help Mali reduce damage from natural disasters. The funds will cover experts, training, and equipment.
- Mali became eligible for Millennium Challenge Account assistance in mid-2004.
- India pledged $500 million in low-interest loans in early 2004 to help Burkina Faso, Chad, Côte d'Ivoire, Equatorial Guinea, Ghana, Guinea Bissau, Mali, and Senegal create the Techno-Economic Approach for Africa India Movement, which will focus on generating employment, and developing the pharmaceuticals, healthcare, information technology, telecommunications, and agriculture sectors.

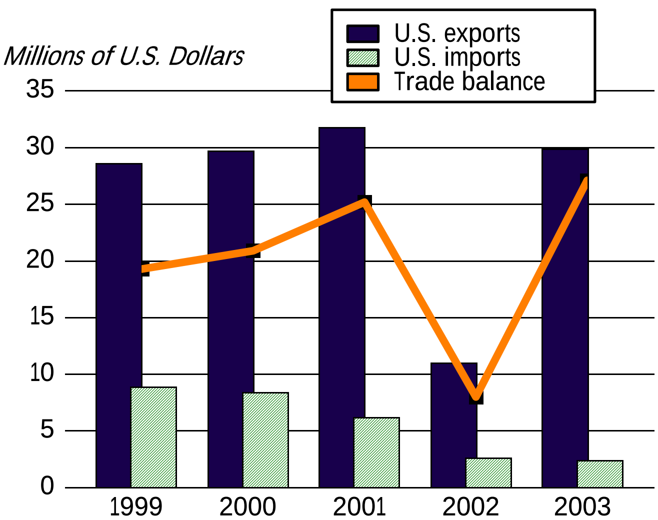
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Thailand	13.9	Côte d'Ivoire	17.5
Italy	9.9	France	13.9
India	7.7	Senegal	4.2
Brazil	5.6	Germany	3.9

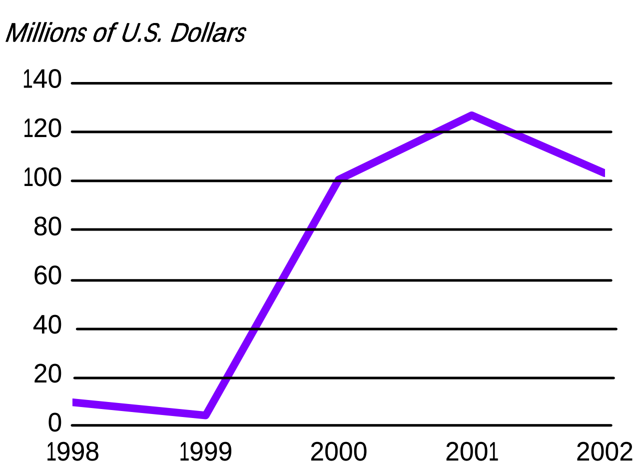
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Gold	589.9	Capital goods	263.1
Cotton	208.8	Petroleum products	124.4
Livestock & products	39.4	Food	93.0

U.S. Trade Balance



Net Foreign Direct Investment



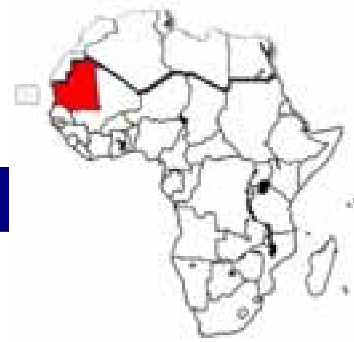
Trade Update

- Mali is the largest cotton producer in SSA. Malian cotton is of fairly high quality and production costs are low. Early 2004 figures indicate that Mali could overtake Egypt to become largest cotton producer on the African continent.
- Mali is the third-largest gold producer in SSA. In recent years, gold has been a rapidly growing contributor to the economy, overtaking cotton as Mali's largest export earner in 2000. However, gold exports began to decline in early 2004.
- In early 2004, Mali met the requirements that allow it to receive preferential access to the U.S. market under AGOA. The country's AGOA textile and apparel visa system was implemented in December 2003. It is expected that expanded export opportunities will increase investment in the textile industry.
- The closure of the road between Abidjan (Côte d'Ivoire) and Bamako because of civil unrest in Côte d'Ivoire hindered trade, forcing importers to reroute goods to other western African ports.
- In 2003, U.S. exports to Mali consisted primarily of optical or measuring equipment and parts thereof, machinery and mechanical appliances, and electrical machinery and equipment. U.S. imports from Mali consisted primarily of electrical machinery and equipment, works of art, and machinery and mechanical appliances. In 2003 and 2004, Mali was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Mali totaled $262,000 in 2003.

Investment and Privatization Update

- The government is reviewing its Petroleum Code to encourage investment in hydrocarbon exploration. Mali borders some proven reserves in Algeria, opening the possibility for petroleum to be found in Mali as well.
- Telecommunications services have expanded rapidly. Malitel, a subsidiary of Sotelma, a telecommunications parastatal, is investing $50 million to upgrade its mobile phone service.
- Air Mali, a former parastatal, was liquidated in April 2003. The water and power parastatal was privatized in 2000, and generation of power from the Manantali hydroelectric dam began in January 2002. The Manantali dam is a $600-million collaboration between Mali, Senegal, and Mauritania.
- Donors have put pressure on Mali to reform and privatize CMDT, a vertically organized cotton parastatal that controls all aspects of cotton production. Liberalization of the sector is planned for 2006, and would ultimately limit CMDT to its core activities of ginning and marketing. Additionally, CMDT will be split into three or four regional companies, each with exclusive rights to purchase cotton in its region.

MAURITANIA

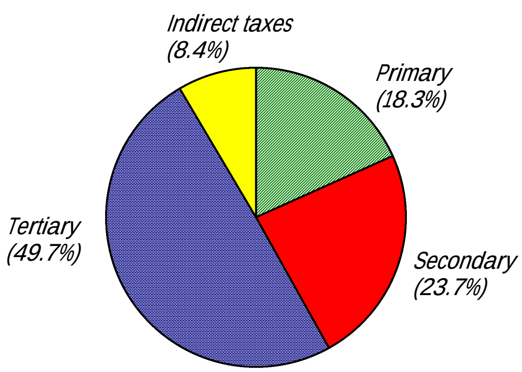


Economic Overview

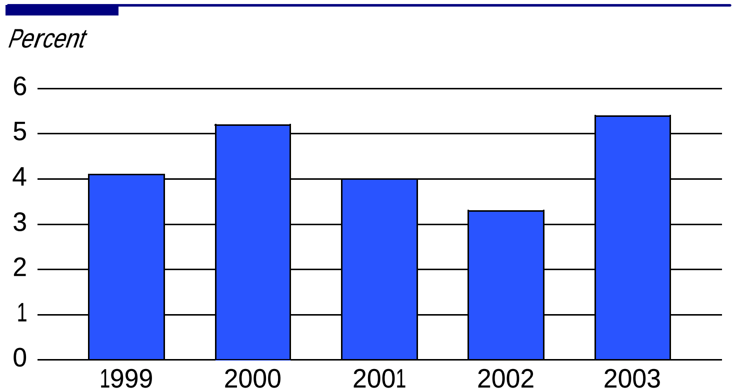
Economic Indicators

	2002	2003	Difference
GDP (nominal, UM bn)	269.1	293.6	24.5
GDP (US$ mn)	990.0	1,105.0	115.0
CPI Inflation (annual average, %)	3.8	3.5	-0.3
Goods Exports (US$ mn)	330.0	330.0	0.0
Goods Imports (US$ mn)	418.0	472.0	54.0
Trade Balance (US$ mn)	-88.0	-142.0	-54.0
Current Account Balance (US$ mn)	-51.2	-190.0	-138.8
Foreign Exchange Reserves (US$ mn)	396.0	360.0	-36.0
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (UM/US$)	271.7	263.0	-8.7

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Mauritania has limited agrarian resources, as 80 percent of the country is desert and less than 1 percent of the land is arable. Weather volatility contributes to productivity fluctuation; ongoing droughts in some parts of the country have decreased agricultural productivity.
- The manufacturing sector is dominated by fish processing; however, the sector remains hindered by a small domestic market.
- Mauritania's PRSP is set to be completed in 2004. Key objectives are to reduce the number of people living in poverty, to accelerate economic growth, to focus public expenditure on sectoral development, to improve access to healthcare and education, and to improve governance. Priority goals are to improve housing, to achieve universal schooling, reduce child mortality rates, and improve the water supply.
- The IMF initiated a new PRGF in late 2003, with a variety of macroeconomic targets for the 2003-04 period.
- In July 2003, the United States provided $100 million to help Mauritania combat international terrorism.
- In July 2003, the EU granted $50.7 million for road construction. The European Development Fund, the AfDB, OPEC, and the Mauritanian government have also contributed funds towards road development.
- The Islamic Development Bank (IDB) has agreed to fund a petroleum production capacity-building project. The IDB will provide $2.5 million to be used for technical assistance.

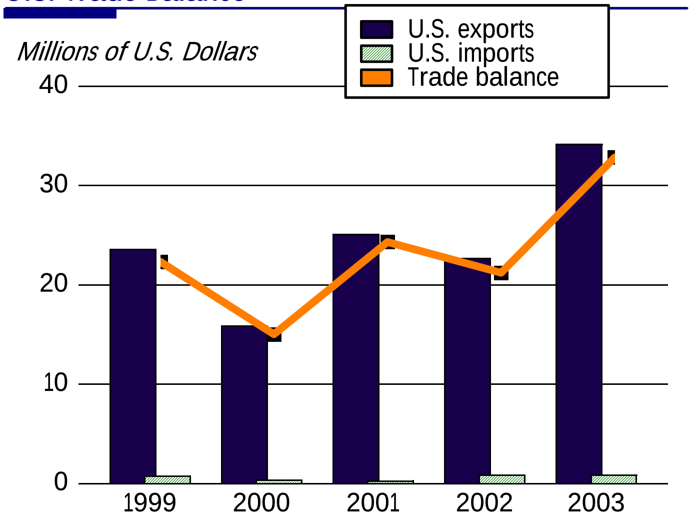
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Italy	14.7	France	20.8
France	14.4	Belgium	8.8
Spain	12.1	Spain	6.7
Germany	10.8	Germany	5.6

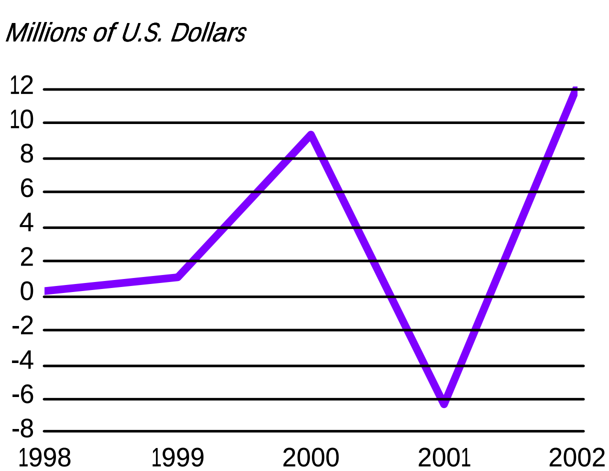
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Iron ore	183.8	Private sector	270.3
Fish & fish products	143.5	Societe Nationale Industrielle et Miniere	103.8
Others	2.9	Oil exploration equipment	22.0
		Public investment & aid	21.9

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Mining and fishing account for nearly all of Mauritania's export revenue. Overfishing in the past has contributed to the introduction of government-mandated annual rest periods during the spawning season.
- Mauritania withdrew from ECOWAS at the end of 2000, and initiated efforts to expand ties and increase trade with North Africa and Europe.
- In 2003, U.S. exports to Mauritania consisted primarily of vehicles and parts thereof, machinery and mechanical appliances, and electrical machinery and equipment. U.S. imports from Mauritania consisted primarily of fish, crustaceans, and molluscs; apparel; and machinery and mechanical appliances. In 2003 and 2004, Mauritania was designated an AGOA beneficiary country. AGOA (including GSP) imports from Mauritania totaled $3,000 in 2003.

Investment and Privatization Update

- Mauritania has significant reserves of iron ore, copper, cobalt, diamonds, gold, gypsum, and phosphates. Reserves have yet to be fully surveyed and only iron ore is industrially exploited. Recent exploration has indicated that there are petroleum reserves off Nouakchott. Additionally, Dana Petroleum (UK) discovered natural gas reserves in early 2004.
- To promote investment, the government adopted a new code in 2002 that exempts foreign investors from customs duties on equipment and goods imported for a start-up or export-oriented project, permits the transfer of convertible currencies earned from new investments, provides for national or international arbitration, and simplifies administrative procedures. Mauritania has also granted free trade-zone status for companies that are producing finished goods for export.
- In mid-2004, the World Bank announced efforts to harmonize and codify mining law in willing countries, including Mauritania. This streamlining process is expected to encourage investment in the mining sector.
- A $26-million project to build mining sector capacity is expected to strengthen the government's ability to facilitate and regulate mining activities, increase private investment, improve the country's capacity to monitor new mining developments, and promote local development and economic diversification. The project began in May 2003.
- Petroleum production from a field estimated to hold reserves of 110 million barrels is expected to begin in 2005. The $100-million investment project is spearheaded by Woodside Petroleum, Hardman Resources, Fusion Investments, and Roc Oil (all from Australia). Woodside has pledged an additional $600 million for drilling exploration and production wells in Chinguetti. Petroleum pumping is expected to begin in March 2006. Total (France) signed a petroleum exploration contract with the government in June 2003. Most exploration is taking place in offshore areas.
- Privatization has been fairly successful, with telecommunications and electricity privatizations underway under supervision of the World Bank; and privatization of the national airline completed. Somelec, the state electricity and water utility, still remains government-owned after a failure to sell shares in mid-2002. The government expects to divest some shares in 2004.

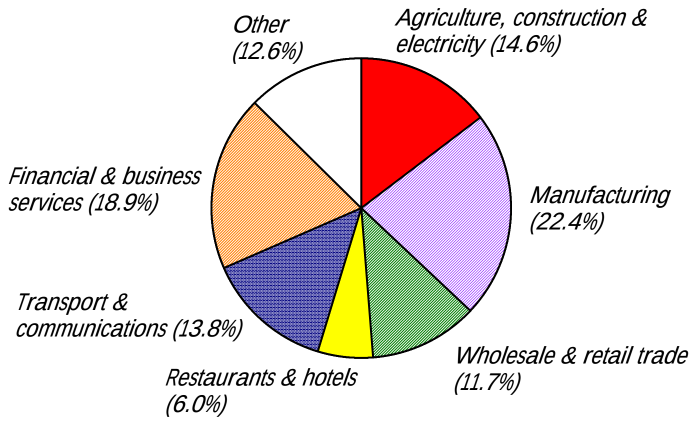
MAURITIUS

Economic Overview

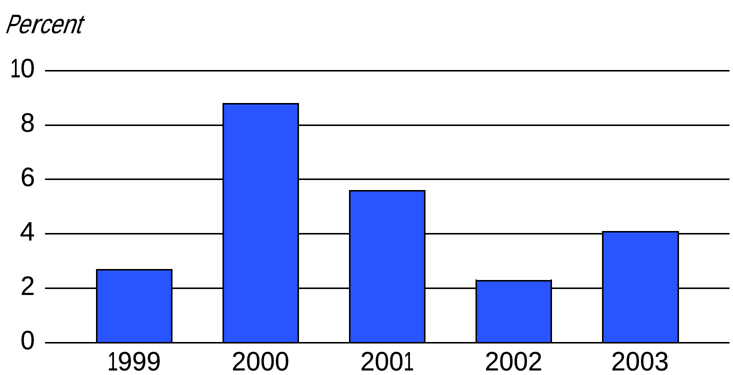
Economic Indicators

	2002	2003	Difference
GDP (nominal, MRs bn)	141.6	156.8	15.2
GDP (US$ bn)	4.7	5.6	0.9
CPI Inflation (annual average, %)	6.7	4.2	-2.5
Goods Exports (US$ mn)	1,830.2	1,941.3	111.1
Goods Imports (US$ mn)	2,018.3	2,093.9	75.6
Trade Balance (US$ mn)	-188.1	-152.6	35.5
Current Account Balance (US$ mn)	259.3	260.5	1.2
Foreign Exchange Reserves (US$ mn)	1,277.4	1,577.3	299.9
Total External Debt (US$ bn)	1.8	1.7	-0.1
Debt Service Ratio, paid (%)	5.5	5.0	-0.5
Exchange Rate (MRs/US$)	30.0	27.9	-2.1

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Mauritius' economy is fairly diversified relative to most SSA countries. Export-processing zones (EPZ) have contributed to growth throughout the 1990s and have driven the shift from agriculture to manufacturing. Current economic debate centers over how to diversify the industrial base within the EPZs.
- Sugar production in 2003 was less than expected, partly because of poor weather, including heavy rains and two cyclones.
- Political crisis in Madagascar in 2002 and early-2003, where a number of Mauritian companies have investments, contributed to low GDP growth.
- Tourism revenues are increasing. Tourist arrivals for the first 9 months of 2003 were up 3.8 percent compared to the same period 2002.
- The 2003-04 budget places significant emphasis on social programs, such as housing and education for the poor, social welfare payments, and increased service provision for vulnerable groups.
- The government plans to develop information and communications technology. Thirty-two local and foreign firms have booked space at the Cyber Tower for call centers, business process outsourcing, disaster recovery centers, training, and software development. A number of Indian firms are assisting Mauritius in this project. The government's efforts to reorient the economy toward more value-added, service-based activities is hindered by the lack of people trained in information and communication technology.
- In early 2004, Mauritius and Madagascar signed an agreement to cooperate on investment protection, technology, and tourism.

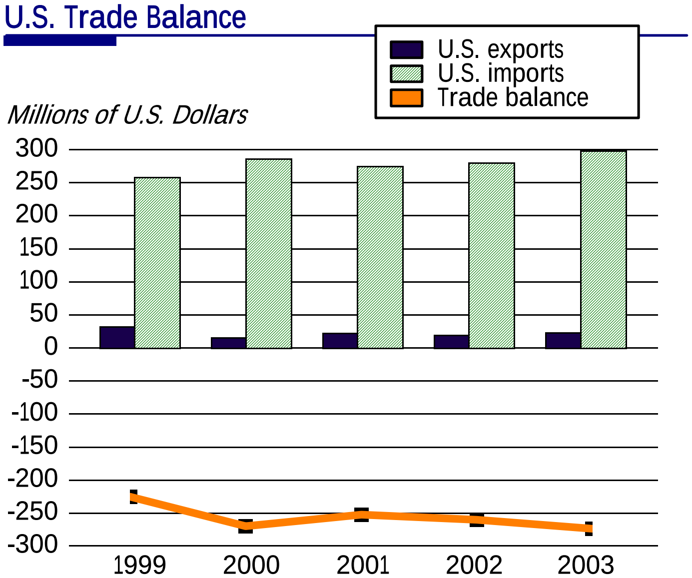
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United Kingdom	26.3	France	18.8
France	24.3	South Africa	13.8
United States	15.6	India	8.0
Madagascar	5.9	China	5.7

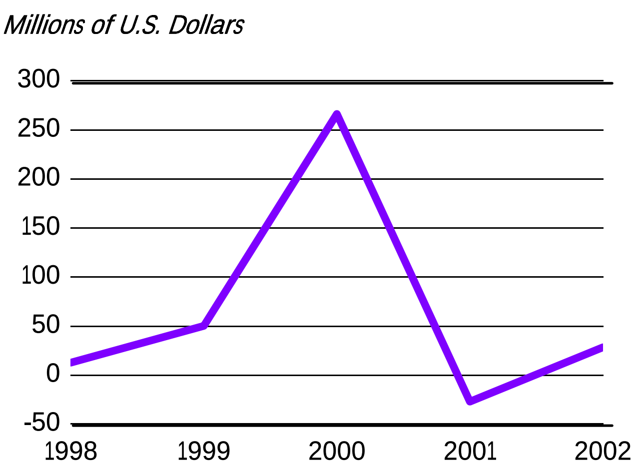
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
EPZ products	1,207.0	Manufactures	914.0
Sugar	278.0	Machinery & transport equipment	1,047.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Mauritius has invested heavily in Madagascar's textile and apparel industry in order to access lower-cost labor and special import designation under the AGOA program. Consequently, in recent years, a significant amount of textile production has shifted to Madagascar away from Mauritius.
- The government has introduced a special incentive program to encourage investment in spinning mills to benefit from the AGOA program.
- Pakistan has expressed interest in using Mauritius as a base for increasing trade with the rest of Africa.
- In 2003, U.S. exports to Mauritius consisted primarily of machinery and mechanical appliances, electrical machinery and equipment, and optical or measuring equipment and parts thereof. U.S. imports from Mauritius consisted primarily of apparel, precious or semiprecious stones or metals, and live animals. In 2003 and 2004, Mauritius was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Mauritius totaled $143.1 million in 2003.

Investment and Privatization Update

- Most investment into Mauritius targets the EPZ sector, with Hong Kong, France, the United Kingdom, Germany, Taiwan, and China as main sources. Chinese multinationals account for 50-60 percent of EPZ exports.
- Kali Steel & Engineering (India) is expected to build a kitchenware and appliances plant in Mauritius that will be operative by the end of 2004.
- The World Bank is assisting Mauritius in obtaining private sector participation in the water and wastewater sectors. Privatization and parastatal reform are, however, subject to substantial political debate.

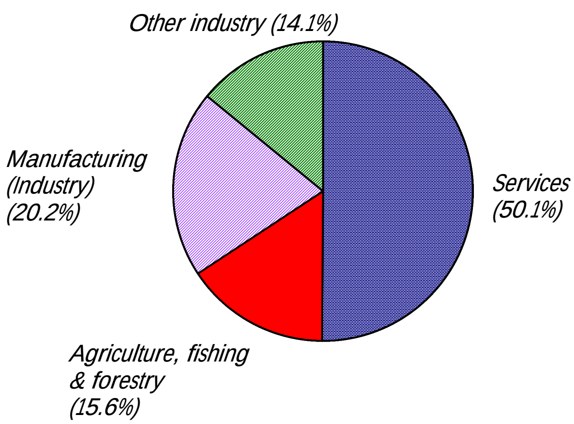
MOZAMBIQUE

Economic Overview

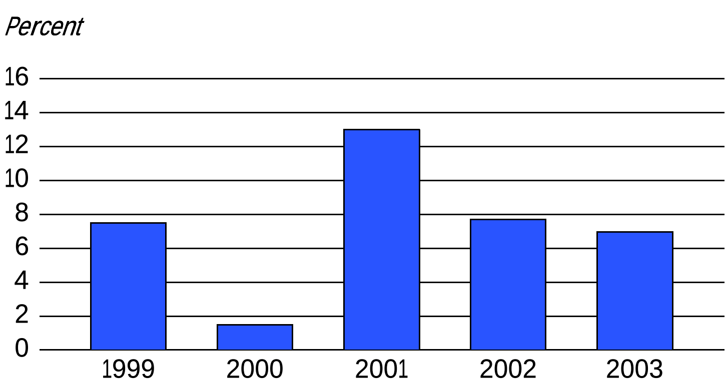
Economic Indicators

	2002	2003	Difference
GDP (nominal, MT bn)	82,747.0	102,111.0	19,364.0
GDP (US$ bn)	3.6	4.3	0.7
CPI Inflation (annual average, %)	16.8	14.0	-2.8
Goods Exports (US$ mn)	682.0	795.0	113.0
Goods Imports (US$ mn)	1,263.0	1,270.0	7.0
Trade Balance (US$ mn)	-581.0	-475.0	106.0
Current Account Balance (US$ mn)	-421.0	-565.0	-144.0
Foreign Exchange Reserves (US$ mn)	819.0	818.0	-1.0
Total External Debt (US$ mn)	966.0	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (MT/US$)	23,678.0	23,774.0	96.0

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Agriculture, fishing, and forestry employ approximately 90 percent of the active population.
- Inadequate road infrastructure has hindered agricultural development. Areas in the north with food surpluses remain isolated, while the south imports food from South Africa. In 2003, a road linking Inchope to Caia was upgraded to all-weather standard and became part of the national road connecting the north and south. The government is seeking financing to build a bridge over the Zambezi river and indicates it has secured 60 percent of the necessary $70-$90 million.
- In April 2004, the government announced the creation of the Tax Administration, an autonomous body that replaced the National Tax and Audit Directorate. The Tax Administration aims to prevent tax fraud and evasion, and analyze the effect of tax policy on the economy.
- Economic policy is guided by the government's Plan for the Reduction of Absolute Poverty. Key goals include improving education, health, and basic infrastructure; developing agriculture and rural areas; and improving governance, and macroeconomic and financial management.
- Market reform has been ongoing since the implementation of the first structural adjustment program in 1987. Mozambique is considered one of the most successful reformers in Africa and has received extensive assistance from donors. Current policy objectives under the PRSP include rapid, private sector-led growth to achieve macroeconomic stability; improved basic public services; reformation of the legal system; and implementation of fiscal reforms. In March 2004, the IMF found that the government needed to implement second generation reforms to increase government revenue, remove obstacles to private sector development, and use public expenditure more efficiently.
- In October 2003, Mozambique secured pledges of $790 million for 2004 from the Consultative Group conference of foreign donors; 75 percent of these funds will be in the form of grants. Mozambique is attempting to reduce its use of foreign assistance; such assistance is expected to account for 48 percent of government spending in 2004, compared with approximately 60 percent in recent years.
- Mozambique became eligible for Millennium Challenge Account assistance in May 2004.

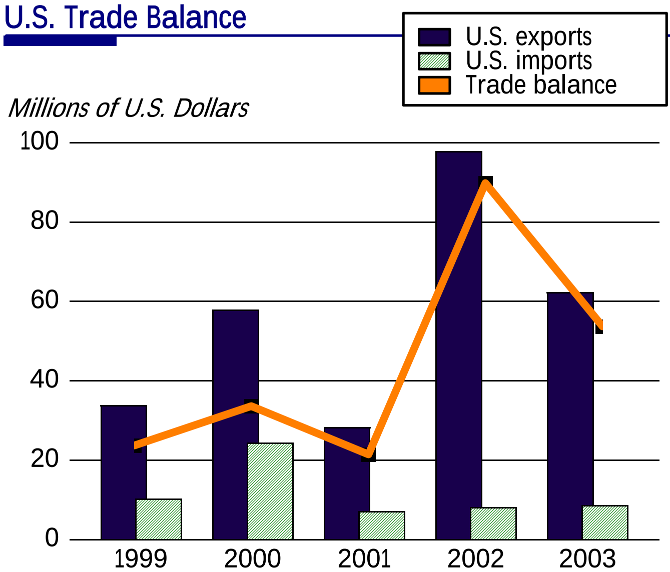
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Belgium	25.0	South Africa	27.7
South Africa	9.4	France	9.0
Germany	5.6	United States	7.1
Spain	3.5	Australia	7.0

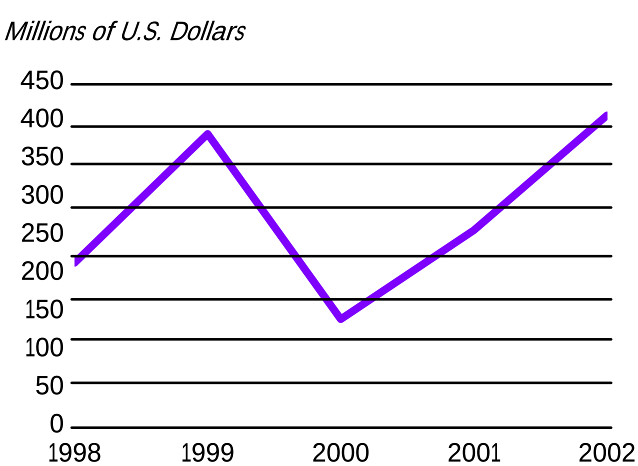
Main Trade Commodities, US$ millions

Exports (2001)		*Imports (1997)*	
Aluminum	335.0	Machinery & equipment	139.0
Prawns	92.4	Vehicles, transport equip. & parts	113.8
Electricity	57.3	Fuel	92.3
Cotton	18.3	Textiles	43.4

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Coastal shipping capacity makes Mozambique a trade center. Rehabilitation of the Beira and Nacala ports is expected to increase trade volume. Additionally, in May 2004, an Indian consortium won a contract for the reconstruction of the Beira railway line. The World Bank has pledged a loan of $120 million for the 25-year project.
- A $600-million gas pipeline connecting Mozambique to South Africa was completed in early 2004. The pipeline exports 85 million gigajoules of gas per year and is expected to rise to approximately 120 million gigajoules by 2008. Sasol (South Africa) built the pipeline and distributes the gas in South Africa.
- Mozambique was once the world's largest cashew producer. Cashew production is expected to decline by 20 percent for 2003 / 2004, which could impact Mozambique's export earnings. Irregular rainfall and fungal infections have contributed to the decline.
- In 2003, U.S. exports to Mozambique consisted primarily of cereals, mineral fuels or oils and products, and machinery and mechanical appliances. U.S. imports from Mozambique consisted primarily of sugars and sugar confectionery, apparel, and edible fruits and nuts. In 2003 and 2004, Mozambique was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Mozambique totaled $7.9 million in 2003.

Investment and Privatization Update

- Mozambique offers favorable tax and duty incentives in industrial free-zones to encourage investment. Investors are also encouraged by inexpensive electricity, natural resource availability, and a variety of opportunities. South Africa is the largest investor in Mozambique.
- Hydroelectricity is a significant resource and has attracted foreign investment. Additionally, Mozambique has confirmed reserves of natural gas that are undergoing exploration.
- Vodacom Mozambique (VM), a subsidiary of Vodafone South Africa, won a contract to expand telecommunications coverage in June 2002, but was unable to start operating until late 2003 because of interconnection fees disputes. VM is expected to invest $567 million in the project. If passed, a telecom bill presented to parliament in April 2004 could increase competition and investment in the sector.
- The Maputo Port Development Company assumed management of the port from the state port authority in April 2003. The 15-year contract includes investment of $50-$100 million to improve the port and linking infrastructure.
- In 2004, the Nordic Development Bank, with the World Bank and the AfDB, agreed to finance an inventory of Mozambique's geological potential. A number of investors believe that Mozambique holds significant undiscovered mining resources.
- Mozambique has privatized over 1,200 smaller companies and 37 large enterprises since privatization began 10 years ago. Firms awaiting privatization include TDM (telecommunications parastatal), LAM (state airline), EDM (electricity utility), ENH (energy utility), HCP (electricity producer), an insurance company, an oil and gas exploration company, a port and rail authority, a number of airports, and water supply overseers.

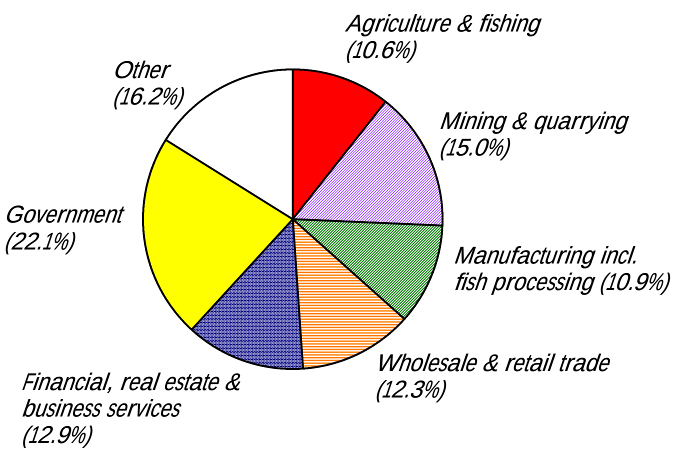
NAMIBIA

Economic Overview

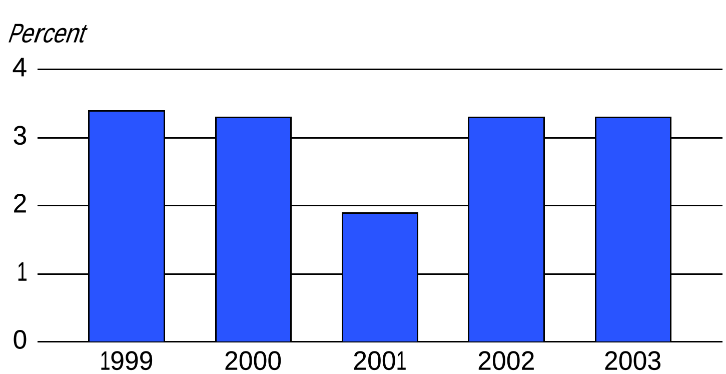
Economic Indicators

	2002	2003	Difference
GDP (nominal, N$ bn)	29.3	32.6	3.3
GDP (US$ bn)	2.8	4.3	1.5
CPI Inflation (annual average, %)	11.3	7.3	-4.0
Goods Exports (US$ mn)	1,072.0	1,090.0	18.0
Goods Imports (US$ mn)	1,251.0	1,371.0	120.0
Trade Balance (US$ mn)	-179.0	-281.0	-102.0
Current Account Balance (US$ mn)	96.0	63.0	-33.0
Foreign Exchange Reserves (US$ mn)	323.0	345.0	22.0
Total External Debt (US$ mn)	635.0	716.0	81.0
Debt Service Ratio, paid (%)	2.5	2.9	0.4
Exchange Rate (N$/US$)	10.5	7.6	-3.0

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Namibia is abundant in natural resources including large concentrations of diamonds, zinc, uranium, gold, and marble, particularly along the coastal regions. This has led to the establishment of a large marine mining industry. In 2003, the mining sector was the largest foreign exchange earner, accounting for 56 percent of all exports. There is also a large fishing and processing industry.
- Government services are the largest contributor to GDP. Other sectors contributing notably to GDP include mining, wholesale and retail trading, financial services, manufacturing, and offshore fish processing.
- The general decline in global prices for raw material commodities and appreciation of the currency have negatively affected foreign exchange earnings. Increased imports of production inputs such as fuel and lubricants, and consumer products, have resulted in trade deficits.
- Tourism is a growth sector for Namibia, generating 6 percent of GDP in 2003. The largest source of tourism revenue is Germany, followed by the United Kingdom.
- In December 2003, the government announced plans to import a 6-month supply of food aid because of a shortfall in the staple crop, millet. The shortfall is a result of a dry growing season. The food aid is in addition to a $37-million relief program provided by the government that will support activities such as transporting livestock to better grazing areas.
- Government long-term economic policy is embodied in the Vision 2030 goals. Long-term goals are to be implemented through 5-year national development plans. The country entered the second 5-year development plan in 2001. Targets include reducing poverty, increasing the annual growth rate to 4 percent, and promoting small and medium enterprises to reduce unemployment. The development program also includes $1.2 billion for infrastructure projects, such as building railroads and upgrading road networks. The government also introduced medium-term expenditure frameworks (MTEF) to control spending and reduce the budget deficit. The current MTEF, which runs during 2004-07, focuses on reducing expenditures on many public sector services.

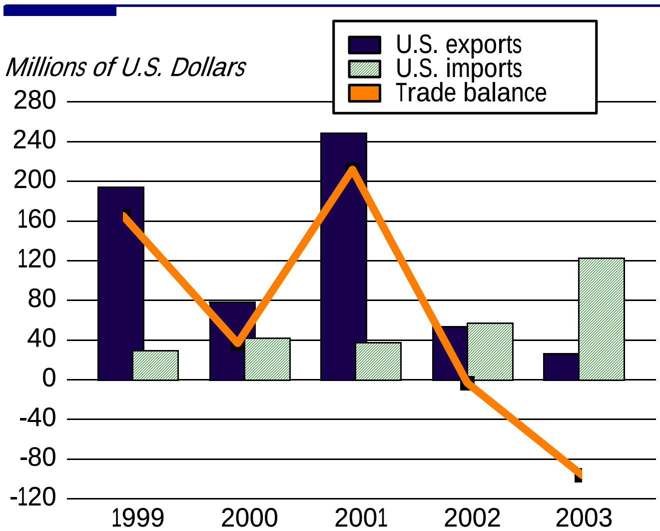
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United Kingdom	48.0	South Africa	80.0
South Africa	23.0	United States	5.0
Spain	15.0	Germany	3.0
France	4.0	Russia	1.0

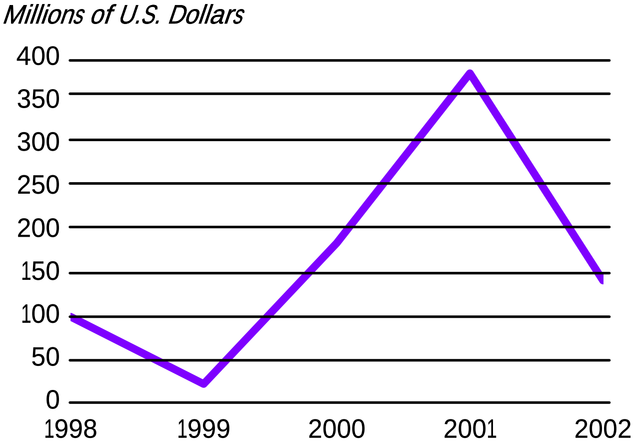
Main Trade Commodities, US$ millions, 2001

Exports		*Imports*	
Diamonds	485.0	Transport equipment	230.0
Prepared & preserved fish	287.0	Chemical products, rubber & plastic products	211.0
Metal ores, incl. uranium ore	156.0	Refined petroleum products	204.0
Beverages, other food products	80.0	Machinery & equipment	166.0

U.S. Trade Balance



Net Foreign Direct Investment



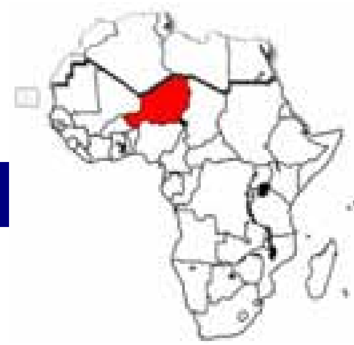
Trade Update

- All petroleum in Namibia is imported. Electricity is derived from hydropower plants, and during times of drought, electricity is imported from South Africa.
- The Walvis Bay Corridor Transport project is expected to be completed by mid-2004. The SADC-sponsored project will connect Namibia to central African markets via an all-weather highway connection.
- In July 2003, Namibia announced that it was withdrawing its membership from COMESA, stating that it was not benefitting from the free trade area as imports from COMESA countries were 10 times greater than exports.
- In 2003, U.S. exports to Namibia consisted primarily of cereals, machinery and mechanical appliances, and articles of base metal. U.S. imports from Namibia consisted primarily of apparel, copper and articles thereof, and organic or inorganic chemicals and compounds. In 2003 and 2004, Namibia was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Namibia totaled $46.8 million in 2003.

Investment and Privatization Update

- The government is promoting FDI in priority sectors such as tourism and nontraditional manufacturing. As part of the national development plan, for 2004-07 the government has set aside $34.5 million for the "green valley" irrigation system to help support farmers as they diversify farming into new crops such as grapes, melons, and other citrus fruit. The EU is the primary market for these new crops. The fishing industry has also succeeded in diversifying by promoting local fish processing; $79.3 million has been invested in a hake processing plant by Pescanova (Spain).
- The Namibian Ports Authority (Namport) has launched a strategic investment program that is seeking to create business opportunities in the port. Projects include a new container terminal, and the deepening of the harbor.
- A new mining policy is to be introduced in late 2004, incorporating certain amendments to the 1992 Minerals Act. The amendments include guaranteeing security of tenure for holders of mining rights and creating of a standard licensing regime.
- The mining industry has grown rapidly because of renewed investment and the discovery of mineral deposits. In early 2004, the Leviev Group (Israel) proposed a $46-million investment project scheduled to last 3 years. Paladin Resources (Australia) completed a prefeasability study in the Namib desert and has proposed the development of a commercial mining operation to boost production in the uranium industry.
- In early 2004, the government outlined plans to expropriate farms that were underutilized or owned by absentee foreign persons.
- In July 2004, the Namibian power utility NamPower and the National Petroleum Company of Namibia have entered into an agreement with Energy Africa (South Africa) to develop gasfields in Kudu. In May 2004, Tullow (Ireland) took over Energy Africa. Feasability studies are being conducted, with production expected to begin in late 2009.
- The partial privatization of the national airline, Air Namibia, has been placed on hold indefinitely because of financial losses. The airline received an additional $52.6 million for FY 2004 from the government to help repay the $80 million in accumulated debt, and pay for the lease of its Boeing aircraft.

NIGER

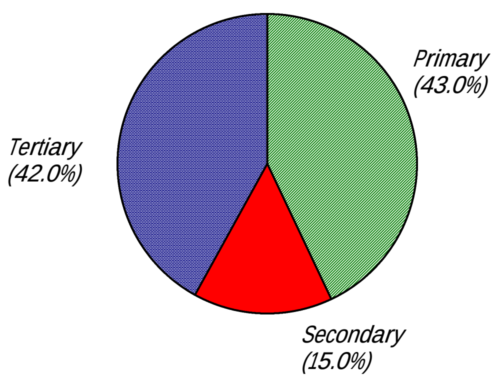


Economic Overview

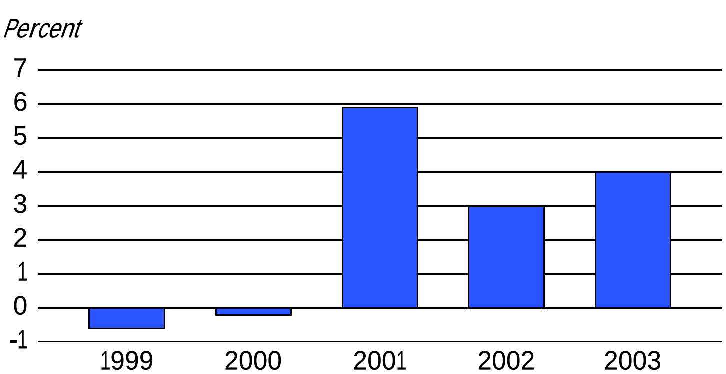
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	1,355.0	1,387.0	32.0
GDP (US$ bn)	1.9	2.4	0.5
CPI Inflation (annual average, %)	2.6	-1.6	-4.2
Goods Exports (US$ mn)	280.0	352.0	72.0
Goods Imports (US$ mn)	366.0	477.0	111.0
Trade Balance (US$ mn)	-86.0	-125.0	-39.0
Current Account Balance (US$ mn)	-159.0	-206.0	-47.0
Foreign Exchange Reserves (US$ mn)	133.9	80.0	-53.9
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (CFAfr/US$)	697.0	581.2	-115.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Niger does not have a historically strong agricultural base because of the harsh climate and lack of rainfall. During 2001-02, high rainfall levels increased output of millet, sorghum, and corn; however, Niger still depended on food imports in both years.
- Natural resources include uranium, gold, copper, and lithium. Petroleum reserves are also being explored. The primary energy sources are wood fuel and thermal energy, with the possibility of a switch to hydroelectric power.
- The government is promoting the President's Special Program to reform the economic and social infrastructure. The transportation network is the primary focus. Goals include expanding and improving access to the seaports, and improving the current road link to Burkina Faso, which will facilitate trade. Much of the current account deficit is because of high transportation costs.
- Civil service reforms and privatization face the challenges of financial malpractice and a lack of institutional transparency. Niger is also focusing on improving regional security after civil unrest in Côte d'Ivoire negatively affected economic growth in previous years.
- The government is also seeking to reform its tax system. Beginning in 2003, taxes on individuals and corporations are to be harmonized within 3 years to a uniform rate of 35 percent.
- Much of the economic policies and reforms outlined by the government have been developed in conjunction with the IMF and the World Bank. In 2000, Niger signed a PRGF for $74 million. In 2003, a new set of policy targets was outlined for FY 2004, including an increase in revenue to nearly 11 percent of GDP, an increase in basic expenditures on social services, and progress toward the privatization of the state-owned electric company. The IMF also suggested introducing an excise tax on various consumer products and public utilities. As a result of improved macroeconomic stability, the IMF approved a further $16 million to help implement policies aimed at achieving Millennium Development goals.
- In early 2004, the World Bank approved a loan of $14.8 million, to be disbursed over 4 years, to reform the financial sector. This technical assistance focuses on banks providing microfinance services, the postal bank, and services provided by the insurance sector.
- In 2002, the IMF and World Bank assessed the PRSP, which is set to expire at the end of 2004. Priorities under the framework include improving budget management, developing and managing natural resources, and maintaining roads.
- In 2001, the Paris Club agreed to cancel $48 million of Niger's debt. An additional $123 million was cancelled by France in April 2003. In March 2004, Niger was preparing to complete the HIPC initiative.

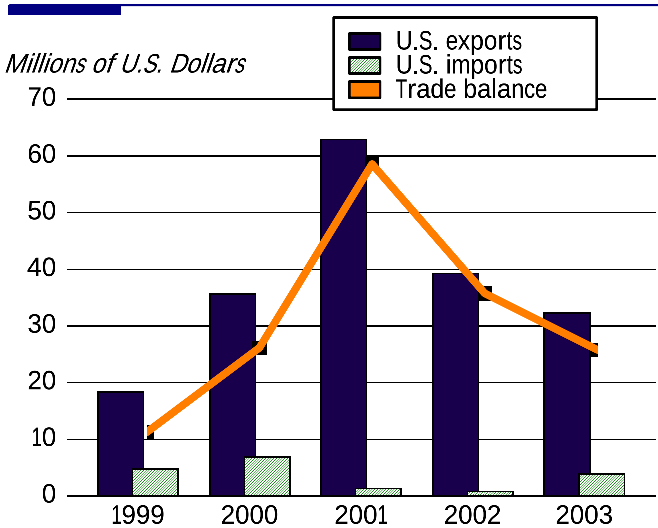
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Nigeria	41.2	France	20.1
France	37.5	United States	14.7
Belgium	6.2	Côte d'Ivoire	10.4
Japan	2.5	Nigeria	7.2

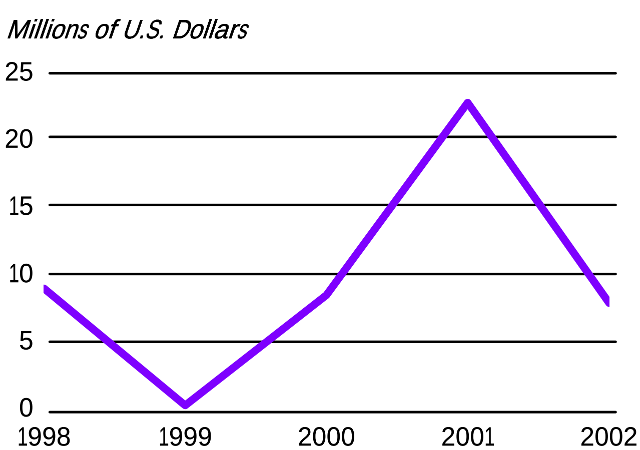
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Uranium	89.9	Food products	97.4
Livestock	45.9	Capital goods	82.4
Cowpeas	20.2	Petroleum	41.7

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Niger has engaged a private customs monitoring company to monitor trade along the western and southern borders, resulting in increased customs receipts.
- Niger is a member of UEMOA. UEMOA has outlined reforms that Niger must complete by 2005 to ensure continued integration with UEMOA. These reforms include balancing the budget to reduce government debt to less than 70 percent of GDP, reducing inflation to less than 3 percent annually, and increasing domestically-financed investment.
- In November 2003, the AfDB agreed to lend $12.5 million to help SML (Niger) finance a mining project to exploit gold and build a processing plant.
- Access to the AGOA program increased exports of gum arabic.
- In 2003, U.S. exports to Niger consisted primarily of paperboard, pharmaceutical products, and electrical machinery and equipment. U.S. imports from Niger consisted primarily of animal or vegetable fats and oils, optical or measuring equipment and parts thereof, and pharmaceutical products. In 2003 and 2004, Niger was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Niger totaled $63,000 in 2003.

Investment and Privatization Update

- Niger's relatively small domestic market, inadequate infrastructure, high energy costs, and a lack of skilled labor hinder investment.
- Vivendi has proposed plans to invest $5 million to upgrade facilities and increase the drinking water supply.
- In early 2004, Tamoil (Libya) purchased the Niger operations of Exxon Mobil (U.S.), including distribution and storage facilities.
- In 2003, Exxon Mobil (U.S.) and Petronas (Malaysia), along with a consortium of other oil companies, continued exploratory efforts.
- In September 2003, the government announced plans to withdraw a concession awarded to TG World (Canada) for oil exploration and extraction. TG World began proceedings at the World Bank's International Center for the Settlement of Investment Disputes, to which Niger is a signatory, as the contract was not due to expire until April 2004.
- The national electric power company Nigelec is targeted for privatization in 2004. The company signed an agreement in 2002 with Morocco's state-owned power utility to collaborate on distribution of electricity in Niger.
- Other sectors have been earmarked for privatization. In 2004, the state-owned company that controls the importation, storage, and distribution of petroleum into Niger is slated for privatization, with the government to maintain a 34-percent stake. The Gaweye Hotel is targeted for private investment, with bids by Le Meridien (France) and Ingra (Croatia) already offered. A mortgage company, Credit du Niger, is also targeted for privatization in 2004.

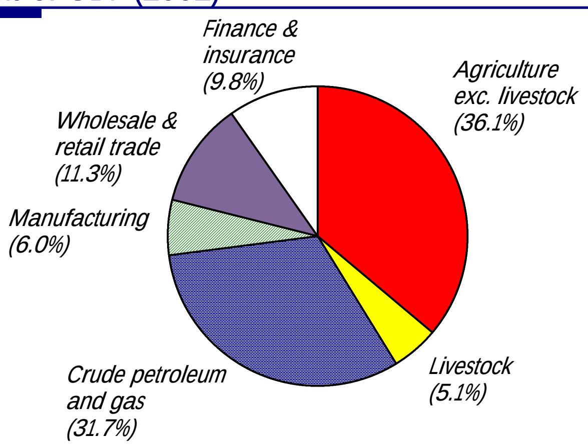
NIGERIA

Economic Overview

Economic Indicators

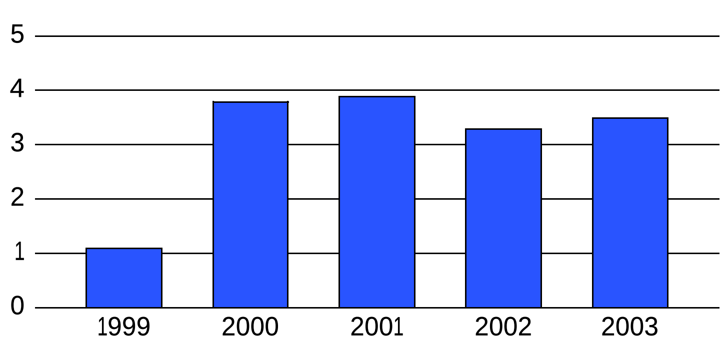
	2002	2003	Difference
GDP (nominal, N bn)	5,634.0	6,833.0	1,199.0
GDP (US$ bn)	46.7	52.8	6.1
CPI Inflation (annual average, %)	13.6	13.5	-0.1
Goods Exports (US$ mn)	18,016.0	21,796.0	3,780.0
Goods Imports (US$ mn)	12,954.0	14,538.0	1,584.0
Trade Balance (US$ mn)	5,062.0	7,258.0	2,196.0
Current Account Balance (US$ mn)	-76.0	1,047.0	1,123.0
Foreign Exchange Reserve (US$ mn)	7,331.0	7,057.0	-274.0
Total External Debt (US$ bn)	29.7	30.7	1.0
Debt Service Ratio, paid (%)	16.8	8.2	-8.6
Exchange Rate (N/US$)	120.6	129.4	8.8

Origins of GDP (2002)



Real GDP Growth Rate

Percent



Economic Update

- Petroleum is an important part of the economy; it is estimated that up to 80 percent of federal government revenue is derived from the sector, and that petroleum products account for 90 percent of export earnings. Agriculture is still the primary activity for the majority of Nigerians, and accounts for approximately 40 percent of GDP. There is also a large informal agricultural sector.
- Economic diversification has been hindered by inadequate infrastructure, energy shortages, and low consumer income.
- The National Economic Empowerment Development Strategy is expected to be formally unveiled in 2004. The plan identifies petroleum, gas, agriculture, solid minerals, manufacturing, and tourism development as key sectors for growth and investment. Additionally, it calls for an acceleration of the privatization program, improvement of governance and increased transparency, and reform of the pension system.
- Trade unions have been weakened throughout the 1990s by unemployment and declining real wages. In late 2003, parliament considered a bill to restrict sources of funding and limit membership. The unions called for a general strike in October 2003, after the government eliminated the price caps on petrol, diesel, and kerosene.
- In 2004, construction is expected to begin on a mass-transit rail system for Lagos. The $135-million Lagos Urban Transportation Project plans to include a rapid light rail mass-transit system, improved bus services, increased water and nonmotorized forms of transport, increased efficiency of urban roads, and better institutions.
- In early 2004, Nigeria's health minister announced a $172-million healthcare development program. The World Bank is expected to provide $127 million and the AfDB, $45 million. The program's goals are to build basic healthcare capacity, increase health service delivery, and expand access to maternal care and reproductive health.
- The World Bank plans to launch a program to assist in providing social services in the Niger Delta, the petroleum producing region of Nigeria. The UNDP is also exploring the possibility of cooperating with Shell on social development projects in the same region. The region has experienced substantial social unrest in recent years.
- In March 2004, the World Bank announced plans to invest $75 million in the solid minerals sector, supporting government efforts to diversify the economy. The plan encourages the government to increase long-term institutional and technical capacity to manage mineral resources and establish poverty reduction and rural economic renewal programs in selected areas of the country.

Economic Update—Continued

- At the end of 2003, bilateral agreements for debt rescheduling had been signed with 14 of the 15 Paris Club members. Negotiations have been ongoing since December 2000, and Italy has yet to sign an agreement.
- Nigeria is ineligible for participation in the HIPC initiative because its debt burden does not meet the established criteria.
- USAID plans to provide $50 million to promote sustainable development and economic development activities during 2004-09. Additionally, USAID, in conjunction with the Shell Petroleum Development Corporation, has committed $1 million to be used to address the threat of cassava mosaic disease and to develop markets for cassava products.

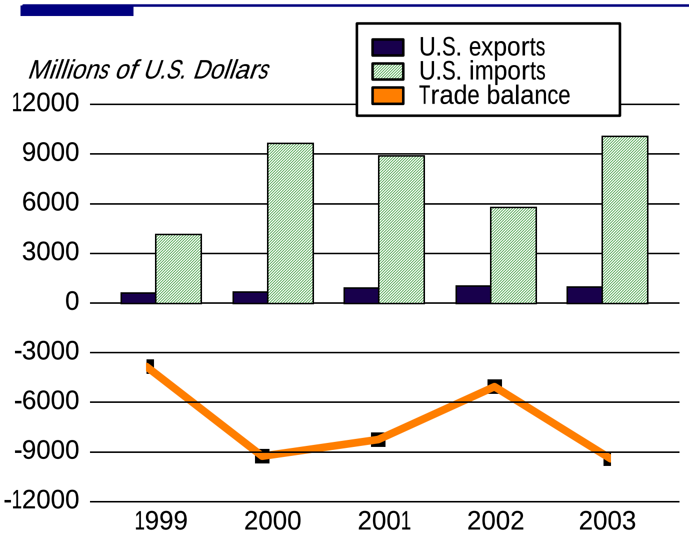
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United States	37.4	United Kingdom	15.7
Brazil	9.4	United States	15.4
Spain	8.3	China	15.3
France	6.4	France	14.3

Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Oil	13,680.0	Manufactured goods	2,990.0
Gas	1,097.0	Machinery & transport	2,471.0
		Chemicals	2,297.0
		Food & live animals	1,160.0

U.S. Trade Balance

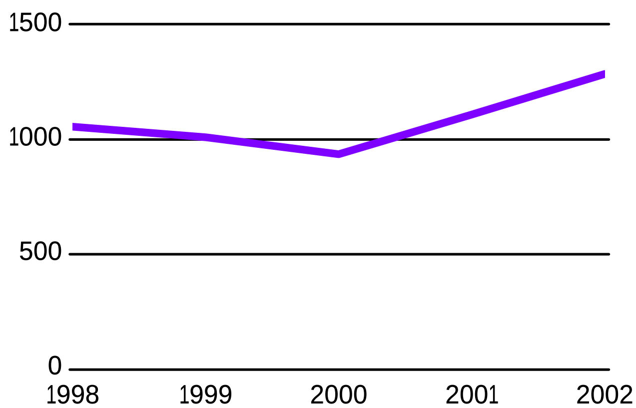


Trade Update

- Petroleum has dominated Nigerian trade since the early 1970s, and accounts for 95 percent of total exports of goods. Although Europe has been Nigeria's traditional export market, petroleum production in the North Sea has shifted exports towards the United States. Nigeria has made efforts to diversify its export base, and has had some success with the export of LNG.
- Imports of more than 40 products are banned, including textiles, men's footwear, soap, furniture, assembled bicycles, flowers, toothpaste, pencils, plastic products, vegetable oil, and meat products. Import prohibitions may contribute to increased smuggling across Nigeria's borders.
- The government reduced port taxes in 2001 and 2003, and has removed other administrative obstacles to efficient trade operations.
- In November 2003, the Department of Petroleum Resources issued new guidelines for fuel importation, requiring that firms obtain importation permits, display prices prominently, submit quality certificates, and distribute only approved products.
- In late 2003, the government approved the implementation of an incentive scheme to boost exports of textiles and other products. The Export Expansion Grant enables firms exporting at least $3,495 to claim a grant equivalent of 40 percent of their total annual exports. Exporters of unprocessed agricultural commodities and minerals may receive a grant of 5 percent of their annual exports.
- The Nigerian National Petroleum Corporation signed production-sharing contracts with ChevronTexaco, Petrobras (Brazil), and local firms Famfa, Heritage, and Oil and Gas Company to develop three deepwater oilfields. It is expected that greater petroleum production capacity will expand exports.
- Nigeria is engaged in an ongoing territorial dispute with Cameroon over the Bakassi Peninsula, which has significant petroleum resources. In December 2003, Nigeria began to hand over some areas involved in the dispute, not including the proper Bakassi. Nigeria also has disputed maritime borders with Equatorial Guinea and São Tomé and Principe, which affect access to offshore petroleum reserves.
- Nigeria is offering no taxation, no duty, and no restrictions on the repatriation of profits to businesses that invest in the development of a leisure resort in an effort to improve recognition of its free trade zone. The $131-million Tinapa project, conceived in August 2002, is intended to encourage trade among African states. The zone allows companies to set up businesses within two weeks and is linked to the Calabar port, which is being expanded to carry bigger ships. As of March 2004, the free trade zone had 80 manufacturing companies, with plans for additional companies to establish business. Billions of dollars have been used to develop zone-related infrastructure such as roads, water, electricity, telecommunication, and sanitation.
- In 2003, U.S. exports to Nigeria consisted primarily of cereals, machinery and mechanical appliances, and electrical machinery and equipment. U.S. imports from Nigeria consisted primarily of mineral fuels and oils, cocoa and cocoa preparations, and organic chemicals. In 2003 and 2004, Nigeria was designated an AGOA beneficiary country. AGOA (including GSP) imports from Nigeria totaled $9.4 billion in 2003.

Net Foreign Direct Investment

Millions of U.S. Dollars



Investment and Privatization Update

- Political uncertainty, alleged corruption, inadequate infrastructure, and low per capita income have deterred both new and replacement investment.
- The Brass LNG project is expected to be operative by 2008. It is a joint venture between the Nigeria National Petroleum Corporation, Eni, ChevronTexaco, and ConocoPhillips, and is expected to expand access to natural gas resources. Slower progress is being made on the West African Gas Pipeline, which will carry Nigerian gas to Benin, Ghana, and Togo.
- In mid-2003, the government signed a deal with Solgas Energy Nigeria to rehabilitate the Delta steel plant and manage the plant for 10 years. The steel industry has suffered from inadequate maintenance, despite roughly $10 billion in public investment and Russian assistance to build the centerpiece of the plant, the Ajaokuta complex. In its 20 years of operation, the Delta steel plant has rarely operated at greater than 20 percent of capacity.
- The state-owned Nigeria Airways was liquidated in May 2003, after years of financial mismanagement, misappropriation of funds, and large debts. In October 2003, the government introduced a new national carrier, Nigerian Eagle Airlines. South African Airways was chosen in early 2004 as a partner for the national carrier, and owns 30 percent of the firm. Delays have extended the start of the operation beyond the original date of April 2004.
- A new telecommunications law enacted in 2003, and the recent licensing of operators to offer Fixed Wireless Services on a regional basis, may allow for expansion of the telecommunication sector. Over the last 2 years, telecommunications investment has totaled over $4 billion and is expected to continue. Vodacom indicated that it was exploring operations in Nigeria's market. In early 2004, Econet Wireless Nigeria signed a $110-million contract with Ericsson (Sweden) to boost geographic coverage and to increase network capacity.
- The Bureau of Public Enterprises (BPE) has outlined three stages for privatization. The first stage could be completed in 2004, and involves the sale of stakes in industrial companies, refineries, and some infrastructure operators. The second phase, to be completed in 2005, calls for the sale of three paper mills, motor vehicle assembly plants, and fertilizer companies. The government also intends to sell some infrastructure providers, such as the port authority, the airport authority, and energy companies, in the second phase. The third phase, to be completed after 2005, involves the sale of the sugar companies, refineries, the National Electric Power Authority, and Nigerian Railways.
- In October 2003, the government eliminated domestic fuel subsidies, announcing that it would no longer set fuel prices and that the market was deregulated. The government indicated that it would sell off four domestic refineries owned by the Nigerian National Petroleum Corporation and encourage investment in privately-owned enterprises.
- In early 2004, more than 110 companies expressed interest in taking over the management of the Nigeria Ports Authority after the government announced it would be privatized.

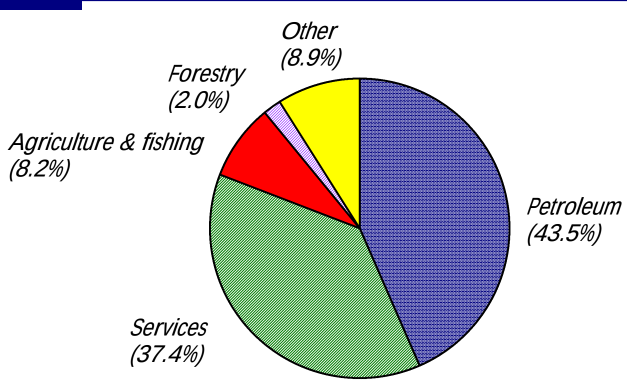
REPUBLIC OF THE CONGO

Economic Overview

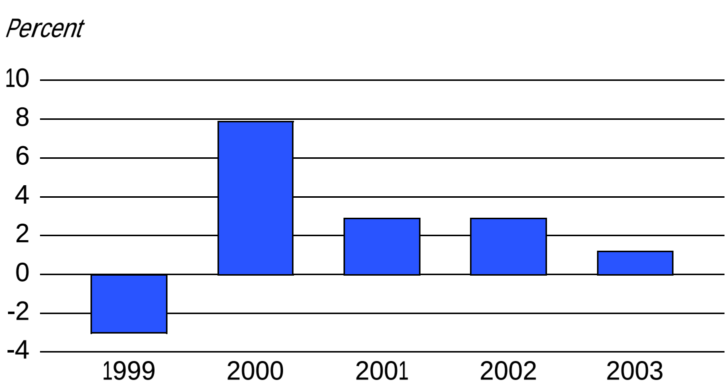
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	2,225.0	2,297.0	72.0
GDP (US$ bn)	3.2	4.0	0.8
CPI Inflation (annual average, %)	3.8	2.0	-1.8
Goods Exports (US$ mn)	2,325.0	2,599.0	274.0
Goods Imports (US$ mn)	706.0	724.0	18.0
Trade Balance (US$ mn)	1,619.0	1,875.0	256.0
Current Account Balance (US$ mn)	66.0	180.0	114.0
Foreign Exchange Reserves (US$ mn)	31.6	31.0	-0.6
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (CFAfr/US$)	696.9	581.2	-115.7

Origins of GDP (2000)



Real GDP Growth Rate



Economic Update

- Petroleum is a key component of the economy, accounting for over 40 percent of the Republic of the Congo's (ROC) economy. Sixty percent of the population earns a livelihood from the agricultural sector, which benefits from relatively predictable rainfall. ROC is rich in natural resources.
- Inadequate road and railway systems have made airlines an important part of internal transportation. The EU offered to provide $37 million to rehabilitate the road from Brazzaville to Kinkala, but the funds have yet to be released because of civil unrest that began in March 2002. The government signed a peace agreement with the last rebel group in March 2003, and the political situation is now viewed as stable.
- Approximately 50 percent of the land is covered in dense forest. ROC is eligible for a $90-million fund to protect land in the region by joining the World Bank's Congo Basin Forest Partnership. The project's primary objective is to limit illegal and uncontrolled logging.
- In an October 2003 mission, the IMF discovered $100 million in unaccounted funds indicating that little progress had been made toward achieving financial transparency. The IMF called off further talks and declined to initiate steps toward introducing a PRGF.
- In July 2003, a conference in Paris resulted in donor pledges of $221 million in new financing for ROC's reconstruction, provided that government performance is satisfactory.
- In December 2003, the AfDB granted ROC $1.2 million to fight an Ebola outbreak.
- In May 2004, the International Fund for Agricultural Development agreed to provide a loan of $11.9 million. ROC is expected to use the funds to boost agricultural output and enhance food security.

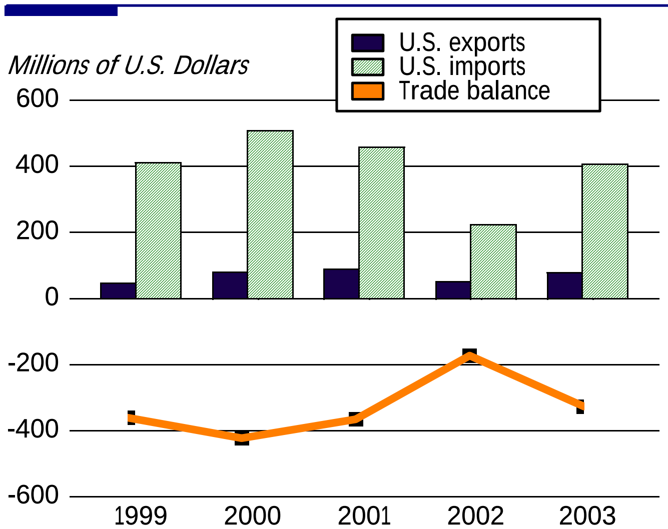
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
South Korea	20.3	France	22.1
China	9.4	Italy	8.5
United States	8.4	China	6.2
Germany	6.6	Belgium	6.0

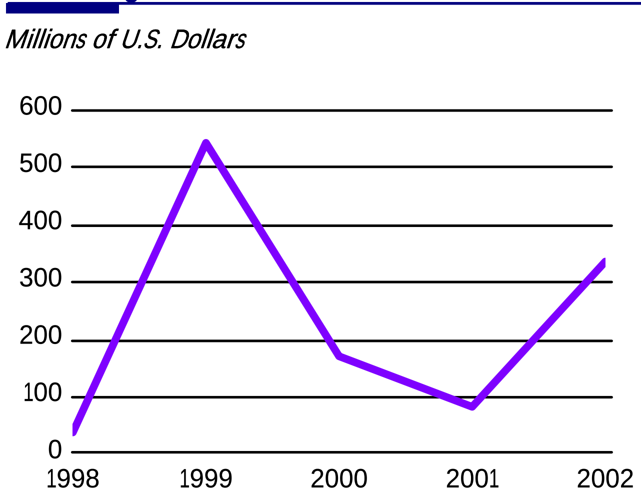
Main Trade Commodities, US$ millions

Exports (2000)		*Imports (1998)*	
Petroleum	2,294.0	Petroleum sector	423.7
Timber	95.2	Other capital goods	64.9
Sugar	12.6		
Other	47.9		

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- The petroleum industry accounts for over 90 percent of export earnings.
- Increasing stability is contributing to renewed transport networks. For example, in early 2004, the rail service known as "Air Pool" commenced services between Brazzaville and Loutete. This service will provide the local population with access a larger variety of products.
- The reopening of the Brazzaville-Pointe-Noire railway has supported timber production, which is expected to increase to 1.2 million cubic meters in 2004. Timber has the potential to become an important generator of export revenue.
- In 2003, U.S. exports to ROC consisted primarily of machinery and mechanical appliances, cereals, and electrical machinery and equipment. U.S. imports from ROC consisted primarily of mineral fuels and oils, precious or semiprecious stones or metals, and sugars and sugar confectionery. In 2003 and 2004, ROC was designated an AGOA beneficiary country. AGOA (including GSP) imports from ROC totaled $340.8 million in 2003.

Investment and Privatization Update

- Petroleum exploration has moved further offshore and deeper as existing reserves are exploited. If further exploration does not find large reserves in these areas, investment in the petroleum sector may decline. ROC has significant reserves of potash and iron ore that have not yet been developed.
- In November 2003, the government adopted a bill that streamlines licensing procedures and lowers the state's equity share in mining companies' investments to 10 percent. This bill is expected to encourage foreign investment in the sector.
- A Chinese consortium is promoting the construction of a hydroelectric dam at Imboulou dam, which would cost $280 million. Magnesium Alloy Corporation (Canada) has proposed constructing a link to the Inga dam.
- SIAT (France) is making efforts to revive tobacco production, partly by involving local farmers in the production process.
- The government published plans to privatize management of CFCO, the railway parastatal. In November 2003, the government released the terms for bidding. Final selection is expected to take place in September 2004. A $34-million investment program has been developed for the company, and the World Bank has earmarked funds to restructure the workforce.
- The government has announced plans to commercialize the management of SNE, the state electricity utility. The government has released a privatization schedule for 2004 that includes completing the sale of downstream activities of Hydro-Congo, completing the sale of SNDE (a water utility), opening ONPT (postal and telecommunications service) to bids, organizing a sale tender for CFCO (the railway), and selling river ports and transport facilities.

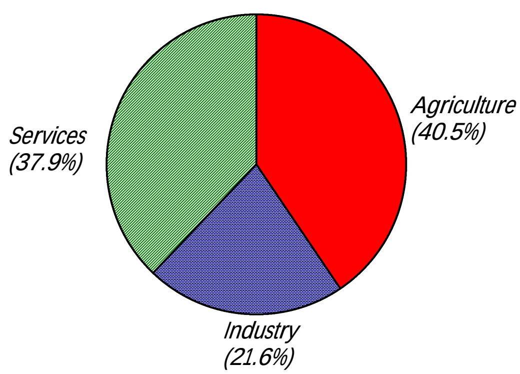
RWANDA

Economic Overview

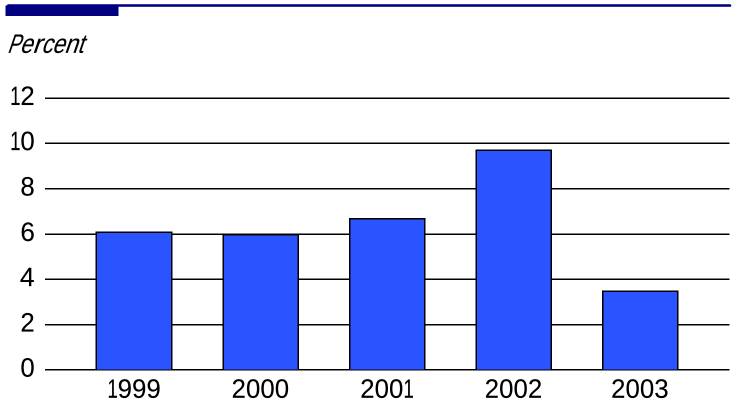
Economic Indicators

	2002	2003	Difference
GDP (nominal, Rwfr bn)	825.0	916.0	91.0
GDP (US$ bn)	1.7	1.6	-0.1
CPI Inflation (annual average, %)	2.0	7.5	5.5
Goods Exports (US$ mn)	67.3	61.8	-5.5
Goods Imports (US$ mn)	233.7	247.4	13.7
Trade Balance (US$ mn)	-166.4	-185.6	-19.2
Current Account Balance (US$ mn)	-127.4	-110.0	17.4
Foreign Exchange Reserves (US$ mn)	243.7	215.9	-27.8
Total External Debt (US$ mn)	1,409.6	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (Rwfr/US$)	476.3	566.0	89.7

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- Agriculture contributes just under one-half of GDP, yet over 90 percent of the population works in the agricultural sector. Rwanda experienced rapid economic growth from 1998 to 2002, but the rate of growth slowed in 2003. In 2003, agricultural production registered almost no growth, mining production fell by 28 percent, and manufacturing fell by over 5 percent. Most manufacturing is agricultural processing; food, beverages, and tobacco accounted for 80 percent of manufacturing production.
- Because its primary source of export revenue is coffee and tea, Rwanda's economy is significantly affected by changes in world prices in these products and weather variation.
- During 2004-05, the government plans to achieve rapid, labor-intensive, poverty-reducing growth through the implementation of the PRSP completed in 2002. PRSP goals include achieving GDP growth of at least 5 percent, stabilizing prices and other macroeconomic indicators, recapitalizing rural areas, raising rural incomes, and improving public services.
- In late 2003, the IMF suspended a PRGF program, stating that Rwanda failed to meet key targets because of overspending. This statement reduced aid flow from donors in early 2004. The IMF has requested that the government cut expenditures in order to balance its budget. The suspended PRGF aimed to reduce poverty, develop human resources, promote the private sector, build state capacity, and improve governance.
- Other policies recommended by the IMF and World Bank include increasing trade liberalization, continuing privatization, and facilitating foreign investment.

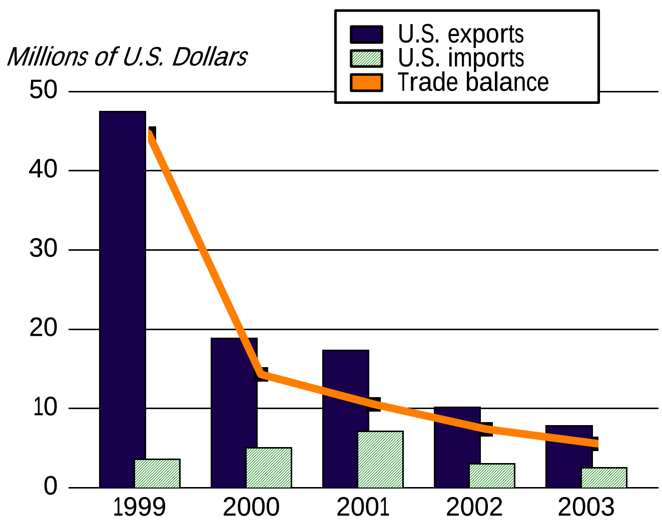
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Indonesia	30.8	Kenya	34.5
Germany	14.6	Germany	13.2
China	11.6	Belgium	12.5
South Africa	5.5	United States	5.5

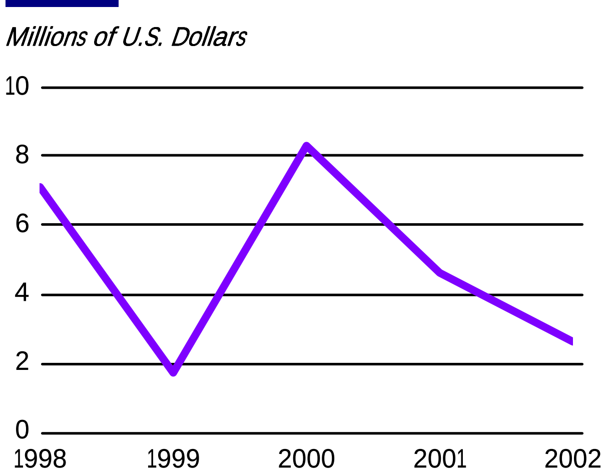
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Tea	22.0	Consumption goods	120.5
Coffee	14.6	Raw materials	44.6
Coltan	14.0	Energy products	36.7
Hides	2.6	Capital goods	35.5

U.S. Trade Balance



Net Foreign Direct Investment



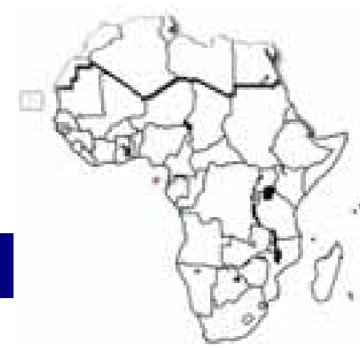
Trade Update

- Rwanda has been slowly opening to increased trade, reducing its average tariff to 11 percent in 2002. In January 2004, Rwanda joined COMESA.
- Nearly all Rwanda's exports and imports are transported by land through Kenya or Tanzania. Although, Rwanda's road network is fairly well developed, Rwanda has no railways, and transportation significantly increases overall import costs.
- A free trade zone is expected to begin operations in June 2004, creating an estimated 2,000 jobs. Rwanda has offered duty relief, tax breaks, repatriation of dividends, and increased security in an effort to attract investors to the zone.
- In March 2004, Kenya and Rwanda launched an initiative to improve market access for their agricultural products in their respective countries. The two countries will cooperate in research, training, technical assistance, and crop and animal production.
- In 2003, U.S. exports to Rwanda consisted primarily of animal or vegetable fats and oils, vegetables, and cereals. U.S. imports from Rwanda consisted primarily of coffee, tea, mate, and spices; ores, slag, and ash; and machinery and mechanical appliances. In 2003 and 2004, Rwanda was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Rwanda totaled $6,000 in 2003.

Investment and Privatization Update

- South Africa is a major source of investment in telecommunications, aviation, and tourism in Rwanda. There is significant potential for expansion of Rwanda's tourism sector.
- The government has indicated that it is prepared to privatize the 44 remaining parastatals. The Rwanda Privatization Secretariat (RPS) has thus far privatized 30 parastatals; most of these were relatively small, generating revenue of $7 million by the end of 2003.
- Rwandatel, the state telecommunications company, began the privatization process in September 2003, with the sale of two-thirds of its 28-percent stake in MTN-Rwandacell, the monopoly mobile phone company. The full privatization of Rwandatel is expected to take place in 2004. Eighty percent of its shares are to be divested to a multinational investor, 18 percent are expected to go to Rwandan investors, and 2 percent to Rwandatel staff.
- The management of Electrogaz, the energy parastatal, has been transferred to a consortium of private firms that includes Lahmayer International and Hamburger Wasserwerke (both of Germany).
- Privatization of BCR, the state bank, is moving slowly despite recapitalization financed by the World Bank.
- Technical offers have been made for the purchase of the Pfunda and Mulindi tea estates, but RPS has indicated that it is waiting for financial offers.

SÃO TOMÉ & PRINCIPE

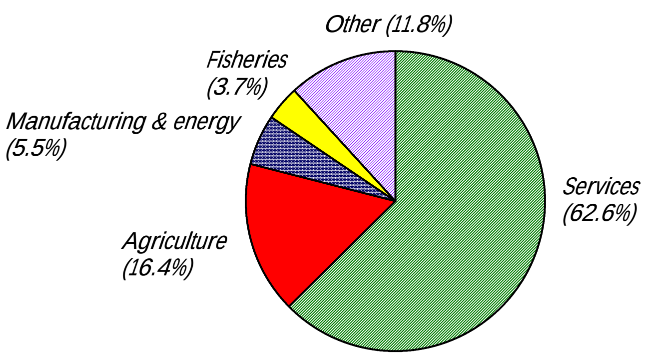


Economic Overview

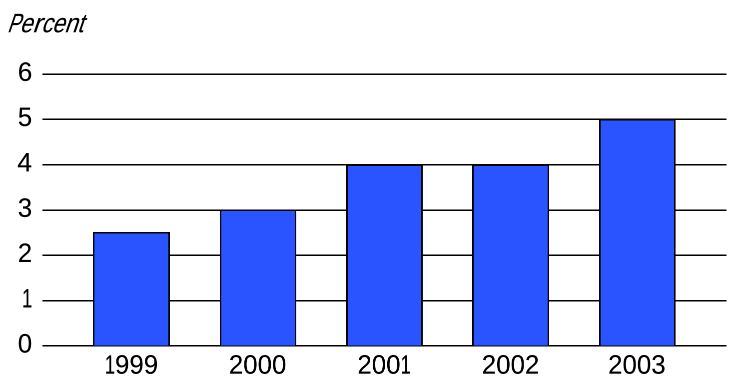
Economic Indicators

	2002	2003	Difference
GDP (nominal, Db bn)	478.0	530.6	52.6
GDP (US$ mn)	52.6	56.8	4.2
CPI Inflation (annual average, %)	7.0	9.0	2.0
Goods Exports (US$ mn)	5.5	5.7	0.2
Goods Imports (US$ mn)	24.8	26.3	1.5
Trade Balance (US$ mn)	-19.3	-20.6	-1.3
Current Account Balance (US$ mn)	-5.0	-6.3	-1.3
Foreign Exchange Reserves (US$ mn)	318.0	n/a	n/a
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	17.4	24.5	7.1
Exchange Rate (Db/US$)	9,088.3	9,342.6	254.3

Origins of GDP (2000)



Real GDP Growth Rate



Economic Update

- São Tomé & Principe has long been one of the poorest nations in Africa. Economic development has been hindered by inadequate infrastructure, civil unrest, and a lack of foreign investment. The recent discovery of petroleum reserves provides an opportunity for substantial economic growth and for the government to develop and implement reform measures.
- The primary export for São Tomé & Principe is cocoa, accounting for almost 85 percent of GDP. In 2003, the value of exports of cocoa was above average because of relatively high global prices. Despite being small sectors, agriculture and fishing contribute significantly to GDP growth. Services, predominantly the tourism sector, has expanded to be the second-largest revenue earner for the country.
- In 2001, the government finalized a Priority Action Plan that outlined development strategies to be implemented until 2005. Policy focus areas include private sector promotion, diversification of productive activities, support of small- and medium-sized farms, and reform of public institutions.
- In 2003, the IMF determined that government performance had improved. Overspending, lack of transparency, and stalled structural reforms had led to the suspension of the PRGF. The PRGF is due to be reviewed in mid-2004 and, if resumed, would allow the country to benefit from the HIPC initiative. A condition stipulated by the IMF for a return of the PRGF is legislation for the improved and transparent management of petroleum revenue.
- São Tomé & Principe is heavily dependent on foreign aid, receiving one of the largest amounts of aid per capita. Portugal is the primary bilateral donor for the country.

SÃO TOMÉ AND PRINCIPE

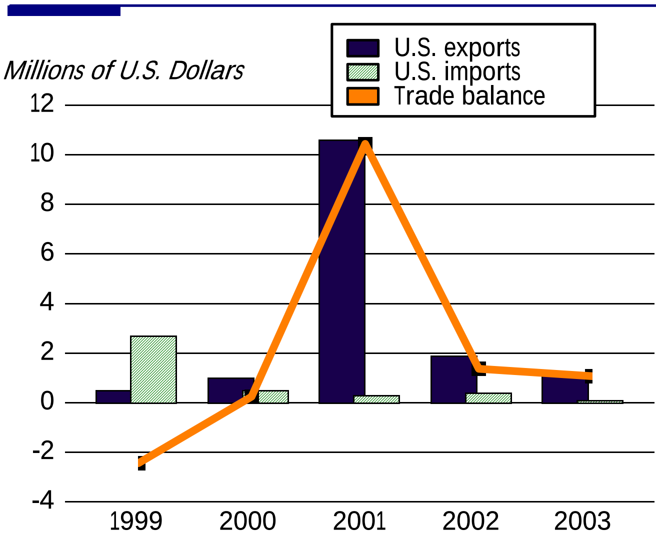
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Netherlands	34.6	Portugal	51.4
Canada	10.9	Germany	10.2
Germany	8.4	United Kingdom	7.7

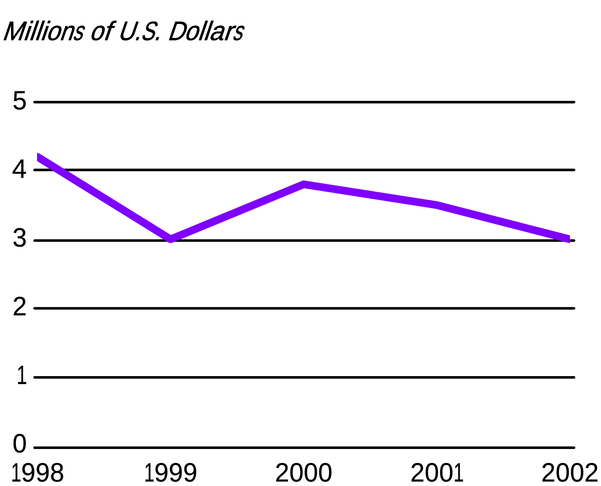
Main Trade Commodities, US$ millions

Exports (2000)		*Imports (1999)*	
Cocoa	2.9	Capital goods	11.8
Other	0.3	Food	4.5
		Fuel	4.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- The discovery of petroleum is expected to alter significantly the country's economy and trade profile.
- The government is continuing efforts to diversify the economy in nonpetroleum sectors. The government is encouraging increased production in the exclusive economic zone established for the fishing sector. The government hopes the diversification of agricultural activities will lead to a reduction of imported food aid, which is irregular in delivery because of a lack of the deepwater port at the main harbor.
- The government has renewed efforts to create a free trade zone and to attract foreign investment into the area through contracts from the petroleum sector. No date has been established for the completion of the project. São Tomé & Principe previously attempted to create a free trade zone with a South African company, but little progress was made and the project remains incomplete.
- In 2003, U.S. exports to São Tomé & Principe consisted primarily of electrical machinery and equipment, machinery and mechanical appliances, wood and articles of wood. U.S. imports from São Tomé & Principe consisted primarily of vehicles and parts thereof, furniture and miscellaneous furnishings, and books or other printed products. In 2003 and 2004, São Tomé & Principe was designated an AGOA beneficiary country.

Investment and Privatization Update

- In October 2003, São Tomé & Principe accepted bids from foreign oil companies worth $500 million for offshore exploration blocks; $200 million is to be provided by the government.
- In June 2004, the government and the Rivers State Government (Nigeria) announced they would expand a joint development zone to include petroleum exploration and tourism. The agreement incorporates full disclosure of all transactions and activities of the companies within the zone, such as bids and other proprietary data, in compliance with the Extractive Industries Transparency Initiative, created in 2002 at the World Summit on Sustainable Development. The first of nine oil fields was sold to Chevron Texaco (U.S.) in October 2003 for $123 million. The company will operate 51 percent of the zone. Exxon Mobil (U.S.) will operate in 41 percent of the development zone, with Equity Energy Resources (Norway) extracting oil from the remaining 9 percent of the designated area. Nigeria will receive 60 percent of the revenue and São Tomé & Principe will collect the remaining 40 percent. Production is expected to begin by 2005-06.
- The World Bank has recommended privatization of the state water and electricity company. There are currently 12 entities that remain under state ownership and management, with 4, including the water and electricity supplier, targeted for privatization.
- International telephone links for the recently privatized CST telephone company are being upgraded with foreign aid and technical assistance.

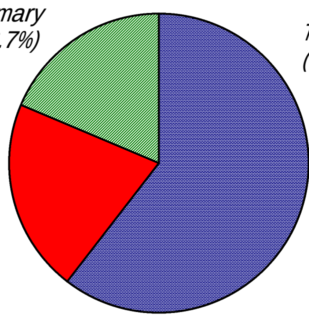
SENEGAL

Economic Overview

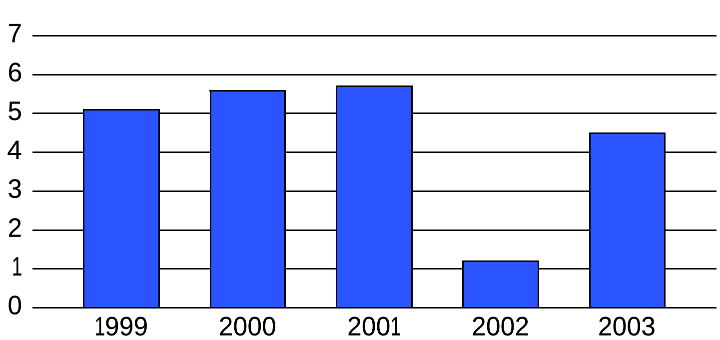
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	3,512.8	3,648.5	135.7
GDP (US$ bn)	5.0	6.3	1.3
CPI Inflation (annual average, %)	2.3	0.1	-2.2
Goods Exports (US$ mn)	1,108.6	1,233.4	124.8
Goods Imports (US$ mn)	1,513.3	1,765.0	251.7
Trade Balance (US$ mn)	-404.7	-531.6	-126.9
Current Account Balance (US$ mn)	-264.5	-302.1	-37.6
Foreign Exchange Reserves (US$ mn)	637.4	650.0	12.6
Total External Debt (US$ bn)	3.1	3.0	-0.1
Debt Service Ratio, paid (%)	12.7	8.0	-4.7
Exchange Rate (CFAfr/US$)	697.0	581.2	-115.8

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- Agricultural products such as cotton, groundnuts, and horticulture contribute substantially to GDP. Large scale agriculture, however, is limited to industrial sugar production. After agriculture, the industrial sector is the second-largest source of export earnings, including industries such as phosphates and derived chemicals. A drop in agricultural production, weak prices for mineral exports, and a new method of calculating GDP led to a downturn in economic growth for 2002 and into 2003.
- Agricultural diversity is a priority of rural development initiatives proposed by the government. Strategies include increasing the number of irrigation schemes, using high yield varieties, and improving water retention basins. The government plans to construct 50 additional water retention basins at a cost of $1.7 million. Agricultural training schools and colleges are to be established in rural areas. In 2003, maize farmers received a boost when donor funding gave $15.5 million to the industry that allowed imported hybrid seeds to be used. Japan granted Senegal $5 million in early 2004 to help improve food security and to reduce dependence on imported rice.
- Economic reforms for the country are concentrated in four areas: fiscal policy, structural reforms including privatization, poverty alleviation, and the promotion of the private sector. UEMOA's survey of the Senegal economy found a slowdown in economic activity in the primary sector, specifically agriculture and fishing. These sectors require modernization of existing equipment and farming techniques to support sector exports, which are a significant source of revenue for the country.
- Reform efforts are also concentrated in reducing the public sector expenditure and improving the revenue collection system to meet goals outlined by UEMOA. In March 2003, UEMOA extended Senegal's time to meet certain criteria, including a balanced budget, reduced annual inflation to less than 3 percent, and reduced total government debt to less than 70 percent of GDP.
- The IMF approved a new 3-year PRGF in April 2003 that will support economic reform until 2005. The $33-million grant will support the government's reform programs aimed at macroeconomic stability and economic development priorities. The approval allowed Senegal to draw $5 million of the allocated funds immediately, as well as receive an additional $1.6 million in debt relief under the HIPC initiative. In February 2004, the IMF completed a review of the new PRGF and approved the immediate release of $5.2 million. The review advised Senegal to continue improving tax and customs procedures, and focus on agriculture sector reform.

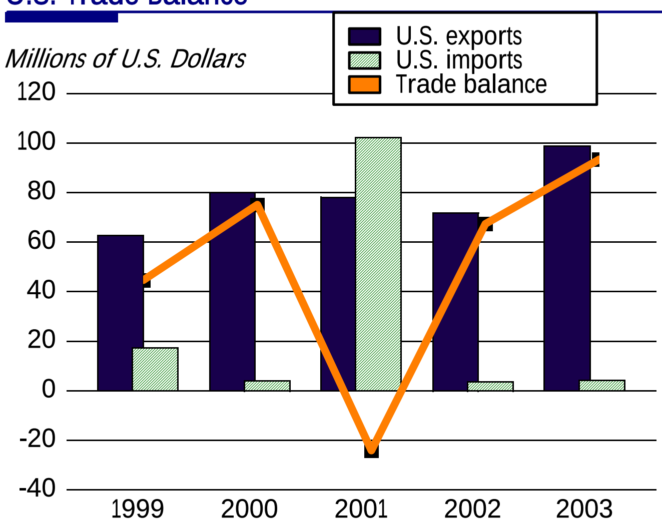
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
France	16.0	France	24.7
India	13.6	Nigeria	14.5
Italy	13.1	Germany	6.5
Mali	6.9	Italy	5.4

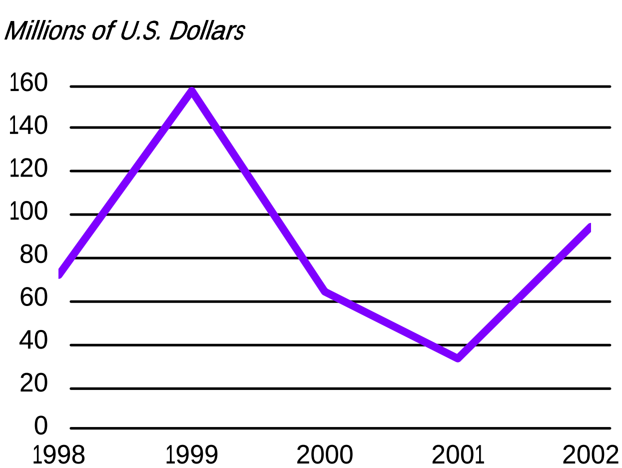
Main Trade Commodities, US$ millions, 2001

Exports		*Imports*	
Fish & fish products	240.0	Food products	359.0
Phosphates & fertilsers	117.0	Petroleum products	317.0
Groundnuts & product	100.0	Capital goods	242.0

U.S. Trade Balance



Net Foreign Direct Investment



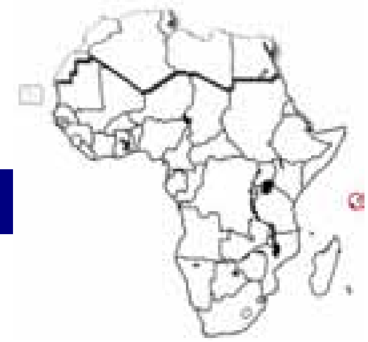
Trade Update

- The port at Dakar is an important regional and international hub. The port authority is proposing the modernization and expansion of existing facilities, including a new container terminal.
- A new airport is also planned outside of Dakar, and will double the existing air traffic capacity.
- Road rehabilitation plans are underway, including roads linking Mali and The Gambia with Senegal. The Senegal portion of the Dakar-Bamako railway linking Senegal and Mali was postponed in 1998. The government accepted a bid from Canac-Getmar (Canada), valued at $26.7 million, to manage the railway for 25 years. Management of the railway was transferred to Canac-Getmar in August 2003.
- Tourism is expanding. Visitors originate primarily from continental Europe, including France, Belgium, Germany, and Switzerland. The government's goal is to attract 1.5 million visitors by 2010.
- In 2003, U.S. exports to Senegal consisted primarily of vehicles and parts thereof, machinery and mechanical appliances, and electrical machinery and equipment. U.S. imports from Senegal consisted primarily of machinery and mechanical appliances; articles of feather, down, flowers, or human hair. In 2003 and 2004, Senegal was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Senegal totaled $720,000 in 2003.

Investment and Privatization Update

- In early 2004, the government officially launched the $46-million investment promotion program aimed at increasing the private investment necessary to reach an 8-percent growth rate. The 5-year project is financed by the World Bank, and will focus on improving the investment climate, targeting sector-specific investments, and supporting economic reform initiatives.
- In an effort to encourage the private sector under its long-term economic growth plan, the government plans to reform the legal and judicial systems to remove administrative barriers to investment and improving infrastructure; increase productivity in the economy; and stimulate investment in public sectors such as petroleum, postal services, and pensions services. In April 2004, the government submitted revisions of the current tax code to the national assembly, including a reduction in the corporate tax rate from 35 percent to 33 percent, and the exclusion of certain capital goods from customs duties.
- The government is also focused on increasing the competitiveness of the manufacturing and industrial sectors, with priorities for investment focused on the chemicals, textiles, and agro-processing sectors.
- In September 2003, the first vehicle assembly plant was opened through a joint venture between Senegalese investors and Tata International (India).
- In May 2004, Senegal was 1 of 16 countries designated as eligible for Millennium Challenge Account assistance.
- Privatization of state-owned companies is a key component of Senegal's new PRGF. In January 2004, a total of 6 state-owned enterprises had been privatized. The government also plans to sell a majority stake in Sonacos, the state owned groundnut factory, by mid-2004. In January 2004, potential bidders for Sonacos were given the final tender document, with buyer selection to be completed by mid-2004.
- In 2003, the government announced it would no longer subsidize the state-owned cotton plant.

SEYCHELLES



Economic Overview

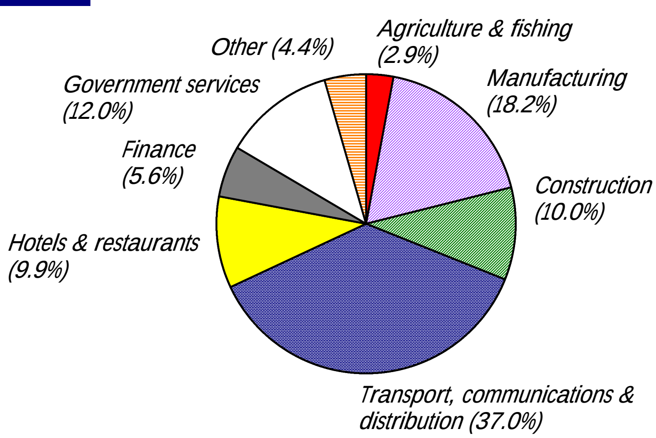
Economic Indicators

	2002	2003	Difference
GDP (nominal, SRs mn)	3,830.0	3,856.0	26.0
GDP (US$ mn)	696.4	701.1	4.7
CPI Inflation (annual average, %)	0.2	3.7	3.5
Goods Exports (US$ mn)	237.0	241.0	4.0
Goods Imports (US$ mn)	376.0	366.0	-10.0
Trade Balance (US$ mn)	-139.0	-125.0	14.0
Current Account Balance (US$ mn)	-130.0	-74.0	56.0
Foreign Exchange Reserves (US$ mn)	69.7	66.5	-3.2
Total External Debt (US$ mn)	207.0	206.0	-1.0
Debt Service Ratio, paid (%)	2.3	2.1	-0.2
Exchange Rate (SRs/US$)	5.5	5.5	0.0

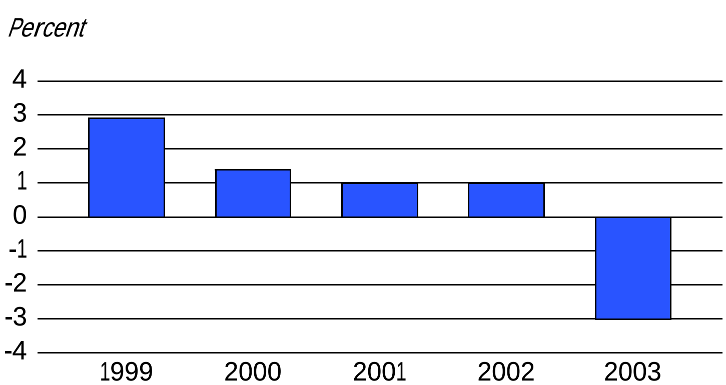
Economic Update

- Services, including transport, communications, commerce, and tourism, is the predominant sector in the Seychelles economy.
- In 2003, the government engaged in a macroeconomic policy review and appointed a committee that devised the a medium-term Macroeconomic Reform Program, announced on July 1, 2003. The program aims to restore fiscal sustainability and undertake structural reform.
- The government imposed a 12-percent tax on goods and services, which is expected to boost government revenue and to help restore fiscal stability.
- Seychelles Breweries, the largest private company after Indian Ocean Tuna, continues to experience difficulties because of a scarcity of foreign exchange. As one of Seychelles' largest taxpayers, the company's difficulties may significantly impact government revenue.
- Seychelles withdrew from the SADC in mid-2004, stating that the SADC has failed to meet significant goals.

Origins of GDP (2002)



Real GDP Growth Rate



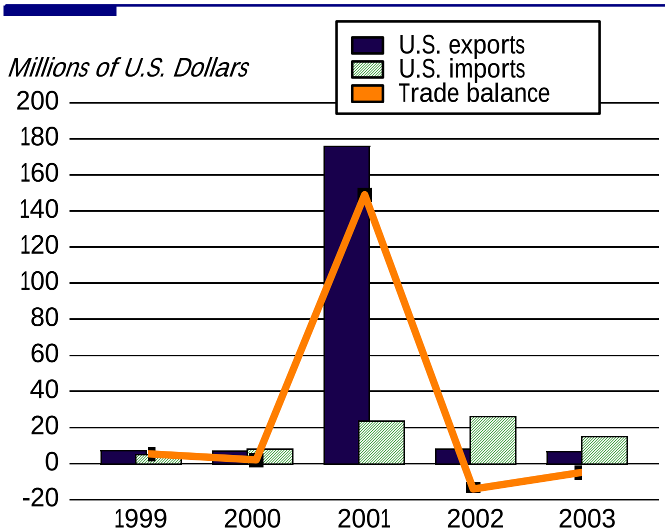
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United Kingdom	31.6	Saudi Arabia	25.4
Germany	23.8	South Africa	9.2
Italy	14.9	Spain	8.3
France	13.8	France	7.2

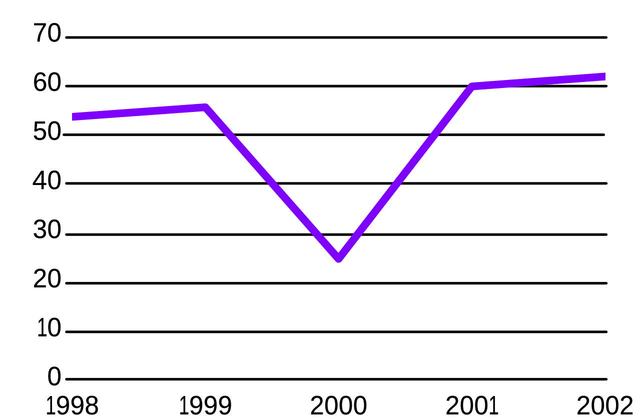
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Canned tuna	154.0	Food & live animals	104.5
Re-exports of petroleum	48.0	Machinery & transport goods	84.1
Frozen & fresh fish	3.3	Manufactured goods	80.7
Frozen prawns	1.6	Fuel	50.9

U.S. Trade Balance



Net Foreign Direct Investment



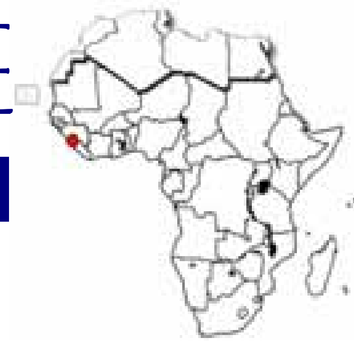
Trade Update

- Canned tuna and tourism are the two most important sources of foreign exchange.
- Stimulated by an increase in international prices, a rapid expansion in prawn production may increase prawn exports.
- In 2003, U.S. exports to Seychelles consisted primarily of machinery and mechanical appliances, aircraft and parts thereof, and optical or measuring equipment and parts thereof. U.S. imports from Seychelles consisted primarily of mineral fuels and oils, optical or measuring equipment and parts thereof, and pharmaceutical products. In 2003 and 2004, Seychelles was designated an AGOA beneficiary country. AGOA (including GSP) imports from Seychelles totaled $3,000 in 2003.

Investment and Privatization Update

- The Seychelles Investment Bureau was created in July 2004 as a one-stop shop for foreign investors to the country.
- The government plans to open a new terminal at the Pointe Larue airport in 2007. Increased access to the country may support government efforts to attract investment.
- To encourage expansion of the financial services sector, Seychelles has signed double taxation treaties with South Africa, China, Indonesia, Thailand, Zimbabwe, and Oman. Double taxation treaties have been negotiated, but not yet signed, with Russia, Vietnam, Malaysia, Egypt, and Botswana. Talks are underway with other countries, including Tunisia, Cyprus, Mauritius, Burundi, and the Czech Republic.
- Although, foreign investment in luxury hotels continued to increase, Cosproh, the hotel parastatal, retains ownership of a number of hotels and plans to open a new resort on Cerf Island. In late 2003, Seychelles won awards at the World Travel Market in London.
- A $10-million recent investment to create new ponds in Coetivy Island has contributed to an increase in prawn production. Investment has totaled $30 to $40 million since the farm was established in 1994.
- Indian Ocean Tuna is expected to invest in storage facilities over the next few years in an effort to smooth seasonal supply shortages and to increase production.
- Seychelles Petroleum Corporation (oil trading), Seychelles Marketing Board (agriculture), and the Island Development Corporation await privatization.

SIERRA LEONE

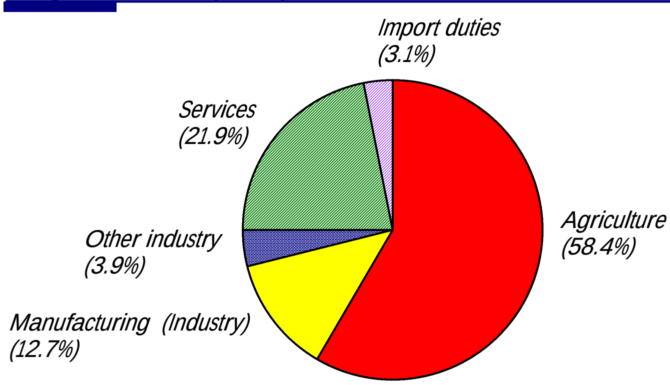


Economic Overview

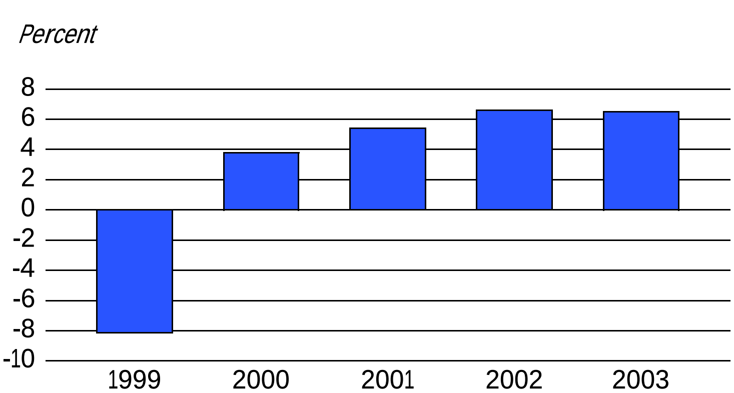
Economic Indicators

	2002	2003	Difference
GDP (nominal, Le bn)	1,491.2	1,707.4	216.2
GDP (US$ mn)	710.4	727.2	16.8
CPI Inflation (annual average, %)	-3.2	8.0	11.2
Goods Exports (US$ mn)	48.5	60.2	11.7
Goods Imports (US$ mn)	264.3	284.5	20.2
Trade Balance (US$ mn)	-215.8	-224.3	-8.5
Current Account Balance (US$ mn)	-142.0	-153.2	-11.2
Foreign Exchange Reserves (US$ mn)	84.7	64.4	-20.3
Total External Debt (US$ mn)	n/a	n/a	n/a
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (Le/US$)	2,099.0	2,347.9	248.9

Origins of GDP (1999)



Real GDP Growth Rate



Economic Update

- Mining and agriculture are the leading components of the economy. More than 65 percent of the population depends on agriculture for its livelihood.
- Transportation infrastructure is inadequate. Roads are dilapidated, the airport and ports require repairs, and there is no railway network.
- The Truth and Reconciliation Commission was launched in April 2003 with the goal of contributing to the development of political stability.
- The 2004 budget highlights security, the social sector, and the procurement of goods and services as key areas. To increase revenue, the government intends to increase staff levels at the National Revenue Authority, re-establish border posts, introduce more efficient guidelines, and accelerate the taxing and clearing of imported goods. To spur economic growth, the government will focus on developing the private sector, improving the agricultural sector, reviving the mining industry, improving infrastructure, and building human capital.
- Sierra Leone began participation in the HIPC initiative in March 2002. The money saved in debt service has been directed to expenditures on education, healthcare, and rural development, under the requirements of the government's interim PRSP. In June 2003, the EU announced that it pledged $257 million to Sierra Leone over 5 years, in support of the government's PRSP. In early 2004, the IMF approved a $22-million loan as an advance under the HIPC initiative.
- In May 2003, the World Bank approved a $30-million loan as part of the Economic Rehabilitation and Recovery Credit. These funds complement loans from the AfDB, the UK's Department for International Development, the EU, and the IMF. They are to be used to consolidate progress made in governance, to support the institutional and policy reform agenda, and to fund the import of essential commodities.
- China committed $266 million in mid-2004 to reconstruct the ocean-front Lumlea Beach area near Freetown. The construction project is expected to create thousands of jobs and boost tourism to the country.
- The United States provided $272 million in 2003 to help Sierra Leone's recovery and reconstruction. Funds were used for school and hospital construction, police training, humanitarian assistance, economic development projects, UN peacekeeping operations, and debt relief. In April 2003, the United States signed a debt-forgiveness agreement with Sierra Leone covering payments owed between October 1, 2001 and September 30, 2004, on obligations contracted prior to June 20, 1999.

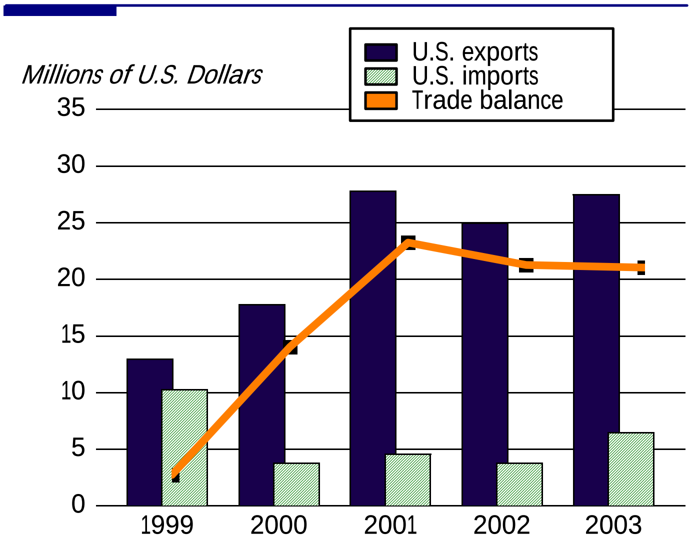
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Belgium	42.0	Germany	25.0
Germany	28.2	United Kingdom	10.9
United Kingdom	3.7	Netherlands	7.5
Italy	2.9	United States	5.7

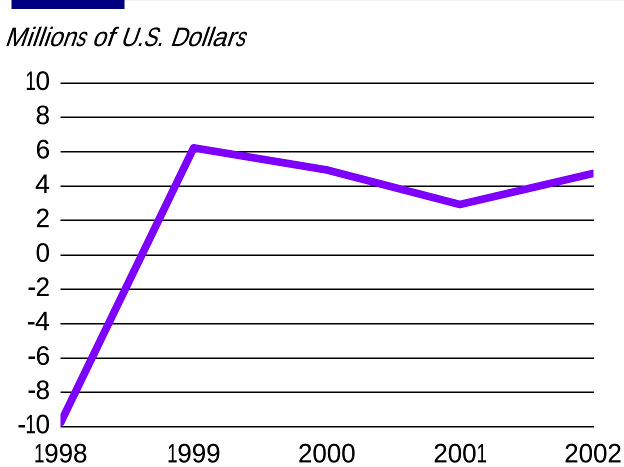
Main Trade Commodities, US$ millions, 2001

Exports		*Imports*	
Diamonds	26.3	Food	51.9
Others	2.9	Fuel & lubricants	43.3
		Machinery & transport equipment	37.2
		Manufactured goods	21.5

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- The government has been cooperating with the World Bank to end diamond smuggling. It will attempt to enforce existing diamond mining and trading legislation and increase transparency in the sector. Additionally, it will participate in the Kimberley Process, which is expected to decrease smuggling by mandating diamond authentication.
- Bangladesh has expressed interest in investing in the textile and pharmaceutical industries to produce for export.
- In 2003, U.S. exports to Sierra Leone consisted primarily of electrical machinery and equipment, machinery and mechanical appliances, and cereals. U.S. imports from Sierra Leone consisted primarily of precious or semiprecious stones or metals, apparel, and machinery and mechanical appliances. In 2003 and 2004, Sierra Leone was designated an AGOA beneficiary country, including qualifying for apparel benefits in 2004. AGOA (including GSP) imports from Sierra Leone totaled $75,000 in 2003.

Investment and Privatization Update

- There is evidence of petroleum and gas reserves off the shores of Bonthe and Sulima. In July 2003, the government announced that three oil companies, Respol (Spain), Oranto Petroleum (Nigeria), and 8Investments (U.S.), submitted bids to explore for oil in coastal waters. The government expects exploratory drilling to begin in 2005.
- In mid-2004, the World Bank announced efforts to harmonize and codify mining law in willing countries, including Sierra Leone. This streamlining process is expected to encourage investment in the mining sector.
- In March 2003, OPIC announced that it would provide $25 million as an investment guarantee to allow Sierra Rutile (U.S.) to engage in mining operations in Mobimbi.
- In July 2003, DiamondWorks (Canada) agreed to partner with Magma Diamond Resources (Canada) and invest $14.5 million to reestablish mining operations at the Koidu kimberlite project. Drilling began in August 2003.
- In early 2004, Datatel GSM, a joint venture between Gateway Communications (South Africa) and a Sierra Leone operator, was awarded a GSM wireless license. The company expects to construct a wireless network that will offer mobile, fixed wireless, and data services.
- In late 2002, the government announced that it intended to privatize 24 state-owned enterprises. The government plans to divest those through the stock market, which has not yet been created. The firms to be privatized include the Guma Valley Water Company, National Development Bank, the National Power Authority, Sierra Leone Airports' Authority, the Sierra Leone Commercial Bank, Sierra Leone Forest Industries, the Sierra Leone Ports' Authority, the Sierra Leone Road Transport Corporation, and the Sierra Leone State Lottery.

SOMALIA

Economic Overview

Economic Indicators

Data not available

Origins of GDP

Data not available

Real GDP Growth Rate

Data not available

Economic Update

- Commerce and trade are hindered by factionalization and the use of multiple currencies.
- In 2003, agreement was reached on a 351-member Federal Transitional Parliament and a Transitional National Charter; the Somali National Salvation Council subsequently signed an accord in January 2004 to reduce the number of seats to 275. Somaliland has refused to partake in any of these negotiations. Creation of the Federal Transitional Parliament may lead to increased stability and security in the country and facilitate economic development.
- In January 2004, the World Bank, the UNDP, and several other UN agencies launched a series of projects to collect data on Somalia. These data are expected to provide information about the economy and trade, and will serve as an important part of the economic policy development process. Somalia's current data and statistics are unreliable.
- Livestock and agriculture are key components of the economy. Cattle husbandry is the main source of food and foreign-exchange earnings. Droughts in early 2004 contributed to livestock deaths, loss of normal income sources through milk and meat sales, price increases for water trucking, increased indebtedness, and limited access to food.
- In April 2003, the World Bank announced that it was resuming operations in Somalia, through its Low-Income Countries Under Stress initiative. World Bank operations in Somalia were suspended in 1990.

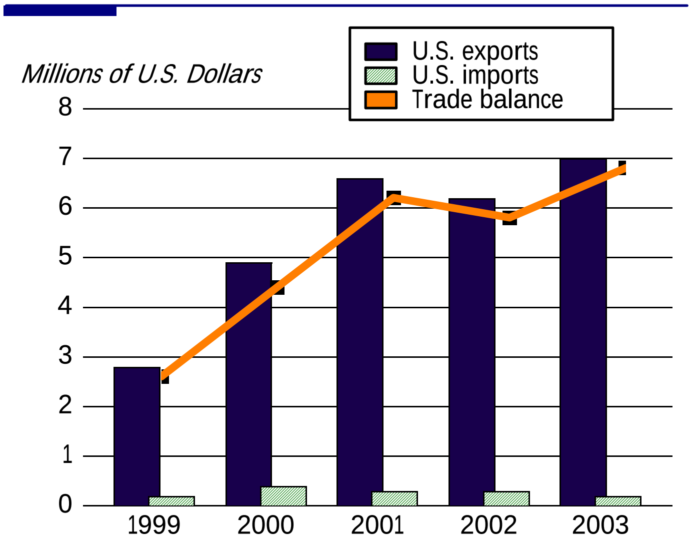
Main Trade Partners, percent of total, 2001

Markets		*Sources*	
Saudi Arabia	32.0	Djibouti	28.0
United Arab Emirates	32.0	Kenya	13.0
Yemen	17.0	India	10.0
Thailand	2.0	Brazil	6.0

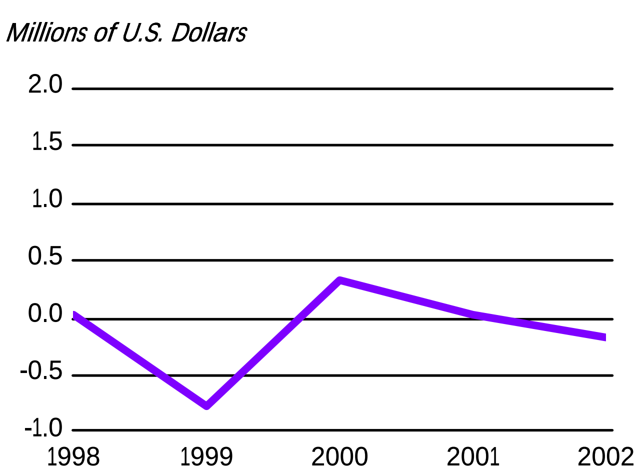
Main Trade Commodities, US$ millions, 1990

Exports		*Imports*	
Livestock	43.0	Manufactures	204.0
Bananas	28.0	Nonfuel primary products	104.0
Hides & skins	3.0	Fuels	52.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- In February 2003, the European Commission approved funding to rehabilitate Somaliland's core road network.
- Saudi Arabia maintains a ban on livestock imports from Somalia, which was originally imposed in 1998. By late 2003, however, the other Gulf States lifted a similar ban. Livestock was an important earner of export revenue for Somalia before the ban, and exports of livestock are expected to grow as a result of reinstated market access to most of the Gulf States.
- Somaliland's planning minister has been exploring the possibility of exporting livestock to Ethiopia.
- In 2003, U.S. exports to Somalia consisted primarily of milling industry products, vegetables, and organic chemicals. U.S. imports from Somalia consisted primarily of essential oils and resinoids; lac, gums, and resins; and animal or vegetable fats or oils.

Investment and Privatization Update

- In September 2003, Somaliland placed an order with a U.S.-based company to install a GSM network. This telecommunications system will connect the region under one network operator.
- Rovagold (UK) and two Chinese firms were given permission to explore possible petroleum reserves off the coast of Somaliland.
- In April 2003, discussions began to establish a Somali Livestock Board that would regulate the industry. A hygiene-conscious slaughterhouse opened in Burao in 2003.
- In mid-2004, construction began on a veterinary school, with funds of $2 million pledged by Italy.

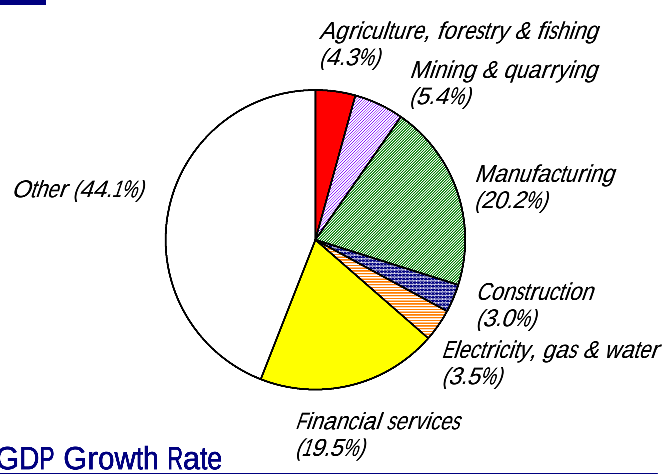
SOUTH AFRICA

Economic Overview

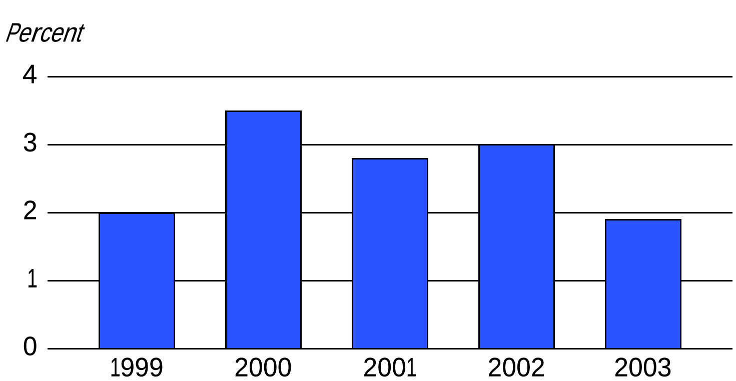
Economic Indicators

	2002	2003	Difference
GDP (nominal, R bn)	1,098.7	1,185.9	87.2
GDP (US$ bn)	104.5	156.9	52.4
CPI Inflation (annual average, %)	9.2	5.9	-3.3
Goods Exports (US$ mn)	31,085.0	36,773.4	5,688.4
Goods Imports (US$ mn)	26,712.0	33,901.3	7,189.3
Trade Balance (US$ mn)	4,373.0	2,872.1	-1,500.9
Current Account Balance (US$ mn)	289.0	-1,267.0	-1,556.0
Foreign Exchange Reserves (US$ mn)	5,904.0	6,496.0	592.0
Total External Debt (US$ bn)	24.4	25.9	1.5
Debt Service Ratio, paid (%)	10.1	8.5	-1.6
Exchange Rate (R/US$)	10.5	7.6	-3.0

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- South Africa is probably the most economically diverse country in SSA. Gold, diamonds, iron, platinum-group metals, and coal are important to the economy. Manufacturing accounts for approximately 20 percent of GDP and is the largest employer, but companies have faced challenges since the opening of the economy to global competition.
- The role of the agriculture, forestry, and fishing sector in the economy has been shrinking; it represents approximately 5 percent of GDP. Maize is a key crop and the staple food for many rural residents. Recent discussions have included the possibility of reintroducing price controls in the agricultural sector.
- The energy sector accounts for 15 percent of GDP and employs 250,000 people. In late 2003, the Minister of Minerals and Energy announced that the government will restructure the electricity sector to improve access for the poor.
- South Africa has a well-developed transportation infrastructure network. Sizeable and efficient ports, an extensive road network, and air links encourage both domestic and foreign trade.
- Investment in the tourism sector has been growing, with arrivals up 1.2 percent in 2003 according to the World Tourism Organization. South Africa was one of a few destinations to experience positive growth in 2003. The South African Tourism Board indicated that the growth took place in all its primary tourism markets. The opening of Civair, a new airline, in late 2004, is expected to increase tourism. A consortium led by International Financial Advisors (Kuwait) has purchased a 50-percent stake in the Zimbali Coastal Resort and plans to invest $100 million over the next 10 years. South Africa is cooperating with Mozambique and Swaziland to encourage tourist accessibility of the Lubombo Mountain Range, which the three countries share. Additionally, South Africa's government offers low-income loans and grants to communities that plan sustainable tourism projects.
- The Broad-Based Black Empowerment (BEE) bill went into effect in early 2004. The law aims to redistribute capital toward traditionally disadvantaged groups and to accelerate skill acquisition by these same groups. The finance minister has also allocated 10 billion rand (approximately $1.3 billion) to finance black-owned companies.
- A December 2003 budget policy statement increased spending on HIV / AIDS-related initiatives, labor-based infrastructure, crime reduction, and employment generation. The government has expressed plans to increase spending on social welfare projects and infrastructure, rather than implementing tax cuts.

Economic Update—Cont.

- The Johannesburg Stock Exchange plans to open the first alternative exchange that would allow for the listing of small and medium companies. Companies would be required to have a share capital of approximately $256,140. Participation requires disclosure of company information.
- In late 2003, the South African arm of GlaxoSmithKline agreed to allow a second manufacturer to produce generic versions of its antiretroviral AIDS medications. It also indicated that it would accept applications from other firms to produce the generic version.
- The Addo Elephant Park is expected to receive $5.5 million from the World Bank in 2004, bringing total investment up to $40 million. The park has an area of 145,000 hectares and is expected to grow by another 236,000 hectares. The government has made an effort to increase the number of terrestrial and marine protected areas.
- The United States Secret Service donated 2.5 million rand (approximately $331,000) worth of electronic equipment to South African law enforcement to help crime fighting efforts. The Secret Service has also agreed to provide training in interviewing skills and report writing. This aid is expected to reduce financial crime in South Africa.

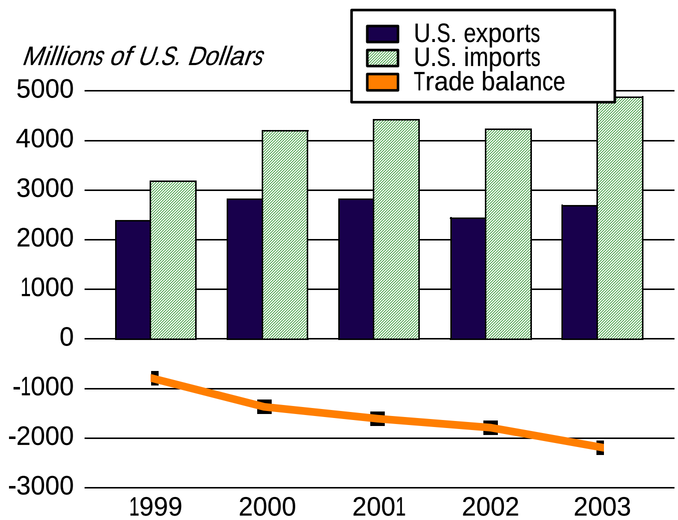
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United States	11.8	Germany	15.6
United Kingdom	11.3	United States	11.7
Germany	8.6	United Kingdom	8.9
Japan	6.8	Japan	6.1

Main Trade Commodities, US$ millions, 1997

Exports		*Imports*	
Metals & metal products	6.3	Machinery & appliances	8.9
Gold	5.6	Mineral products	3.7
Diamonds	2.9	Chemicals	3.4
Machinery & transport equipment	2.6	Transport & equipment	1.7

U.S. Trade Balance

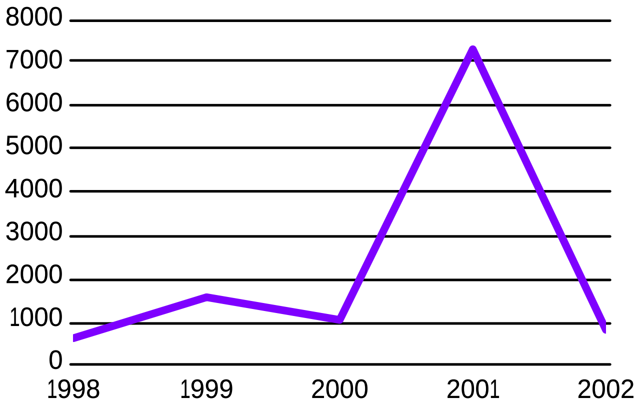


Trade Update

- Trade accounts for more than 50 percent of South Africa's GDP. South Africa is moving towards a WTO-compliant system after its history of import substitution policies. South Africa has committed to a maximum tariff of 15 to 30 percent for most items and is halving average tariffs on textiles. Import permits are currently used primarily to collect information, rather than restrict trade.
- Mining is an important foreign-exchange earner, with gold accounting for over one-third of all exports. South Africa holds 80 percent of the world's reserves of manganese, 56 percent of platinum-group metals, 35 percent of the world's gold, and 68 percent of the world's reserves of chromium. The Mineral and Petroleum Resources Development Act of 2002 transferred ownership of the country's mineral resources to the state.
- The Airports Company of South Africa may delay the construction of the $305.6-million King Shaka International Airport. Construction of the airport is expected to aid the industrial development zone and encourage trade. The airport is due to be operational by 2006.
- In March 2004, South Africa signed a pact with India and Brazil to boost trade, aimed at countering the industrialized countries and promoting policies beneficial to developing countries.
- The motor vehicle sector has become an important export sector. There are plans to improve the South African ports to facilitate increased automotive exports.
- An early-2004 tax change law may encourage South African corporations to repatriate profits earned offshore. The law exempts companies holding more than 25 percent of the total equity share capital of a foreign company from taxes on dividends declared by those entities. South Africa is also expected to contribute to international efforts to discourage foreign tax havens.
- In 2003, U.S. exports to South Africa consisted primarily of machinery and mechanical appliances, vehicles and parts thereof, and aircraft and parts thereof. U.S. imports from South Africa consisted primarily of precious or semiprecious stones or metals, vehicles and parts thereof, and iron and steel. In 2003 and 2004, South Africa was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from South Africa totaled $1.7 billion in 2003.

Net Foreign Direct Investment

Millions of U.S. Dollars



Investment and Privatization Update

- The EU accounts for 90 percent of FDI in South Africa. The government has used industrial development zones as a mechanism for attracting FDI. FDI currently accounts for less than 6 percent of total investment.
- In April 2003, the government selected Sasol to supply gas to Gauteng, Witbank, Middleburg, and KwaZulu-Natal for 25 years under a government-controlled pricing regime. Construction of a pipeline from Mozambique is underway and is expected to be operational in 2004. Forest Oil announced plans to drill appraisal wells, a $30-million project, in the Ibhusbesi gasfield. Petro SA, a domestic oil company, has plans to build a west coast pipeline, which should allow Forest Oil to more efficiently reach consumers. The cost of the pipeline, processing plant, and associated infrastructure is $1.2 billion.
- Avmin Alloys began construction of a $17.5-million Allavoy facility in early 2004 that will provide high-performance alloys for the Rolls-Royce aerospace division.
- JP Morgan Chase (U.S.) is expected to purchase Tasc, South Africa's largest third-party fund administrator. The purchase would give JP Morgan Chase $48.5 billion worth of assets and an opportunity to expand its local investor services.
- Aquarius Platinum (Australia) is cooperating with GB Mining & Exploration and Sylvania South Africa to establish a $4.0-million chromite tailings project at the Kroondal mine. In its first year, the project is expected to yield more than 20,000 ounces of platinum-group metals. Construction was expected to begin in March 2004 and production is expected to begin in October 2004.
- In late 2003, Mvelaphanda Resources secured $659 million to finance its 15-percent stake in Gold Fields. In early 2004, Norilsk Nickel (Russia) purchased a 20-percent stake in Gold Fields at $1.16 billion, to become Gold Fields' largest share holder. Norilsk is the world's largest producer of nickel and palladium.
- In early 2004, General Motors (GM) (U.S.) purchased the 50 percent of Delta Motor Corporation, South Africa's fourth-largest motor vehicle manufacturer, that it did not already own. GM is expected to invest $218.2 million in the country over the next few years to promote exports and to increase market share.
- Restructuring of the Transnet group, which consists of rail, roads, ports, and air interests, and full privatization of port operations was expected to be completed by the end of 2004. In May 2003, Duran's container terminal was to be the first of 13 terminals in 7 commercial ports to be sold to the private sector. By May 2004, the government announced that privatization plans would be delayed indefinitely. The government also indicated that privatization of Eskom, an electricity parastatal that was undergoing restructuring, would be delayed. The slow privatization process has also contributed to low privatization revenue and decreased investment potential.
- Firms still awaiting privatization are Sentech (commercial signal distributor), MTN (cell phone operator), Telkom (network operator), Mintek (mining and minerals), Durban (a container terminal), and Old Mutual (network operator).

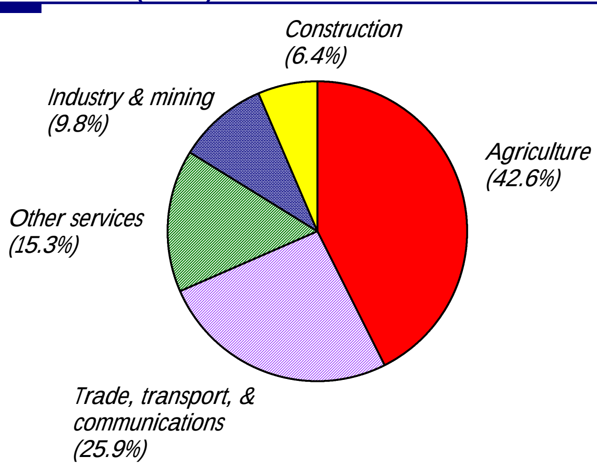
SUDAN

Economic Overview

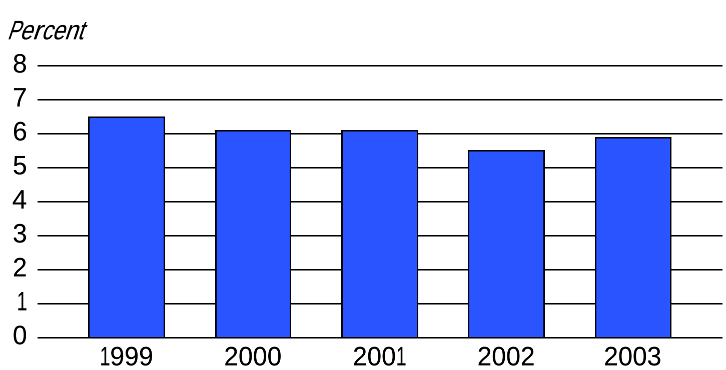
Economic Indicators

	2002	2003	Difference
GDP (nominal, SD bn)	3,559.2	4,130.3	571.1
GDP (US$ bn)	13.5	15.8	2.3
CPI Inflation (annual average, %)	8.4	8.8	0.4
Goods Exports (US$ mn)	1,949.1	2,449.9	500.8
Goods Imports (US$ mn)	2,152.8	2,382.6	229.8
Trade Balance (US$ mn)	-203.7	67.3	271.0
Current Account Balance (US$ mn)	-960.4	-560.5	399.9
Foreign Exchange Reserves (US$ mn)	440.7	736.0	295.3
Total External Debt (US$ bn)	15.8	16.1	0.3
Debt Service Ratio, paid (%)	1.9	1.7	-0.2
Exchange Rate (SD/US$)	263.3	261.1	-2.2

Origins of GDP (1999)



Real GDP Growth Rate



Economic Update

- Agriculture is the most important sector of the economy, employing two-thirds of the population. Consequently, the economy is vulnerable to climatic conditions. Moreover, inadequate transportation facilities leave some regions with food shortages, even as others have surpluses.
- The Al-Gezira program allows for more than 100,000 tenant farmers to cooperate with the Sudan Gezira Board, which provides administration, credit, and marketing services. The Al-Gezira scheme is the world's largest irrigated agricultural scheme under single management.
- Economic development and data acquisition are hindered by a history of social unrest. Negotiations between Khartoum and the Sudan People's Liberation Army are underway, with the United States facilitating the process. Civil unrest continues in the western part of the country. The peace plan provides for the northern and southern regions to share petroleum revenues.
- Sudan's road infrastructure is inadequate, with many of the roads unpaved. The Islamic Development Bank, the Arab Monetary Fund, and other Arab development organizations have provided funding for the construction of asphalt roads. In 2002, the Kuwait Fund agreed to provide $110 million for a road linking Port Sudan to Atbara, but construction has not yet begun.
- The EU provided $14.5 million to support the African Union peacekeeping mission in Darfur, the western part of the country.

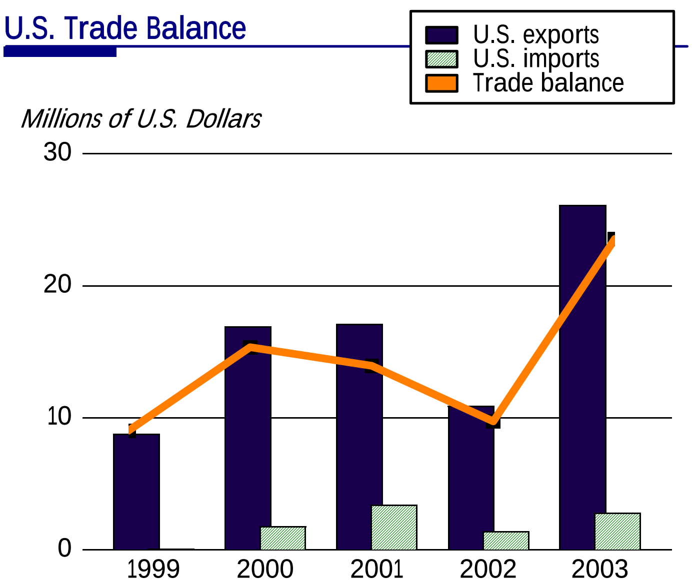
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
China	54.5	China	20.6
Japan	13.9	Saudi Arabia	7.2
Saudi Arabia	5.4	India	5.7
South Korea	3.8	United Kingdom	5.6

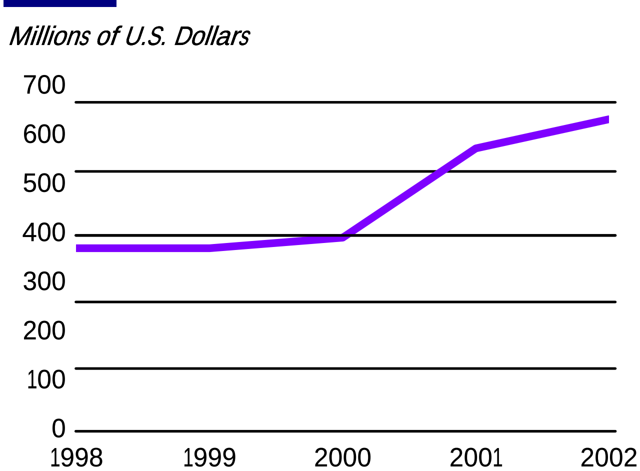
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Crude oil	1,510.9	Machinery & equipment	620.8
Livestock	117.0	Manufactured goods	555.0
Sesame	74.6	Transport equipment	255.8
Cotton	62.2	Wheat & wheat flour	221.3

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- A $1.5-billion railroad linking Port Sudan to Addis Ababa, Ethiopia,was proposed in late 2000. Funding for the project has not yet become available. The railway would facilitate trade between the two countries.
- Livestock is the fastest growing sector and became the leading nonpetroleum generator of export revenues in 2002. Petroleum generated over 80 percent of export revenue in 2003, but cotton and sesame remain important export commodities.
- Increasing petroleum production capacity and high prices in late 2003 contributed to a rise in petroleum export revenues.
- In 2003, U.S. exports to Sudan consisted primarily of cereals, animal or vegetable fats and oils, and vegetables. U.S. imports from Sudan consisted primarily of lac, gums, and resins; articles of iron or steel; and tools, implements, cutlery, and parts of base metal.

Investment and Privatization Update

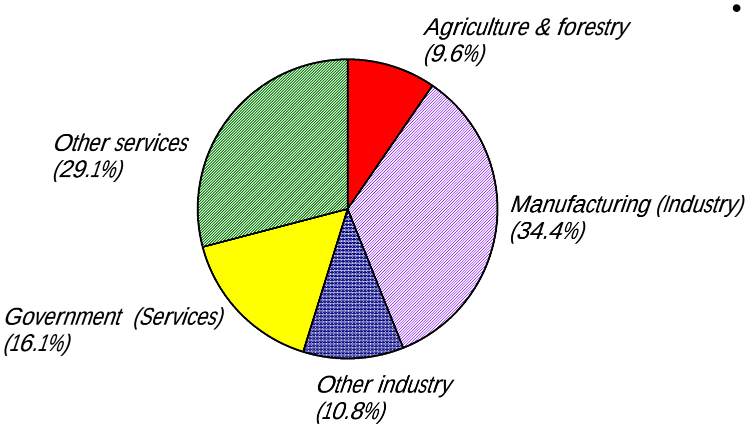
- Harbin Power Engineering Company (China) has invested in a gas-fired power station north of Khartoum. Although the project was due to be completed by the end of 2003, it was not yet operating in early 2004. Dar Ikhtisas (Malaysia) has plans to fund a separate diesel power station that is scheduled to be operational in 2004.
- In January 2004, several Gulf Arab development funds signed agreements to provide $600 million for the construction of a hydroelectric plant at Merowe. The plant would double Sudan's power generation capacity. Work started in 2004 and the first unit is expected to be operational in July 2007.
- In August 2003, the China National Petroleum Corporation won a contract to upgrade the Al-Jeili refinery, doubling its output capacity. The refinery has been operational since 2000.
- In 2002, the Sudan Telecommunications Company (Sudatel) sold shares worth $300 million. The funds have been used to support development, including the installation of a fiber-optic network and the expansion of more services to rural areas. Sudatel is cooperating with Thuraya Satellite Telecommunications Company (UAE) to form a new company, Thuraya-Sudatel, which will provide services for Thuraya in Sudan. Initial capital in the new venture has been set at $2.5 million.
- The government has committed itself to privatizing state-owned enterprises. The Privatization of State Corporations Act in 1992 earmarked 190 public corporations for sale, but by 1995, only 17 had been sold. Most sales have been of small firms, including the divestment of the Atbara cement factory in late 2001 and the privatization of the Sudan Duty-Free Zone Company and the Bridges and Road Corporation in late 2002. The government has listed the Sudan Railway Corporation as one of the assets it wishes to privatize in the coming years.

SWAZILAND

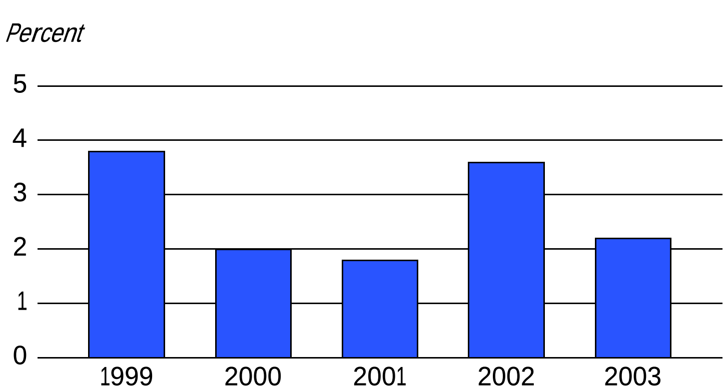
Economic Overview

Economic Indicators	2002	2003	Difference
GDP (nominal, E mn)	12,287.0	13,474.0	1,187.0
GDP (US$ bn)	1.2	1.8	0.6
CPI Inflation (annual average, %)	11.8	7.4	-4.4
Goods Exports (US$ mn)	955.0	900.0	-55.0
Goods Imports (US$ mn)	1,034.0	1,080.0	46.0
Trade Balance (US$ mn)	-79.0	-180.0	-101.0
Current Account Balance (US$ mn)	-46.0	-78.0	-32.0
Foreign Exchange Reserves (US$ mn)	276.0	278.0	2.0
Total External Debt (US$ mn)	315.0	320.0	5.0
Debt Service Ratio, paid (%)	2.9	3.1	0.2
Exchange Rate (E/US$)	10.5	7.6	-2.9

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- Swaziland's economy relies primarily on agriculture and agro-industry, particularly sugar, citrus, and wood pulp. Soft-drink concentrates, food products, textiles, and paper products represent potential growth sectors.
- The government is considering a Competition Bill, which would control anti-competitive trade practices, protect consumer welfare, and promote economic growth. The bill, if passed, will establish a Competition Commission.
- In April 2004, the Swaziland Senate passed the Industrial Relations Act, which removed clauses in earlier editions criminalizing union activity. The new act is designed to honor trade treaty obligations and to provide protection for workers' rights.
- The government is considering changes to labor legislation that would provide for the Conciliation, Mediation, and Arbitration Commission, which is expected to streamline and shorten the labor arbitration process.
- Garment and textile workers began to strike in early 2004, demanding salary increases of up to 20 percent. The industry employs more than 30,000 people in Swaziland.
- In November 2003, the IMF published preliminary findings of its 2003 Article IV Consultation. The IMF advised Swaziland to adopt a fiscal policy that ensures macroeconomic stability, to maintain the currency's peg to the rand, to reform the Swaziland Development and Savings Bank, to develop strategies to deal with HIV / AIDS, to increase food security, and to improve governance.

SWAZILAND

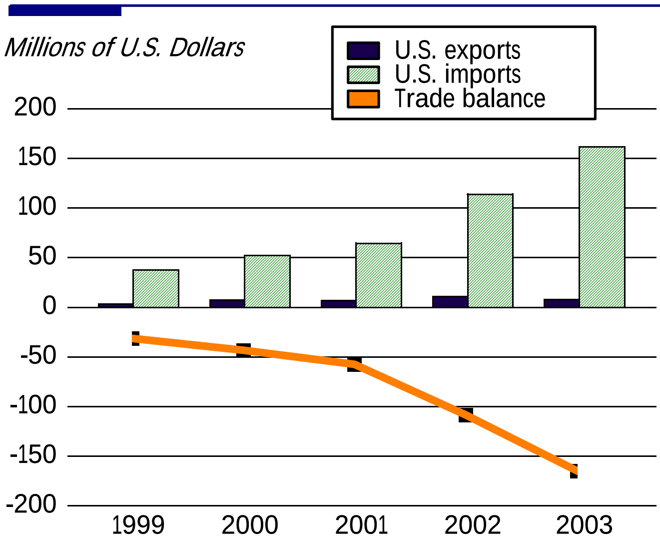
Main Trade Partners, percent of total, 2000

Markets		*Sources*	
South Africa	57.9	South Africa	95.6
United States	8.8	European Union	0.9
European Union	8.0	Japan	0.9
Mozambique	6.2	Singapore	0.3

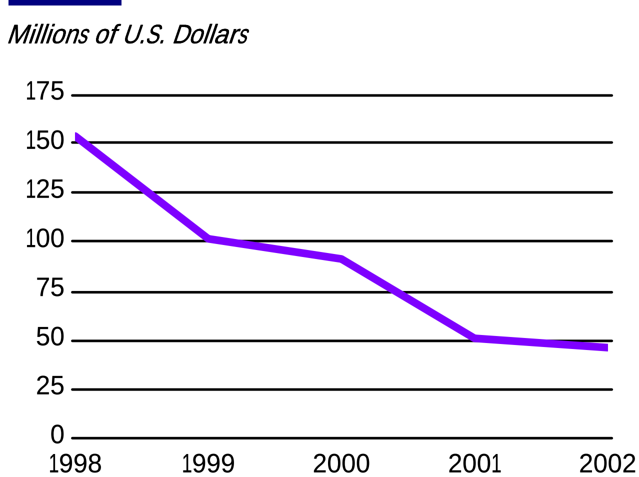
Main Trade Commodities, US$ millions

Exports (2002)		*Imports (2001)*	
Miscellaneous edibles	400.0	Machinery & transport equipment	282.0
Textiles	149.0	Manufactured goods	251.0
Wood pulp	76.0	Food & live animals	168.0
Sugar	56.0	Chemicals	144.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- In August 2003, the governor of the Central Bank of Swaziland announced that manufacturing sector activity had increased because of export opportunities under the AGOA program.
- The government began construction of a new airport in late 2003, with hopes that it would boost tourism to Swaziland. The Swaziland aviation industry has registered losses for the past 30 years.
- In 2003, U.S. exports to Swaziland consisted primarily of machinery and mechanical appliances, essential oils and resinoids, and optical or measuring equipment and parts thereof. U.S. imports from Swaziland consisted primarily of apparel, sugars and sugar confectionery, and iron and steel. In 2003 and 2004, Swaziland was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Swaziland totaled $134.0 million in 2003.

Investment and Privatization Update

- The Central Bank of Swaziland announced in August 2003 that it supports the efforts of the Swaziland Investment Promotion Authority to attract foreign investment. In particular, the Bank called for timely action on threats to preferential market access under the GSP and AGOA programs.
- The Swaziland Electricity Board has received a $9.3-million loan from the European Investment Bank to construct a hydroelectric power station at the Maguga dam. The total cost of the project is estimated at $23.6 million.
- In the FY 2003-04 budget, the government commissioned a study to examine the process of parastatal privatization.

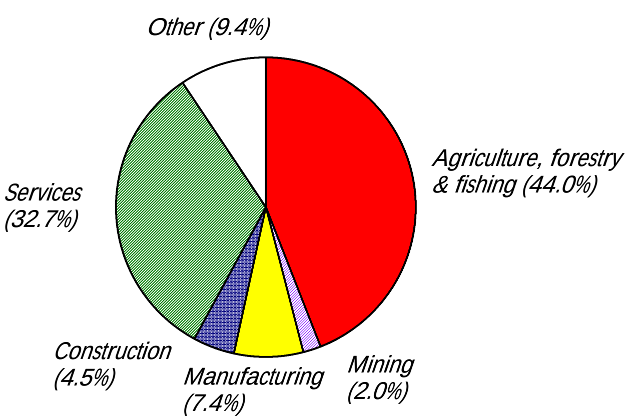
TANZANIA

Economic Overview

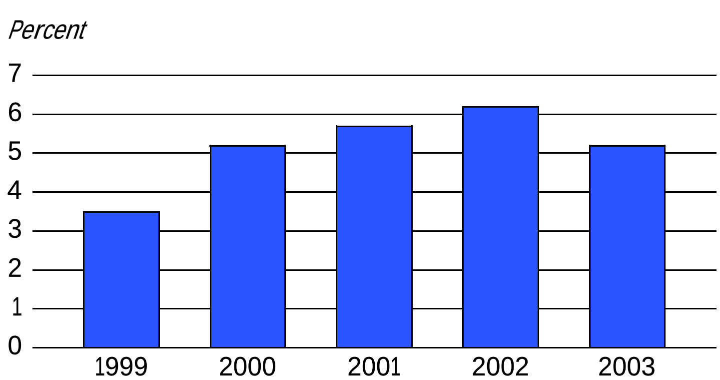
Economic Indicators

	2002	2003	Difference
GDP (nominal, TSh bn)	9,071.8	9,978.2	906.4
GDP (US$ bn)	9.4	9.6	0.2
CPI Inflation (annual average, %)	4.6	4.4	-0.2
Goods Exports (US$ mn)	902.5	978.0	75.5
Goods Imports (US$ mn)	1,511.3	1,673.7	162.4
Trade Balance (US$ mn)	-608.8	-695.7	-86.9
Current Account Balance (US$ mn)	-251.3	-502.9	-251.6
Foreign Exchange Reserves (US$ mn)	1,528.8	2,100.0	571.2
Total External Debt (US$ bn)	6.5	6.5	0.0
Debt Service Ratio, paid (%)	7.9	6.6	-1.3
Exchange Rate (TSh/US$)	966.6	1,038.2	71.6

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Agriculture is an important part of the economy, and employs two-thirds of the labor force. Because reliance on subsistence farming makes the economy vulnerable to price fluctuations and climatic conditions, the government has taken steps to reduce the impact of external shocks by fostering diversification. Mining is a growing sector of the economy, as are the hotel and tourism sectors. Tanzania is eastern Africa's leading tourism destination.
- The government plans to reform the agricultural sector to improve the role of government in managing the framework in which the sector operates; improve the delivery of support services; boost investment in the sector; and reform the agricultural marketing system, the legal framework, the land tenure system, and agriculture-related taxation.
- In June 2003, the government agreed to a new PRGF. This stage of reforms will include the implementation of agricultural and rural development strategies, improvement of local government structures, increased spending on social services, reform of the civil service, and continued privatization of infrastructure. In July 2003, the IMF approved a disbursement of $21 million, and in early 2004, approved a $4.2-million loan to support the PRGF.
- In early 2004, the World Bank agreed to provide $9.47 million to repair and upgrade the runway at Zanzibar airport.
- In mid-2004, the World Bank announced efforts to harmonize and codify mining law in willing countries, including Tanzania. This streamlining process is expected to encourage investment in the mining sector.
- In mid-2004, the World Bank approved $150 million in International Development Association financing to promote secondary education in Tanzania. The funds will rehabilitate and construct classrooms and schools, provide water and sanitary facilities in new and existing schools, and expand public schools to rural and poor areas.
- In November 2003, the EU agreed to provide $125 million to support basic education, to improve primary healthcare, to improve rural roads, to provide cleaner water, to support the campaign against HIV / AIDS, to support agriculture, and to improve the judiciary system.

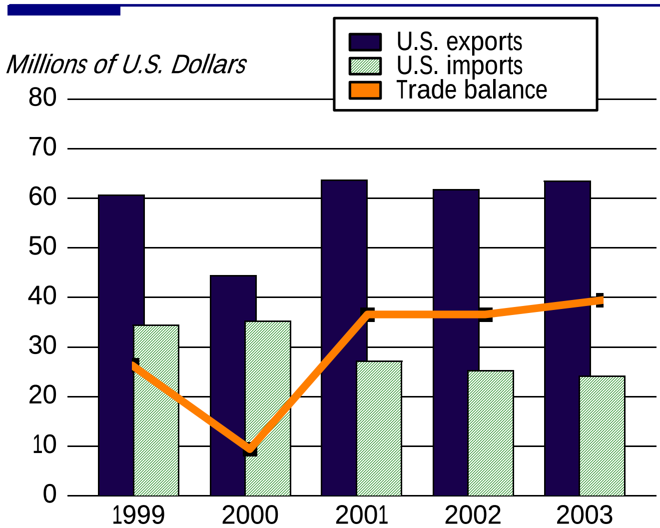
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
United Kingdom	17.9	South Africa	11.4
France	16.8	Japan	8.3
India	7.1	Kenya	6.7
Netherlands	6.0	India	6.4

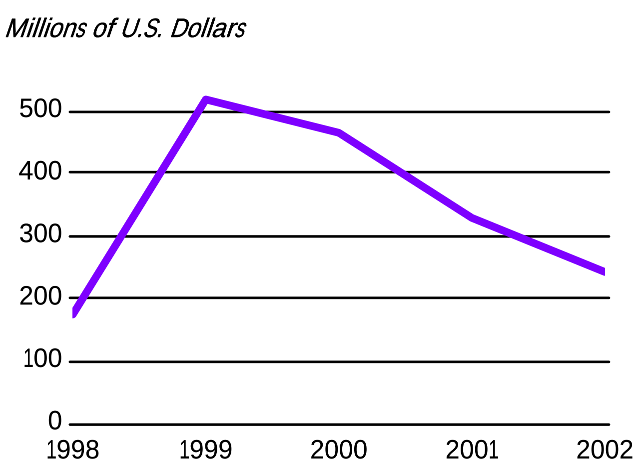
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Gold	383.0	Consumer goods	369.0
Cashew nuts	47.0	Machinery	368.0
Coffee	35.0	Industrial raw materials	208.0
Tea	30.0	Petroleum products	196.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- A decline in world prices for coffee and cotton have lowered export revenues in recent years. Increased exports of cashew nuts and tobacco have only partly offset the effects of diminishing coffee and cotton revenue.
- In early 2004, the government passed the Anti-Dumping and Countervailing Measures Act, partly as a result of pressure from the textile and apparel industry to find a way to limit the ability of traders to import and sell second-hand clothes.
- The government plans to upgrade the Mwanza airport by extending the runway so that large aircraft can land. The airport is well placed to serve the Lake Victoria region and its improvement could boost fishing industry exports.
- In March 2004, the government decided to lift the ban on exports of sea fish and fish products sourced from its Indian Ocean waters. Licenses have been granted to 20 marine fishing vessels that are now permitted to export prawns, crabs, and lobsters.
- In 2003, U.S. exports to Tanzania consisted primarily of used clothing or textiles, machinery and mechanical appliances, and aircraft and parts thereof. U.S. imports from Tanzania consisted primarily of precious or semiprecious stones or metals; fish, crustaceans, and molluscs; and coffee, tea, mate, and spices. In 2003 and 2004, Tanzania was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Tanzania totaled $1.6 million in 2003.

Investment and Privatization Update

- There are proven reserves of natural gas in the Songo Songo field and work on a pipeline is underway. Gas from Songo Songo is expected to be usable for electricity production by 2005.
- Goldstream Mibango, a consortium including Goldstream Mining (Australia) and Lonmin (UK), is opening a platinum mine on the eastern shores of Lake Tanganyika. In 2003, the company spent $3.7 million on test drilling. The tests suggest that the area has large platinum deposits. The proposed platinum mine is expected to be open in 2009.
- Lakota Resources (Canada) signed an agreement with Shanta Mining (a local firm owned in part by Sable Gold of Mauritius) to develop a mine. Shanta will pay $245,000 and fund $500,000 worth of exploration over the next 5 years.
- Coeur d'Alene Mines (U.S.), the world's largest primary silver producer, has acquired 10 mineral properties covering 815 square kilometers in Tanzania. It began exploration activities in mid-2004. This exploration represents the company's first African venture.
- Foreign investment is actively courted and a number of state-owned enterprises have been privatized. The government has sold majority stakes in the national telecommunications firm and the national airline. Private investors manage the state electricity and water companies.
- The Parastatal Sector Reform Commission has called for preliminary expressions of interest in the National Microfinance Bank. CDC Actis (UK) and the African American Employee Partnership Corporation (U.S.) have expressed interest. In early 2004, however, parliament voiced opposition to the sale of the bank, and privatization may be delayed.

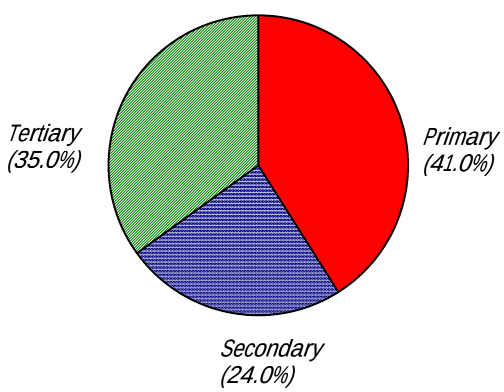
TOGO

Economic Overview

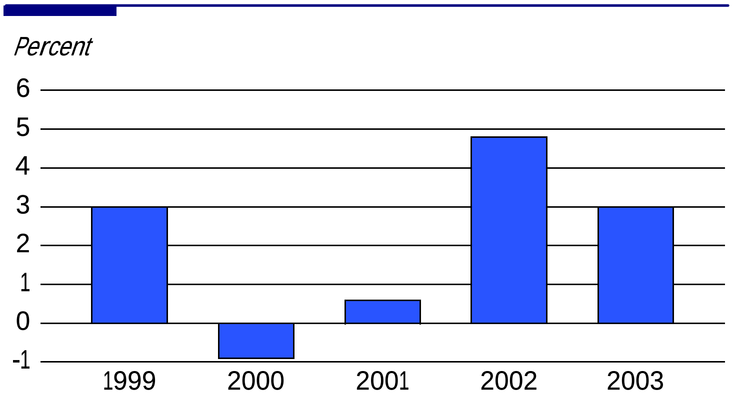
Economic Indicators

	2002	2003	Difference
GDP (nominal, CFAfr bn)	1,021.0	1,030.0	9.0
GDP (US$ mn)	1,465.0	1,772.0	307.0
CPI Inflation (annual average, %)	3.1	-1.0	-4.1
Goods Exports (US$ mn)	419.0	597.0	178.0
Goods Imports (US$ mn)	590.0	746.0	156.0
Trade Balance (US$ mn)	-171.0	-149.0	22.0
Current Account Balance (US$ mn)	-155.0	-140.0	15.0
Foreign Exchange Reserves (US$ mn)	205.1	257.0	51.9
Total External Debt (US$ mn)	1,491.0	1,548.0	57.0
Debt Service Ratio, paid (%)	n/a	n/a	n/a
Exchange Rate (CFAfr/US$)	697.0	581.2	-115.8

Origins of GDP (2002)



Real GDP Growth Rate



Economic Update

- Togo contains several distinct geographic zones, including a coastal plain, a plateau, a hilly region, and a savannah. These differences, in conjunction with a varying climate, allow for a variety of economic activity. Coffee and cocoa production continued to fall in 2004 because of decreased rainfall and aging plants.
- The manufacturing sector accounts for less than 10 percent of GDP and consists predominantly of small- and medium-size enterprises.
- Main government economic goals include directing public spending towards poverty reduction and meeting IMF guidelines. The government is taking steps to resume external financial support and negotiate a deal with the IMF that may allow for debt relief.
- Togo's road network and railroads, though extensive, require rehabilitation. A World Bank-funded $50-million project was launched in 1997, but funds were suspended in 1998 because of tensions in the relationship with donors. The Islamic Development Bank provided $9.3 million to pave a road in August 2002.
- Donors have provided financing for the re-laying and widening of the main north-south route in Togo. The road is a regional artery and will facilitate traffic from Burkina Faso and northern Ghana. AFD, the French development agency, approved the financing in September 2003. In April 2004, Togo conducted talks with the EU in an attempt to end the freeze on aid and promised to take various steps toward democracy. In June 2004, an EU team arrived in Lome to evaluate the progress on measures taken thus far. The EU fact finding mission found that Togo exhibited good faith toward reform, but did not recommend immediately resuming aid.

TOGO

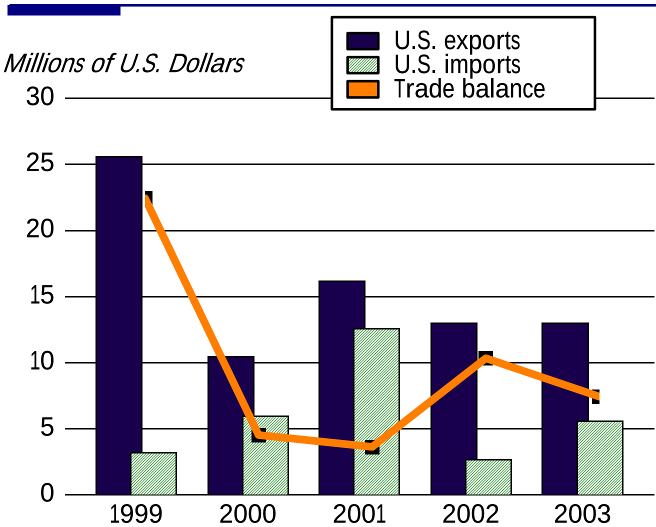
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Ghana	17.7	China (incl Hong Kong)	21.6
Benin	13.3	France	20.3
Burkina Faso	8.2	Netherlands	6.2
Taiwan	6.7	Germany	5.1

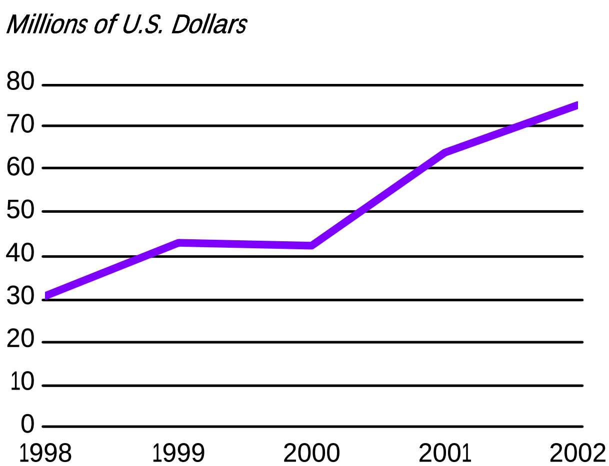
Main Trade Commodities, US$ millions, 2002

Exports		*Imports*	
Re-exports	110.2	Petroleum products	161.1
Cotton	67.0	Capital goods	87.3
Phosphates	42.3	Food	80.2

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Togo is an important transshipment center; roughly 25 percent of its imports are re-exported to Nigeria, Ghana, and Burkina Faso. Traffic through the Lome Port has increased in recent years because of civil unrest in Côte d'Ivoire and an increase in cotton exports from Burkina Faso and Mali. A new container terminal built by Sea Point (U.S.) and a West African private consortium for $100 million is expected to be completed by the end of 2004.
- Below average world cotton prices in mid-2003 reduced Togo's export earnings. Cotton is a significant cash crop and typically accounts for 20-25 percent of export earnings. Increasing cotton prices in late 2003 and early 2004 have boosted cotton production and exports.
- Phosphate production has risen under private management of the International Fertiliser Group Togo (IFG-Togo), but EU restrictions on its import may hinder phosphate exports in the near future. Togo is the world's third-largest producer of phosphate.
- In 2003, U.S. exports to Togo consisted primarily of machinery and mechanical appliances, vehicles and parts thereof, and used clothing or textiles. U.S. imports from Togo consisted primarily of precious or semiprecious stones or metals; live animals; and seeds, grains, and fruit.

Investment and Privatization Update

- When completed, the West Africa Gas Pipeline, traveling from Nigeria to Ghana, is expected to supply gas to Togo for industrial use and gas-fired power stations.
- BIA-Togo was purchased by Bank of Africa in January 2004, giving Bank of Africa a presence in all UEMOA member states.
- The government recently amended the Mining Code to encourage exploration, exploitation, and trade of precious stones and metals, such as gold and diamonds, by private companies.
- The Ibis-Lome Centre hotel opened in early 2004, after renovation by Accor (France) to increase the number of rooms and conference sections. The new hotel is expected to increase tourism.
- The government announced plans to privatize SNCT, the national rail company. A Canadian company expressed interest, but no further progress has been made.
- The privatization of Togo Telecom is expected to be completed in 2004.
- Attempts to privatize Sotoco, the state cotton company, have been unsuccessful. Sotoco lost its monopoly on cotton processing in 1995, but the government is reluctant to sell Sotoco because it is the main source of income for 2,000 cotton-producing farms.
- The national water agency was restructured in 2002 in preparation for privatization. The privatization process includes a 10-year management concession and the introduction of private marketing and financial management systems.

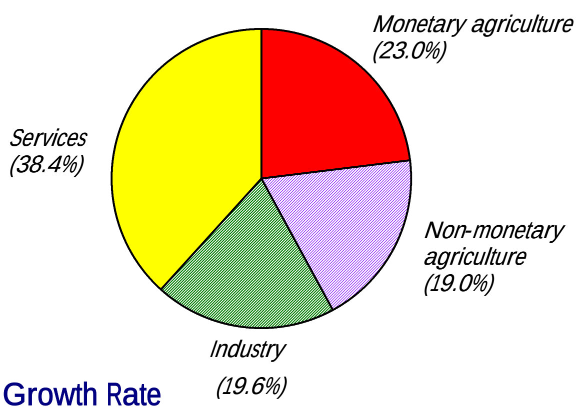
UGANDA

Economic Overview

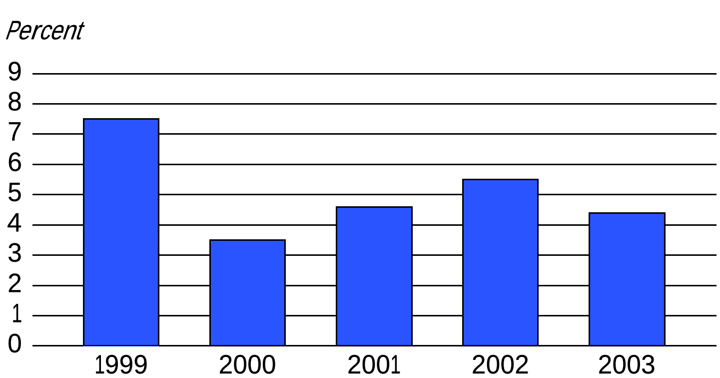
Economic Indicators

	2002	2003	Difference
GDP (nominal, NUSh trn)	10.5	11.8	1.3
GDP (US$ bn)	5.8	6.0	0.2
CPI Inflation (annual average, %)	-0.3	7.9	8.2
Goods Exports (US$ mn)	480.7	496.3	15.6
Goods Imports (US$ mn)	1,113.5	1,181.9	68.4
Trade Balance (US$ mn)	-632.8	-685.6	-52.8
Current Account Balance (US$ mn)	-421.4	-474.7	-53.3
Foreign Exchange Reserves (US$ mn)	934.0	1,080.3	146.3
Total External Debt (US$ bn)	3.8	3.9	0.1
Debt Service Ratio, paid (%)	19.3	19.7	0.4
Exchange Rate (NUSh/US$)	1,797.6	1,963.7	166.1

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- Agriculture is the most important sector in the economy and employs 80 percent of the labor force. More than 75 percent of Uganda's land is arable, and up to three-quarters of it may be underutilized. Agricultural production has grown consistently over the past 5 years.
- Most manufacturing is based on the processing of agricultural commodities; production is almost entirely for domestic consumption.
- Although no comprehensive mineralogical survey of Uganda has been undertaken, the government believes that Uganda holds significant exploitable mineral deposits, and has expanded efforts to engage in geological mapping and evaluation. The Government of Uganda also reduced fees for exploration licenses in order to encourage interest. Additionally, the AfDB agreed in May 2004 to provide a $7.7-million credit to fund mineral development programs. Areas have been identified as possibly holding gold, zinc, copper, lead, carbonatite, and nickel. Uganda Gold Mining (Canada) also claims that diamond reserves exist.
- The IMF and World Bank have endorsed the government's poverty reduction and action plan and have provided two, 3-year grants under Uganda's PRGF. In September 2002, the IMF provided a grant of $17.8 million and in late 2003 it released an additional $3 million. These funds are to be used to increase the ability of the poor to raise their income, improve the quality of life of the poor, create an environment for economic growth, and ensure good governance and security.
- Debt is expected to decline from $3.1 billion in 2003 to $2.9 billion in 2004 as Uganda participates in the HIPC initiative.
- Three Middle Eastern firms have submitted bids to upgrade roads in Uganda. Construction is expected to begin in late 2004.

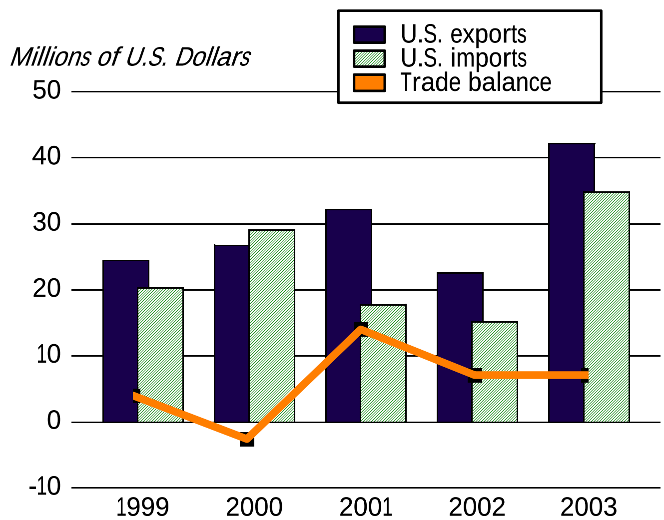
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Belgium	16.3	Kenya	44.8
Netherlands	13.8	South Africa	6.7
Germany	7.2	India	5.6
Spain	5.6	United Kingdom	5.4

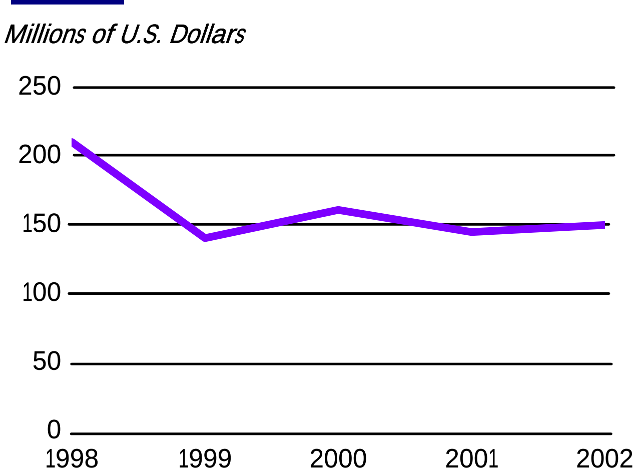
Main Trade Commodities, US$ millions, 2001

Exports		*Imports*	
Coffee	98.0	Machinery incl electrical	310.0
Fish	73.0	Petroleum	158.0
Tea	27.0	Chemicals	130.0
Cotton	15.0	Food	124.0

U.S. Trade Balance



Net Foreign Direct Investment



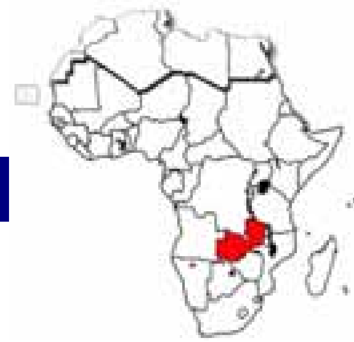
Trade Update

- Most of Uganda's trade passes through Kenya. The government plans to diversify its import transit sources, and is exploring the development of road and rail links through Tanzania. Uganda is also exploring the possibility of developing a route through Sudan.
- Although coffee is currently the primary export, fish exports are expected to become Uganda's leading generator of export revenue. International fish prices have historically been less volatile than coffee prices.
- A feasability study concluded that a petroleum pipeline from Kenya to Kampala would be viable. The pipeline would reduce the cost of petroleum imports and reduce damage to roads. The pipeline is expected to be operational by 2005.
- Research has suggested that Uganda's ability to capitalize on access to the AGOA program has been inhibited by inadequate infrastructure, lack of capital, and limited entrepreneurial skill capacity.
- In 2003, U.S. exports to Uganda consisted primarily of machinery and mechanical appliances, electrical machinery and equipment, and animal or vegetable fats and oils. U.S. imports from Uganda consisted primarily of coffee, tea, mate, and spices; fish, crustaceans, and molluscs; and apparel. In 2003 and 2004, Uganda was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Uganda totaled $1.5 million in 2003.

Investment and Privatization Update

- In late 2003, the government waived the compulsory investment fee of $135,000 for foreign investors and the $50,000 initial capital requirement for local investors. It is expected that this new flexibility will encourage investment in the country.
- Rhodia Chimie (France) has been granted a license to mine phosphates in eastern Uganda. The group plans to manufacture a phosphate detergent by 2006.
- Heritage Oil (Canada) has completed an exploratory study that indicates there may be petroleum reserves in Uganda. Hardman Resources (Australia) has also begun work on an exploratory block.
- Seatankec (Norway) and Polino Holdings (Uganda) have engaged in a joint venture to invest in fish farming. East Africa Fish Farming is expected to invest $15 million to establish a hatchery, fish farms, a feed mill, and a processing plant.
- British American Tobacco and Universal Leaf Tobacco are investing $35 million to create a tobacco-processing plant in Uganda.
- The government has stated that all 142 parastatals would be privatized; to date, two-thirds have been sold.
- Privatization of the railways was scheduled for completion by the end of 2004. The government is considering advice from Canarail, a consortium of four Canadian firms, on how the privatization should be implemented. In April 2004, Bombardier Transportation (Canada) declined to renew a management contract, slowing the privatization process.
- The Uganda Electricity Board was separated into three companies in 2002 that are currently undergoing privatization.
- Serena Hotels Group (Kenya) took over Uganda's Nile Hotel in early 2004. The $19-million deal includes 6 months of renovation and a 30-year concession agreement.

ZAMBIA

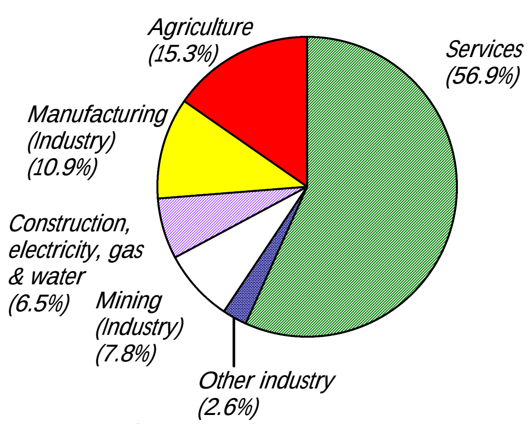


Economic Overview

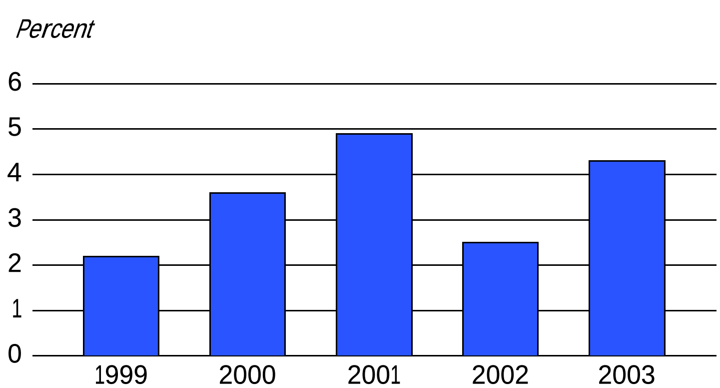
Economic Indicators

	2002	2003	Difference
GDP (nominal, ZK trn)	18.0	23.0	5.0
GDP (US$ bn)	4.2	4.9	0.7
CPI Inflation (annual average, %)	22.2	21.5	-0.7
Goods Exports (US$ mn)	920.0	1,003.0	83.0
Goods Imports (US$ mn)	1,157.0	1,173.9	16.9
Trade Balance (US$ mn)	-237.0	-170.9	66.1
Current Account Balance (US$ mn)	-265.0	-339.9	-74.9
Foreign Exchange Reserves (US$ mn)	535.1	247.7	-287.4
Total External Debt (US$ bn)	5.9	5.2	-0.7
Debt Service Ratio, paid (%)	43.0	40.9	-2.1
Exchange Rate (ZK/US$)	4,307.0	4,733.8	426.8

Origins of GDP (2003)



Real GDP Growth Rate



Economic Update

- Although the services sector is the largest component of GDP, most Zambians work in agriculture. Less than 50 percent of arable land is cultivated. Zambia is prone to droughts, which make the size of the yearly harvest extremely variable. Small farmers have expressed interest in cash crops such as coffee and tobacco.
- Transportation costs are high, estimated at approximately 60 percent of the total production costs, and contribute to production inefficiencies.
- Zambia's PRSP aims to boost school attendance and to improve educational quality by expanding the Basic Education Sub-Sector Investment Programme, increasing teacher salaries and improving working conditions, and raising female participation in education. The paper also supports increasing healthcare expenditure. Specifically, the government plans to undertake a campaign to combat malaria, to improve its HIV / AIDS strategy, and to improve reproductive and child health. The PRSP also aims to improve consultation between the government and people, to create more transparent government, and to make the justice system more accessible. Zambia's PRSP has a cost of $1.2 billion.
- In mid-2004, the IMF provided $320 million following the country's accession to the PRGF. Funds are to be used to encourage macroeconomic stability. Additionally, the EU announced a $125-million grant for development projects under the program.
- In February 2003, the World Bank announced financial guarantees to develop hydroelectric projects at the Kafue Gorge Lower, at a cost of $600-$750 million, and Itezhi-Tezhi, at a cost of $100-$150 million.
- In early 2004, the World Bank / IDA agreed to loan Zambia $50 million to rehabilitate and expand its road network. The funds are part of a $190-million World Bank support program designed to cover 10 years.
- The World Bank and the Norwegian Agency for Development Cooperation agreed in early 2004 to finance a $6.3-million development program at Kafue National Park.
- In November 2003, the United States waived $34 million of Zambia's debt. It also pledged $350 million in funds over the next 7 years to help fight HIV / AIDS, to promote small- and medium-sized enterprises, to improve and expand education, to increase access to healthcare, and to improve good governance.
- China released $2 million to Zambia in December 2003. The funds are part of a $6-million grant to improve the economy and to reduce poverty.

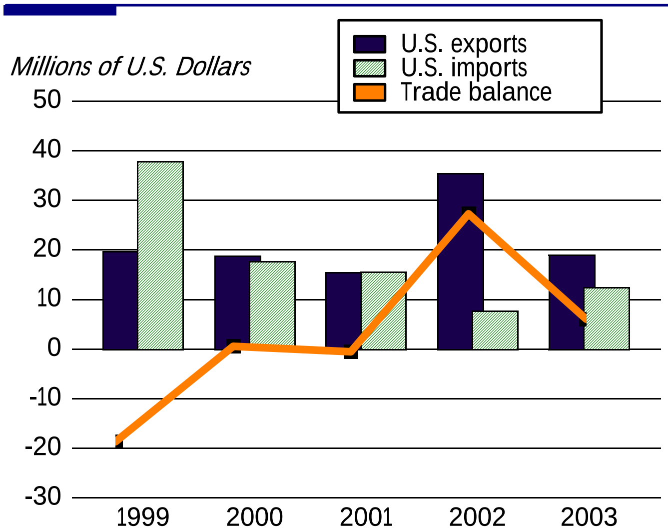
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
Malawi	10.2	South Africa	64.1
Thailand	9.2	United States	3.7
Japan	9.0	China	3.6
South Africa	7.8	Tanzania	3.5

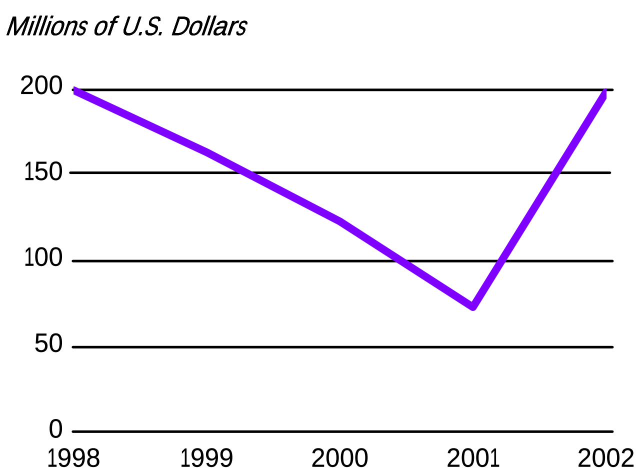
Main Trade Commodities, US$ millions

Exports (2002)		*Imports (2003)*	
Copper	594.0	Metals	292.0
Cobalt	54.0	Others	1,092.0

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Although mining is the largest generator of export revenue, the sector has experienced setbacks because of declining world prices. Copper and cobalt account for approximately 90 percent of mining production and approximately 65 percent of exports.
- In July 2003, the government increased the number of imported products subject to quality monitoring and control from 12 to 22. The new list includes bottled water, paint, varnishes, hair oils, hair creams, glycerine, and asbestos roofing sheets.
- In early 2004, the Export and Import Bank of India agreed to purchase a 20-percent stake in the Zambian Development Bank at a cost of $1.4 million. India is encouraging increased exports to Zambia.
- Zambia finalized a deal with Iran for 600,000 tons of crude oil, Zambia's entire annual requirement, in 2004. The Indeni petroleum refinery is to be the sole purchaser of crude oil from the Naftiran Intertrade Company. The deal is intended to lower costs for consumers.
- In August 2003, the United States approved imports of handmade folklore products from Zambia under the AGOA program.
- In 2003, U.S. exports to Zambia consisted primarily of machinery and mechanical appliances, chemical products, and aircraft and parts thereof. U.S. imports from Zambia consisted primarily of base metals; coffee, tea, mate, and spices; and wood and articles of wood. In 2003 and 2004, Zambia was designated an AGOA beneficiary country, including qualifying for apparel benefits. AGOA (including GSP) imports from Zambia totaled $510,000 in 2003.

Investment and Privatization Update

- In 2001, a joint British Geological Survey and Geological Survey of Zambia found significant reserves of barium, calcium, chromium, manganese, nickel, uranium, and zinc. These minerals have yet to be exploited on a large commercial scale.
- Chambishi, a former part of the Zambia Consolidated Copper Mines parastatal, restarted production in July 2003 after a $150-million rehabilitation program. A further investment of $100 million that would double production capacity over 5 years is being considered.
- By April 2002, 330 state companies had been privatized. In recent years, the privatization program has been slow and inconsistent, particularly with respect to Zambia Telecom and the Tazara railway. A contributing factor to recent delays has been public criticism of the government's economic liberalization programs.
- In May 2003, the government announced that Zesco, an energy parastatal, would be commercialized, but would remain under state ownership and management. This policy is a change from the previous year, when the government pledged to unbundle Zesco into separate energy generation, distribution, and transmission utilities under private management.
- In late 2003, the government selected Sterlite Industries (India) as the preferred bidder for a 51-percent stake in Konkola Copper Mines (KCM). Sterlite purchased an 80-percent stake in KCM in December.
- The government has announced plans to privatize Tazama, a petroleum pipeline from Tanzania, and Indeni, a petroleum refinery.

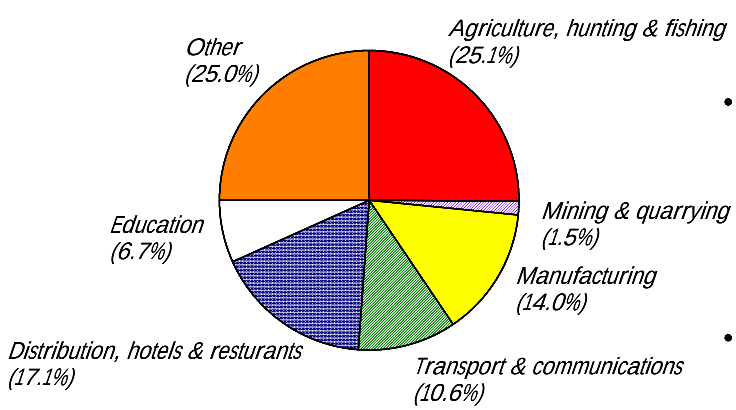
ZIMBABWE

Economic Overview

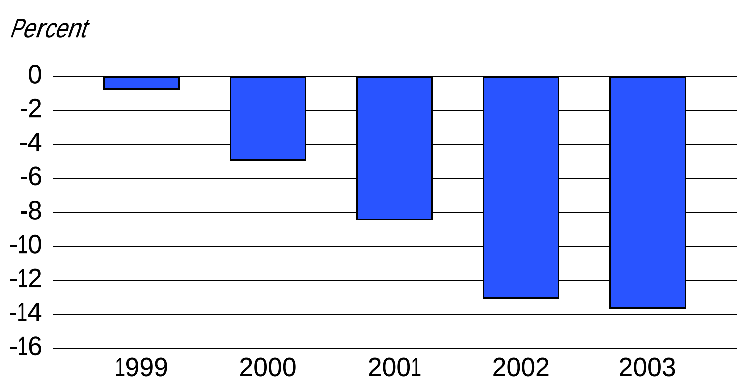
Economic Indicators

	2002	2003	Difference
GDP (nominal, Z$ bn)	1,067.4	4,508.9	3,441.5
GDP (US$ bn)	4.3	4.0	-0.3
CPI Inflation (annual average, %)	134.5	384.7	250.2
Goods Exports (US$ mn)	1,534.5	1,389.5	-145.0
Goods Imports (US$ mn)	1,822.2	1,704.4	-117.8
Trade Balance (US$ mn)	-287.7	-314.9	-27.2
Current Account Balance (US$ mn)	-361.7	-325.9	35.8
Foreign Exchange Reserves (US$ mn)	83.4	60.0	-23.4
Total External Debt (US$ bn)	3.5	3.4	-0.1
Debt Service Ratio, paid (%)	13.8	11.1	-2.7
Exchange Rate (Z$/US$)	55.0	727.9	672.8

Origins of GDP (2001)



Real GDP Growth Rate



Economic Update

- Zimbabwe continued to experience negative economic growth resulting from increasing political unrest and social instability, with inflation reaching over 700 percent at the end of 2003. Government reform has been a result of ad hoc actions in response to crises. The collapse of the economy has led to illegal emigration to neighboring countries such as Botswana and Mozambique, and an exodus of skilled professionals to Europe and South Africa. In addition, the spread of HIV / AIDS in Zimbabwe has caused concern.
- Land redistribution policies negatively affected farming operations, and have resulted in large food shortages. The government is also reviewing legislation to facilitate additional redistribution. Estimates predict a food shortfall of 900,000 tonnes in the coming year, with 5 million people requiring food aid.
- Tobacco production, once the largest earner of foreign exchange, has been affected because of forced evictions of white tobacco farmers. In July 2004, the government announced that $10 billion had been injected into the tobacco industry by the Reserve Bank of Zimbabwe for the year to date. The funds have been specifically aimed at small scale tobacco farmers to increase exports and gain foreign exchange.
- In August 2004, the government announced various policies to combat the persistent cash crisis. Individuals and merchants will not be allowed to hold more than $6,250 in cash; any surplus must be deposited. Local currency travelers cheques were also introduced. Plans to abolish the highest denomination of the local currency were postponed because of cash shortages and the fear of hoarding.
- Given the increasing inflation, falling currency value, and unstable economic environment, local Zimbabweans have been investing in assets, particularly the stock exchange and real estate. In early 2004, several commercial banks faced liquidity problems when the Reserve Bank of Zimbabwe announced plans to raise the lending rate because of increasing housing prices and a rapidly increasing stock market. The banks were, however, bailed out by the Troubled Bank Fund established by the central bank.
- By December 2003, Zimbabwe had accumulated $275 million in debt to the IMF, with little policy change made to implement the recommended economic reform program. Voting rights were suspended and the IMF began proceedings to have Zimbabwe suspended from the IMF. In January 2004, Zimbabwe appeared to make efforts at reconciliation by repaying $1.5 million to the IMF. Subsequently, in July 2004, the IMF announced it would not expel Zimbabwe and had negotiated a payment schedule with the government.

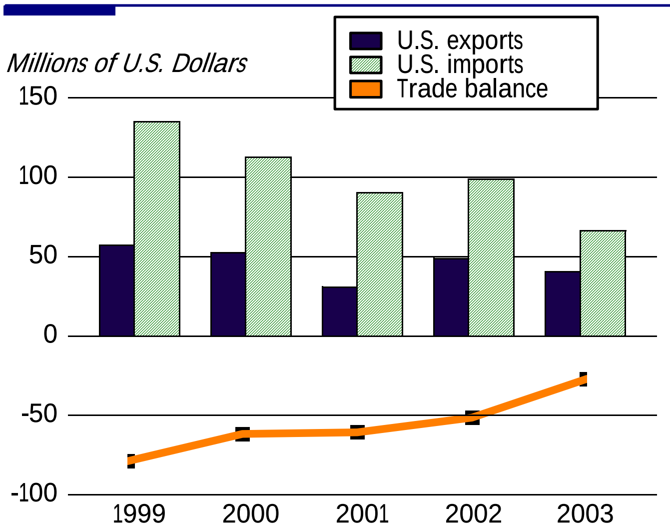
Main Trade Partners, percent of total, 2002

Markets		*Sources*	
China	5.8	South Africa	47.7
South Africa	5.6	DROC	5.7
Germany	5.6	Mozambique	5.3
United Kingdom	4.8	United Kingdom	3.1

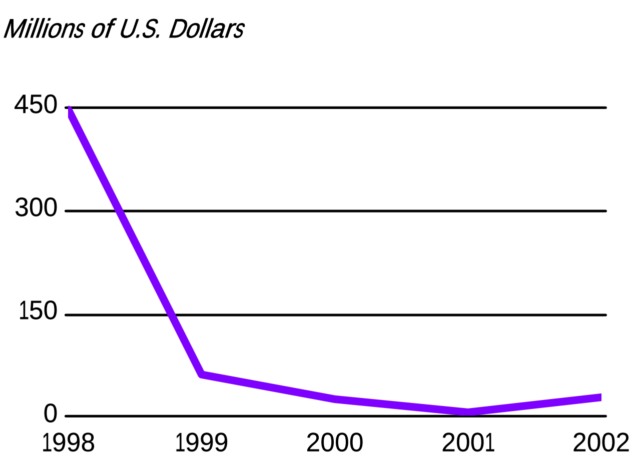
Main Trade Commodities, US$ millions, 2000

Exports		*Imports*	
Tobacco	561.9	Machinery & transport equipment	538.1
Gold	291.9	Manufactures	308.8
Ferro-alloys	127.3	Chemicals	306.9
Nickel	81.2	Petroleum products & electricity	205.2

U.S. Trade Balance



Net Foreign Direct Investment



Trade Update

- Exports are dominated by agricultural products such as tobacco, sugar, cotton, and maize, as well as minerals and manufactured goods. Imports primarily include machinery, passenger cars, and production inputs such as fuels.
- Prior to the economic crisis, the country had a diversified economy with activities in manufacturing, agriculture, mineral resources, and tourism. Until 2002, tobacco was the leading export, however, gold has since surpassed tobacco as the leading export commodity.
- In February 2004, the government announced plans to alter the method used to calculate import duties. Duties will be calculated using the Zimbabwe dollar valuation of the imported product at the auction exchange rate, instead of the previous method of using the exporters' rate. This new method will lead to an increase in the duties applied to manufacturing and mining production inputs.
- In 2003, U.S. exports to Zimbabwe consisted primarily of machinery and mechanical appliances, motor vehicles and parts thereof, and precious or semiprecious stones or metals. U.S. imports from Zimbabwe consisted primarily of tobacco, iron and steel, and precious or semiprecious stones or metals.

Investment and Privatization Update

- The exchange rate regime implemented at the end of 2003 has led to investment flight from the mining industry. In April 2004, Anglo American (UK) announced plans to accelerate its withdrawal and the sale of its 52.9-percent stake in Bindura Nickel. Construction industry activity has also declined because of the high cost of building materials resulting from price control power outages.
- Despite the withdrawal of several key investors in the mining industry, certain sectors, such as platinum, have received some investment.
- In August 2003, Zimbabwe signed an investment protection agreement with the OPEC Fund for International Development. The agreement is aimed at protecting investors from OPEC member countries.
- In late 2003, domestic oil prices were deregulated and private retailers were allowed to import fuel to combat the fuel shortages faced since 2001. Lack of foreign exchange and high international prices have led to erratic supply. The government plans to continue to import and sell petroleum to the public transport sectors at controlled prices.
- The state-owned power generating and distribution company ZESA has been hindered by growing debt and the inability to provide power to meet growing demand. As a result, Zimbabwe has become more reliant on imported energy from Mozambique and South Africa. In early 2004, the government granted ZESA the authority to charge select customers in foreign currencies to help reduce the debt burden.
- Because of financial constraints and lost revenue, the government has proposed privatizing the state-owned Zimbabwe Iron and Steel Company. Two parties have expressed interest in purchasing shares in Zisco: China's Export Import Bank, which had previously loaned Zisco $42 million, and Iscor (South Africa).

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APPENDIX A
Request Letters From the U.S. Trade Representative

THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

April 11, 2000

cc. The Commission
OER

DOCKET NUMBER 2121
Office of the Secretary
Int'l Trade Commission

'00 APR 12

The Honorable Lynn M. Bragg
Chairman
U.S. International Trade Commission
500 E Street, SW
Washington, D.C. 20436

DOCKET

Dear Madam Chairman:

From 1995 through 1999, the U.S. International Trade Commission (the Commission) prepared an annual report entitled *U.S.-Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, in support of the Administration's annual "Comprehensive U.S. Trade and Development Policy Toward Sub-Saharan Africa" report. The report has been useful and USTR greatly appreciates the work of the Commission over the past five years in preparing this report.

Under the President's Partnership for Economic Growth and Opportunity in Africa, USTR and other U.S. government agencies have intensified their efforts to strengthen economic, political, and commercial ties with the countries of sub-Saharan Africa. As USTR continues to pursue its work, and with possible new reporting requirements stemming from the African Growth and Opportunity Act, which is currently being considered by the U.S. Congress, we believe that certain information from the reports continues to be both useful and relevant to USTR's work and that of other agencies. Therefore, under authority delegated by the President and pursuant to Section 332(g) of the Tariff Act of 1930, as amended, I request that the Commission prepare a report containing the following:

- For the last 5 years (and the latest quarter available), data for U.S. merchandise trade and U.S. services trade with sub-Saharan Africa including statistics by country, by major sectors, and by the top 25 commodities. Statistical information on imports from sub-Saharan Africa under the GSP program by country and by major product categories/commodities should also be included.

- Country-by-country profiles of the economies of each sub-Saharan African country, including information on major trading partners, by country.

- A summary of the trade, services, and investment climates in each of the countries in sub-Saharan Africa, including a description of the basic tariff structure (e.g., the average tariff rate and the average agricultural tariff rate). The summaries should also include information on significant impediments to trade, including any import bans

- Updates on regional integration in sub-Saharan Africa and statistics on U.S. trade with major regional groupings (COMESA, EAC, ECOWAS, IGAD, SACU, SADC, and WAEMU). Where applicable, provide information on the regional group's tariff structure

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- A description of the U.S. tariff structure for imports from Africa.
- A summary of U.S. and total foreign direct investment and portfolio investment in sub-Saharan Africa.
- Information on sub-Saharan Africa privatization efforts based on publicly available information.
- A summary of multilateral and U.S. bilateral assistance to the countries of sub-Saharan Africa.

The Commission is requested to provide its final report by no later than December 10, 2000 and annually for a period of 4 years thereafter. A supplemental request will be sent in the event that it becomes necessary to change the scope of the requested report.

It is the expectation that the Commission's report will be made available to the public in its entirety. Therefore, the report should not contain any confidential business information or national security information.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,

Charlene Barshefsky

EXEC IVE OFFICE OF THE PRESIDE T
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

JUL 10 2002

Chair rcd 7/19/02
1- Secretary
2- OP
3- Econ
4- E.R.

The Honorable Deanna Tanner Okun
Chairman
U.S. International Trade Commission
500 E Street, S.W.
Washington, DC 20436

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'02 JUL 19

RECEIVED
OFC OF THE SECRETARY
US INT'L TRADE COMM

Dear Chairman Okun:

The U.S. International Trade Commission started an investigation on April 29, 2002 to prepare the third in a series of five annual reports on U.S. trade and investment with sub-Saharan Africa (Inv. No. 332-415). The Office of the U.S. Trade Representative requested these reports to help fulfill the Administration's reporting requirements under the African Growth and Opportunity Act (AGOA). The previous reports were very useful, and we greatly appreciate the Commission's ongoing work.

As we continue to promote AGOA opportunities in sub-Saharan Africa, it would be helpful to have additional specific information on the results of this legislation (including its GSP provisions) in the region. Therefore, as a supplemental request under authority delegated by the President, and pursuant to section 332(g) of the Tariff Act of 1930, as amended, I am asking the Commission to provide the following:

- Value of U.S. imports from sub-Saharan Africa under AGOA (including its GSP provisions) by beneficiary country and major product categories.
- Compilation of investment developments related to AGOA.
- Description and analysis of major sub-Saharan Africa export sectors.
- Expanded information on regional integration in sub-Saharan Africa, including information on the *Communauté Économique et Monétaire de l'Afrique Centrale* (CEMAC).
- Description of major non-U.S. trade preference programs on the countries of sub-Saharan Africa.
- Description of major U.S. trade capacity-building initiatives related to sub-Saharan Africa.

ENTERED JUL 20 2002

APPENDIX B
Trade Data

Table B-1
U.S. exports, imports, and trade balance, with sub-Saharan Africa, by trading partners, 1999-2003

Country	1999	2000	2001	2002	2003
			Dollars		
Angola					
Exports	251,380,604	224,914,281	274,794,271	370,825,854	482,611,741
Imports	2,348,605,815	3,343,375,089	2,775,669,515	3,231,265,752	4,176,429,424
Trade balance	-2,097,225,211	-3,118,460,808	-2,500,875,244	-2,860,439,898	-3,693,817,683
Benin					
Exports	30,956,269	26,281,015	31,731,531	34,619,048	29,385,541
Imports	17,830,197	2,237,065	1,286,336	680,272	602,399
Trade balance	13,126,072	24,043,950	30,445,195	33,938,776	28,783,142
Botswana					
Exports	33,399,297	31,165,348	43,017,365	31,500,507	24,681,865
Imports	16,939,523	40,509,805	21,117,620	29,731,569	13,641,988
Trade balance	16,459,774	-9,344,457	21,899,745	1,768,938	11,039,877
Burkina Faso					
Exports	10,886,863	15,669,781	4,432,168	18,742,362	10,611,915
Imports	2,770,684	2,446,360	5,000,753	2,914,195	892,528
Trade balance	8,116,179	13,223,421	-568,585	15,828,167	9,719,387
Burundi					
Exports	2,266,400	1,667,697	5,295,802	1,710,961	2,943,654
Imports	7,003,849	7,994,937	2,788,774	689,333	5,870,408
Trade balance	-4,737,449	-6,327,240	2,507,028	1,021,628	-2,926,754
Cameroon					
Exports	36,723,807	58,963,050	184,053,753	155,269,697	89,341,517
Imports	76,572,705	145,819,782	101,627,151	172,057,111	193,319,382
Trade balance	-39,848,898	-86,856,732	82,426,602	-16,787,414	-103,977,865
Cape Verde					
Exports	7,234,012	7,137,034	7,467,167	8,926,221	7,872,243
Imports	75,600	4,213,567	1,495,949	1,810,742	5,639,660
Trade balance	7,158,412	2,923,467	5,971,218	7,115,479	2,232,583
Central African Republic					
Exports	3,726,770	1,752,964	3,671,103	6,243,575	7,342,800
Imports	2,895,754	2,903,654	2,363,674	2,003,797	1,959,194
Trade balance	831,016	-1,150,690	1,307,429	4,239,778	5,383,606
Chad					
Exports	2,683,811	10,779,527	136,466,758	126,971,198	63,522,584
Imports	6,911,149	4,780,131	5,653,051	5,700,194	22,434,101
Trade balance	-4,227,338	5,999,396	130,813,707	121,271,004	41,088,483
Comoros					
Exports	243,437	699,150	1,371,714	143,891	508,436
Imports	2,051,202	3,513,130	10,568,080	5,308,145	4,003,092
Trade balance	-1,807,765	-2,813,980	-9,196,366	-5,164,254	-3,494,656
Congo (DROC)					
Exports	21,033,972	9,982,446	18,508,084	26,612,248	30,383,928
Imports	231,913,414	212,239,435	147,713,471	189,691,644	173,867,468
Trade balance	-210,879,442	-202,256,989	-129,205,387	-163,079,396	-143,483,540
Congo (ROC)					
Exports	46,823,518	81,199,774	89,343,835	51,792,696	78,601,102
Imports	410,518,438	507,942,861	457,900,881	223,823,987	407,186,135
Trade balance	-363,694,920	-426,743,087	-368,557,046	-172,031,291	-328,585,033
Côte d'Ivoire					
Exports	98,882,021	92,045,617	93,441,070	74,589,695	100,049,914
Imports	343,487,218	367,002,332	319,823,279	381,859,529	490,247,570
Trade balance	-244,605,197	-274,956,715	-226,382,209	-307,269,834	-390,197,656

Table B-1—*Continued*
U.S. exports, imports, and trade balance, with sub-Saharan Africa, by trading partners, 1999-2003

Country	1999	2000	2001	2002	2003
			Dollars		
Djibouti					
Exports	26,555,057	16,609,378	18,573,432	55,945,016	34,287,450
Imports	110,152	419,099	950,571	1,915,270	615,451
Trade balance	26,444,905	16,190,279	17,622,861	54,029,746	33,671,999
Equatorial Guinea					
Exports	221,050,338	94,672,721	79,557,987	107,681,184	336,019,227
Imports	40,600,986	154,716,660	395,609,104	572,618,644	918,503,060
Trade balance	180,449,352	-60,043,939	-316,051,117	-464,937,460	-582,483,833
Eritrea					
Exports	3,697,562	16,236,047	21,428,884	28,591,422	86,488,062
Imports	479,950	203,163	88,586	368,930	251,414
Trade balance	3,217,612	16,032,884	21,340,298	28,222,492	86,236,648
Ethiopia					
Exports	164,297,080	165,015,512	60,659,106	60,122,513	407,353,835
Imports	30,210,775	28,659,924	29,041,095	25,658,988	30,495,628
Trade balance	134,086,305	136,355,588	31,618,011	34,463,525	376,858,207
Gabon					
Exports	44,967,438	63,270,100	74,089,203	65,175,555	61,855,819
Imports	1,512,945,075	2,037,921,091	1,731,671,117	1,622,020,949	1,927,714,991
Trade balance	-1,467,977,637	-1,974,650,991	-1,657,581,914	-1,556,845,394	-1,865,859,172
The Gambia					
Exports	9,495,993	8,866,814	8,163,538	9,102,842	10,588,092
Imports	186,020	341,939	232,353	562,533	134,172
Trade balance	9,309,973	8,524,875	7,931,185	8,540,309	10,453,920
Ghana					
Exports	231,045,490	178,711,739	179,472,853	186,601,016	204,426,210
Imports	209,330,416	206,431,143	185,391,288	115,640,877	83,603,492
Trade balance	21,715,074	-27,719,404	-5,918,435	70,960,139	120,822,718
Guinea					
Exports	53,435,468	66,809,924	77,619,498	62,489,353	35,280,407
Imports	115,410,504	88,363,076	87,832,253	71,599,652	69,226,213
Trade balance	-61,975,036	-21,553,152	-10,212,755	-9,110,299	-33,945,806
Guinea-Bissau					
Exports	816,074	283,849	869,909	2,558,586	1,202,972
Imports	72,430	41,534	18,933	35,140	1,912,498
Trade balance	743,644	242,315	850,976	2,523,446	-709,526
Kenya					
Exports	187,089,428	235,412,958	573,818,982	267,971,746	193,008,700
Imports	106,143,711	109,394,035	128,582,454	189,156,457	249,137,247
Trade balance	80,945,717	126,018,923	445,236,528	78,815,289	-56,128,547
Lesotho					
Exports	733,027	836,981	816,942	1,817,585	5,097,676
Imports	110,813,785	140,149,739	217,165,247	321,475,459	393,055,901
Trade balance	-110,080,758	-139,312,758	-216,348,305	-319,657,874	-387,958,225
Liberia					
Exports	44,584,887	42,396,828	36,807,432	27,517,221	32,982,617
Imports	30,522,939	45,408,107	42,558,194	45,810,442	59,485,404
Trade balance	14,061,948	-3,011,279	-5,750,762	-18,293,221	-26,502,787

Table B-1—*Continued*
U.S. exports, imports, and trade balance, with sub-Saharan Africa, by trading partners, 1999-2003

Country	1999	2000	2001	2002	2003
			Dollars		
Madagascar					
Exports	106,056,294	15,397,173	20,947,283	15,217,288	45,487,961
Imports	80,213,560	157,736,805	271,791,293	215,923,206	383,328,790
Trade balance	25,842,734	-142,339,632	-250,844,010	-200,705,918	-337,840,829
Malawi					
Exports	7,355,532	13,626,516	14,334,452	28,626,023	16,507,002
Imports	58,604,188	68,125,752	71,800,334	68,109,315	80,075,679
Trade balance	-51,248,656	-54,499,236	-57,465,882	-39,483,292	-63,568,677
Mali					
Exports	28,585,582	29,740,418	31,818,350	11,031,293	29,915,614
Imports	8,866,656	8,438,175	6,205,376	2,582,737	2,394,273
Trade balance	19,718,926	21,302,243	25,612,974	8,448,556	27,521,341
Mauritania					
Exports	23,596,940	15,865,546	25,125,619	22,651,540	34,190,677
Imports	753,861	354,181	293,539	928,891	929,050
Trade balance	22,843,079	15,511,365	24,832,080	21,722,649	33,261,627
Mauritius					
Exports	32,102,550	15,447,506	22,022,185	19,397,952	23,688,707
Imports	258,342,946	286,007,589	275,127,009	280,433,293	298,096,092
Trade balance	-226,240,396	-270,560,083	-253,104,824	-261,035,341	-274,407,385
Mozambique					
Exports	33,847,182	57,913,095	28,326,902	97,868,588	62,339,910
Imports	10,286,577	24,377,489	7,060,058	8,160,331	8,710,859
Trade balance	23,560,605	33,535,606	21,266,844	89,708,257	53,629,051
Namibia					
Exports	194,822,292	78,447,596	249,334,301	53,687,889	26,667,849
Imports	29,984,085	42,191,114	37,844,581	57,352,723	123,248,646
Trade balance	164,838,207	36,256,482	211,489,720	-3,664,834	-96,580,797
Niger					
Exports	18,394,487	35,670,555	62,886,272	39,319,731	32,365,067
Imports	4,836,858	6,971,702	1,426,658	897,131	4,034,239
Trade balance	13,557,629	28,698,853	61,459,614	38,422,600	28,330,828
Nigeria					
Exports	624,161,311	712,599,944	947,613,868	1,046,908,082	996,453,350
Imports	4,172,321,584	9,680,127,636	8,916,476,316	5,819,603,288	10,113,618,145
Trade balance	-3,548,160,273	-8,967,527,692	-7,968,862,448	-4,772,695,206	-9,117,164,795
Rwanda					
Exports	47,489,832	18,921,730	17,385,659	10,162,227	7,913,959
Imports	3,685,527	5,061,286	7,220,871	3,086,211	2,622,754
Trade balance	43,804,305	13,860,444	10,164,788	7,076,016	5,291,205
São Tomé & Principe					
Exports	510,189	961,908	10,613,575	1,921,158	1,242,995
Imports	2,693,288	513,147	322,306	391,360	91,319
Trade balance	-2,183,099	448,761	10,291,269	1,529,798	1,151,676
Senegal					
Exports	62,808,134	80,183,024	78,334,256	71,961,766	98,888,156
Imports	17,473,416	4,230,914	102,344,504	3,798,831	4,326,445
Trade balance	45,334,718	75,952,110	-24,010,248	68,162,935	94,561,711

Table B-1—*Continued*
U.S. exports, imports, and trade balance, with sub-Saharan Africa, by trading partners, 1999-2003

Country	1999	2000	2001	2002	2003
			Dollars		
Seychelles					
Exports	7,547,023	6,971,295	175,959,266	8,204,220	6,947,089
Imports	5,197,403	8,097,349	23,700,765	26,291,014	15,324,113
Trade balance	2,349,620	-1,126,054	152,258,501	-18,086,794	-8,377,024
Sierra Leone					
Exports	12,984,791	17,790,697	27,790,772	25,005,766	27,465,663
Imports	10,334,540	3,806,067	4,640,463	3,832,840	6,477,645
Trade balance	2,650,251	13,984,630	23,150,309	21,172,926	20,988,018
Somalia					
Exports	2,813,019	4,861,939	6,591,251	6,161,431	7,012,577
Imports	191,956	442,986	343,295	348,030	183,182
Trade balance	2,621,063	4,418,953	6,247,956	5,813,401	6,829,395
South Africa					
Exports	2,393,997,972	2,829,545,616	2,822,353,542	2,446,169,057	2,698,200,796
Imports	3,192,768,012	4,203,656,562	4,429,539,186	4,235,974,093	4,887,962,416
Trade balance	-798,770,040	-1,374,110,946	-1,607,185,644	-1,789,805,036	-2,189,761,620
Sudan	8,821,290	16,882,033	17,119,103	10,854,119	26,058,541
Exports	57,235	1,808,412	3,385,389	1,350,050	2,775,261
Imports	8,764,055	15,073,621	13,733,714	9,504,069	23,283,280
Trade balance					
Swaziland					
Exports	3,747,598	7,740,519	7,437,663	11,039,914	8,075,049
Imports	37,849,249	52,576,931	65,036,011	114,464,222	162,032,709
Trade balance	-34,101,651	-44,836,412	-57,598,348	-103,424,308	-153,957,660
Tanzania					
Exports	60,682,250	44,548,068	63,740,539	61,799,503	63,639,421
Imports	34,495,270	35,287,568	27,229,207	25,343,176	24,234,441
Trade balance	26,186,980	9,260,500	36,511,332	36,456,327	39,404,980
Togo					
Exports	25,620,176	10,480,118	16,154,125	13,008,326	13,018,883
Imports	3,170,462	5,975,284	12,582,819	2,659,268	5,619,964
Trade balance	22,449,714	4,504,834	3,571,306	10,349,058	7,398,919
Uganda					
Exports	24,518,306	26,766,160	32,150,057	22,635,364	42,239,520
Imports	20,255,757	29,064,087	17,835,352	15,196,982	34,883,237
Trade balance	4,262,549	-2,297,927	14,314,705	7,438,382	7,356,283
Zambia					
Exports	19,699,845	18,769,600	15,487,076	35,490,629	19,001,559
Imports	37,857,016	17,726,954	15,584,310	7,789,882	12,468,802
Trade balance	-18,157,171	1,042,646	-97,234	27,700,747	6,532,757
Zimbabwe					
Exports	57,525,489	52,772,942	31,165,732	49,116,013	40,942,142
Imports	135,072,682	113,043,235	90,559,801	99,127,252	66,675,507
Trade balance	-77,547,193	-60,270,293	-59,394,069	-50,011,239	-25,733,365

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table B-2
Angola: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	23,083	54,767	27,960	46,288	65,325	41.1
Imports	0	0	0	0	3	na
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	4,706	1,873	924	645	275	-57.3
Imports	15	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	10,398	5,823	15,110	11,612	24,155	108.0
Imports	18,103	10,431	250	19,552	13,702	-29.9
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	1,318	1,126	1,453	3,060	3,332	8.9
Imports	2,319,748	3,321,320	2,768,666	3,204,081	4,136,580	29.1
GSP/AGOA imports	2,008,608	2,843,469	2,510,654	2,826,108	3,882,922	37.4
Textiles and apparel						
Exports	2,758	4,182	4,402	5,881	6,541	11.2
Imports	0	0	0	0	2	na
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	279	336	174	617	1,002	62.5
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	16,705	11,265	20,004	14,570	29,650	103.5
Imports	9,286	6,929	0	39	20,647	52,705.6
GSP/AGOA imports	0	205	0	6	0	-100.0
Machinery						
Exports	41,698	33,080	36,195	21,909	31,362	43.1
Imports	0	6	77	53	64	19.9
GSP/AGOA imports	0	3	3	0	17	na
Transportation equipment						
Exports	126,921	78,523	147,604	241,499	279,951	15.9
Imports	68	32	3	2,571	5	-99.8
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	17,996	27,169	14,580	15,609	26,622	70.6
Imports	18	109	480	334	452	35.3
GSP/AGOA imports	0	0	364	7	9	18.5
Miscellaneous manufactures						
Exports	883	690	983	662	1,998	201.7
Imports	206	58	329	5	100	1,893.3
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	4,634	6,079	5,406	8,473	12,400	46.3
Imports	1,162	4,489	5,865	4,630	4,876	5.3
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	251,381	224,914	274,794	370,826	482,612	30.1
Imports	2,348,606	3,343,375	2,775,670	3,231,266	4,176,429	29.3
GSP/AGOA imports	2,008,608	2,843,677	2,511,022	2,826,122	3,882,948	37.4

See footnote at end of table.

Table B-2-*Continued*
Benin: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	2,322	3,949	4,488	5,165	4,084	-20.9
Imports	15,269	597	707	517	313	-39.4
GSP/AGOA imports	9,572	0	0	0	0	na
Forest products						
Exports	95	378	96	149	116	-22.2
Imports	140	142	266	67	94	41.3
GSP/AGOA imports	110	0	178	0	0	na
Chemicals and related products						
Exports	4,635	3,626	3,041	2,543	1,923	-24.4
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	9	0	48	14	6	-58.1
Imports	2,106	1,410	0	0	0	na
GSP/AGOA imports	2,106	1,410	0	0	0	na
Textiles and apparel						
Exports	14,172	11,122	7,392	6,101	4,668	-23.5
Imports	92	5	33	1	159	22,603.9
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	60	93	86	225	132	-41.3
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	112	140	4,835	4,329	517	-88.1
Imports	176	4	0	78	7	-90.4
GSP/AGOA imports	0	4	0	0	0	na
Machinery						
Exports	2,747	1,555	1,217	4,021	3,618	-10.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	3,474	1,866	3,177	7,653	11,831	54.6
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	1,288	2,231	6,696	3,534	1,486	-57.9
Imports	0	5	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	683	178	173	133	160	21.0
Imports	29	24	23	18	29	55.6
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	1,360	1,143	482	753	844	12.1
Imports	18	51	258	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	30,956	26,281	31,732	34,619	29,386	-15.1
Imports	17,830	2,237	1,286	680	602	-11.4
GSP/AGOA imports	11,788	1,414	178	0	0	na

See footnote at end of table.

Table B-2-*Continued*
Botswana: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	1,345	1,301	1,026	20	8	-58.4
Imports	12	29	122	180	23	-87.0
GSP/AGOA imports	10	28	19	38	0	-100.0
Forest products						
Exports	155	824	1,157	160	401	150.4
Imports	14	10	11	3	34	903.1
GSP/AGOA imports	11	5	0	0	0	na
Chemicals and related products						
Exports	292	431	701	300	403	34.6
Imports	0	0	2	6	4	-29.3
GSP/AGOA imports	0	0	2	0	0	na
Energy-related products						
Exports	0	10	0	55	55	1.3
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	156	378	53	82	10	-87.4
Imports	9,763	7,941	2,936	6,353	7,144	12.5
GSP/AGOA imports	0	([1])	0	3,707	6,324	70.6
Footwear						
Exports	0	0	0	18	0	-100.0
Imports	0	0	0	0	91	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	346	614	459	1,257	106	-91.6
Imports	1,337	1,201	15,580	21,453	6,037	-71.9
GSP/AGOA imports	0	0	0	98	0	-100.0
Machinery						
Exports	962	273	472	457	496	8.6
Imports	3	272	76	0	27	na
GSP/AGOA imports	0	0	8	0	0	na
Transportation equipment						
Exports	13,545	5,189	13,766	6,862	5,076	-26.0
Imports	0	0	0	0	2	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	3,412	6,895	6,944	5,664	5,443	-3.9
Imports	17	8	0	0	42	na
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	23	309	141	172	121	-29.3
Imports	5,295	2,980	1,742	1,414	8	-99.5
GSP/AGOA imports	4,804	2,889	1,191	735	0	-100.0
Special provisions						
Exports	13,163	14,940	18,297	16,454	12,562	-23.7
Imports	498	28,068	649	322	230	-28.6
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	33,399	31,165	43,017	31,501	24,682	-21.6
Imports	16,940	40,510	21,118	29,732	13,642	-54.1
GSP/AGOA imports	4,824	2,922	1,221	4,578	6,324	38.1

See footnote at end of table.

Table B-2-*Continued*
Burkina Faso: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	6,006	5,025	1,427	7,228	2,927	-59.5
Imports	2,455	1,839	79	55	449	718.7
GSP/AGOA imports	0	1,839	8	0	67	na
Forest products						
Exports	133	192	130	74	25	-66.1
Imports	17	112	41	39	60	54.6
GSP/AGOA imports	17	96	33	37	33	-11.3
Chemicals and related products:						
Exports	81	114	51	110	1,120	916.9
Imports	1	32	5	2	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	0	46	52	162	212.5
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	2,871	1,821	706	1,295	1,329	2.6
Imports	35	39	9	120	5	-95.6
GSP/AGOA imports	7	8	3	0	([1])	na
Footwear						
Exports	0	66	0	0	268	na
Imports	0	1	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	12	37	447	48	84	76.5
Imports	5	58	13	2,274	25	-98.9
GSP/AGOA imports	5	3	0	5	0	-100.0
Machinery						
Exports	518	659	171	4,420	1,049	-76.3
Imports	0	2	0	17	71	324.9
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	120	6,397	121	106	150	41.1
Imports	0	0	0	3	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	634	656	849	1,099	2,116	92.6
Imports	0	4	3	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	31	40	143	133	9	-93.3
Imports	246	273	120	297	249	-16.1
GSP/AGOA imports	47	24	50	11	5	-53.1
Special provisions						
Exports	482	662	343	4,177	1,373	-67.1
Imports	13	86	4,731	107	32	-70.2
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	10,887	15,670	4,432	18,742	10,612	-43.4
Imports	2,771	2,446	5,001	2,914	893	-69.4
GSP/AGOA imports	76	1,970	94	52	105	101.3

See footnote at end of table.

Table B-2-*Continued*
Burundi: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products:						
Exports	400	86	2,650	20	1,627	7,979.7
Imports	5,913	7,791	2,454	678	5,843	761.8
GSP/AGOA imports	7	0	0	0	0	na
Forest products:						
Exports	0	15	72	35	0	-100.0
Imports	2	0	2	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	86	89	60	16	188	1,094.4
Imports	35	29	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	0	17	38	0	-100.0
Imports	833	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	241	17	61	28	54	96.3
Imports	0	8	([1])	8	1	-89.2
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	0	0	3	0	-100.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	9	4	20	62	3	-95.9
Imports	186	12	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	293	40	175	181	64	-64.9
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	23	1,064	915	359	39	-89.1
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	293	315	377	409	303	-25.8
Imports	5	48	57	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	13	7	20	138	37	-72.9
Imports	0	0	46	0	1	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	909	30	929	422	628	48.9
Imports	30	106	229	3	25	620.2
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	2,266	1,668	5,296	1,711	2,944	72.0
Imports	7,004	7,995	2,789	689	5,870	751.6
GSP/AGOA imports	7	0	0	0	0	na

See footnote at end of table.

Table B-2-*Continued*
Cameroon: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	8,033	5,596	1,600	4,044	10,512	160.0
Imports	7,319	8,354	3,881	15,880	19,301	21.5
GSP/AGOA imports	424	2,646	164	8	38	359.1
Forest products						
Exports	970	2,281	1,369	472	429	-9.0
Imports	5,169	10,020	8,015	8,270	9,476	14.6
GSP/AGOA imports	64	71	160	168	194	15.3
Chemicals and related products						
Exports	1,830	8,288	6,772	7,236	11,451	58.3
Imports	7,026	3,028	2,199	3,127	5,219	66.9
GSP/AGOA imports	0	25	48	0	0	na
Energy-related products						
Exports	8,308	6,011	5,635	7,817	4,720	-39.6
Imports	48,906	118,415	83,031	138,811	146,746	5.7
GSP/AGOA imports	0	0	36,731	115,542	146,746	27.0
Textiles and apparel						
Exports	813	434	645	833	881	5.8
Imports	3,097	2,740	1,842	1,133	346	-69.5
GSP/AGOA imports	0	0	0	1	0	-100.0
Footwear						
Exports	104	888	635	499	386	-22.7
Imports	1,401	141	14	192	123	-35.9
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	563	1,100	3,835	4,053	4,701	16.0
Imports	724	71	201	242	233	-3.8
GSP/AGOA imports	0	9	23	5	4	-20.0
Machinery						
Exports	4,331	5,851	8,880	25,688	12,459	-51.5
Imports	19	202	117	295	243	-17.7
GSP/AGOA imports	7	0	0	0	0	na
Transportation equipment						
Exports	7,418	21,483	143,917	94,984	27,866	-70.7
Imports	69	15	18	2	33	1,515.2
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	2,861	5,559	6,842	6,349	11,172	76.0
Imports	1,159	968	268	1,225	3,684	200.7
GSP/AGOA imports	15	0	0	0	0	na
Miscellaneous manufactures						
Exports	267	276	2,878	1,563	453	-71.0
Imports	1,473	1,048	800	1,484	2,637	77.7
GSP/AGOA imports	64	52	48	79	29	-63.8
Special provisions						
Exports	1,226	1,197	1,046	1,733	4,312	148.8
Imports	211	815	1,240	1,395	5,280	278.4
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	36,724	58,963	184,054	155,270	89,342	-42.5
Imports	76,573	145,820	101,627	172,057	193,319	12.4
GSP/AGOA imports	574	2,804	37,174	115,804	147,011	26.9

See footnote at end of table.

Table B-2-*Continued*
Cape Verde: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	3,578	1,794	995	2,009	3,247	61.6
Imports	49	92	249	83	127	53.2
GSP/AGOA imports	49	0	152	51	60	17.8
Forest products						
Exports	3	46	4	0	53	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	164	7	94	6	23	288.1
Imports	0	6	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	0	0	590	249	-57.8
Imports	0	2,760	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	28	0	5	57	9	-83.5
Imports	9	877	1,201	1,651	2,892	75.2
GSP/AGOA imports	([1])	0	0	0	2,405	na
Footwear						
Exports	0	0	0	0	63	na
Imports	0	0	0	3	23	606.0
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	0	79	4	0	0	na
Imports	0	0	11	0	6	na
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	901	24	4	49	19	-61.0
Imports	0	0	0	7	49	572.6
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	720	3,856	5,556	5,163	2,652	-48.6
Imports	0	0	0	0	16	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	557	520	262	469	188	-59.9
Imports	18	0	31	24	880	3,530.4
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	70	19	15	5	3	-39.9
Imports	0	414	0	38	3	-92.2
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	1,213	792	528	579	1,366	136.0
Imports	0	64	3	3	1,644	48,666.0
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	7,234	7,137	7,467	8,926	7,872	-11.8
Imports	76	4,214	1,496	1,811	5,640	211.5
GSP/AGOA imports	49	0	152	51	2,465	4,771.5

See footnote at end of table.

Table B-2-*Continued*
Central African Republic: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	260	0	16	1,875	2,244	19.7
Imports	2,589	1,928	458	337	0	-100.0
GSP/AGOA imports	14	0	0	0	0	na
Forest products						
Exports	75	269	493	71	185	160.7
Imports	0	0	34	69	3	-95.5
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	15	100	98	455	1,245	173.6
Imports	25	8	127	133	79	-40.8
GSP/AGOA imports	21	8	0	0	0	na
Energy-related products						
Exports	0	0	20	4	42	1,079.7
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	170	59	48	65	134	103.9
Imports	1	39	188	21	2	-91.2
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	0	0	5	6	26.7
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	363	354	31	811	125	-84.6
Imports	24	640	1,414	1,107	946	-14.6
GSP/AGOA imports	0	5	0	0	0	na
Machinery						
Exports	1,066	262	296	804	652	-18.9
Imports	2	4	26	48	99	106.7
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	345	68	716	713	905	27.0
Imports	10	0	15	0	39	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	898	374	1,519	676	443	-34.5
Imports	0	18	38	62	514	726.9
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	0	0	13	170	326	91.7
Imports	67	65	0	197	165	-16.2
GSP/AGOA imports	49	0	0	192	43	-77.5
Special provisions						
Exports	534	267	423	594	1,037	74.4
Imports	177	202	64	29	111	286.5
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	3,727	1,753	3,671	6,244	7,343	17.6
Imports	2,896	2,904	2,364	2,004	1,959	-2.2
GSP/AGOA imports	83	13	0	192	43	-77.5

See footnote at end of table.

Table B-2-*Continued*
Chad: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	1,188	2,614	2,521	1,743	1,355	-22.3
Imports	6,638	4,633	4,683	5,250	3,971	-24.4
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	106	64	135	549	86	-84.4
Imports	0	0	719	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	31	5,351	6,352	8,725	1,404	-83.9
Imports	0	0	172	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	0	1,049	537	0	-100.0
Imports	0	0	0	19	17,872	93,938.8
GSP/AGOA imports	0	0	0	0	14,438	na
Textiles and apparel						
Exports	89	132	726	1,138	293	-74.2
Imports	0	37	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	30	73	95	0	-100.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	5	76	12,857	28,851	6,458	-77.6
Imports	0	0	0	13	3	-74.2
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	220	733	37,108	42,362	9,164	-78.4
Imports	0	0	46	0	7	na
GSP/AGOA imports	0	0	0	0	7	na
Transportation equipment						
Exports	69	189	46,604	27,102	36,134	33.3
Imports	205	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	714	1,187	4,403	9,661	5,885	-39.1
Imports	15	23	4	63	89	42.7
GSP/AGOA imports	0	0	0	0	33	na
Miscellaneous manufactures						
Exports	129	65	21,064	2,401	858	-64.3
Imports	27	63	0	0	73	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	135	337	3,575	3,807	1,886	-50.5
Imports	27	24	29	355	419	17.9
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	2,684	10,780	136,467	126,971	63,523	-50.0
Imports	6,911	4,780	5,653	5,700	22,434	293.6
GSP/AGOA imports	0	0	0	0	14,478	na

See footnote at end of table.

Table B-2-*Continued*
Comoros: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	41	0	17	0	0	na
Imports	1,653	3,232	10,367	5,223	3,895	-25.4
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	0	0	0	0	9	na
Imports	0	0	6	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	16	180	189	29	450	1,464.0
Imports	71	274	168	25	94	278.2
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	0	0	40	0	-100.0
Imports	316	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	63	4	0	14	0	-100.0
Imports	0	0	0	13	0	-100.0
GSP/AGOA imports	0	0	0	13	0	-100.0
Footwear						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	0	0	3	5	0	-100.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	4	199	50	31	12	-61.2
Imports	6	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	105	302	116	0	4	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	3	3	967	5	24	377.6
Imports	0	0	0	0	3	na
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	0	0	0	11	0	-100.0
Imports	0	0	0	18	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	12	11	29	9	9	1.9
Imports	4	6	27	29	12	-59.1
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	243	699	1,372	144	508	253.3
Imports	2,051	3,513	10,568	5,308	4,003	-24.6
GSP/AGOA imports	0	0	0	13	0	-100.0

See footnote at end of table.

Table B-2-*Continued*
Côte d'Ivoire: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	20,508	15,450	12,120	13,038	22,352	71.4
Imports	293,603	259,264	226,899	279,954	410,382	46.6
GSP/AGOA imports	8,385	21,591	12,595	21,689	41,266	90.3
Forest products						
Exports	9,249	8,278	3,905	606	1,929	218.5
Imports	5,999	12,673	9,669	10,214	10,178	-0.4
GSP/AGOA imports	243	447	456	500	127	-74.6
Chemicals and related products						
Exports	19,522	14,160	21,987	22,299	30,690	37.6
Imports	4,779	4,446	2,940	3,569	2,109	-40.9
GSP/AGOA imports	0	4	5	2	0	-100.0
Energy-related products						
Exports	298	213	6,377	821	249	-69.6
Imports	34,166	84,220	72,040	78,762	61,128	-22.4
GSP/AGOA imports	0	0	0	27,258	46,347	70.0
Textiles and apparel						
Exports	6,275	3,023	5,481	4,532	2,294	-49.4
Imports	1,054	593	527	604	721	19.3
GSP/AGOA imports	481	173	115	187	204	9.1
Footwear						
Exports	425	175	830	661	1,596	141.4
Imports	0	1	81	46	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	1,928	2,047	2,468	3,154	7,334	132.5
Imports	332	733	854	1,442	373	-74.1
GSP/AGOA imports	2	0	10	3	28	836.8
Machinery						
Exports	14,374	13,284	11,045	10,202	7,767	-23.9
Imports	387	273	12	151	187	23.4
GSP/AGOA imports	9	0	0	0	0	na
Transportation equipment						
Exports	15,416	22,411	15,316	10,846	15,628	44.1
Imports	21	26	24	219	633	188.8
GSP/AGOA imports	0	0	2	4	16	272.2
Electronic products						
Exports	7,484	10,137	11,261	5,818	6,474	11.3
Imports	655	2,036	2,968	2,634	363	-86.2
GSP/AGOA imports	71	10	39	0	0	na
Miscellaneous manufactures						
Exports	596	541	907	619	953	53.9
Imports	1,559	2,044	2,283	1,641	2,364	44.0
GSP/AGOA imports	92	91	99	90	49	-45.6
Special provisions						
Exports	2,808	2,326	1,745	1,993	2,784	39.7
Imports	932	693	1,526	2,621	1,810	-30.9
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	98,882	92,046	93,441	74,590	100,050	34.1
Imports	343,487	367,002	319,823	381,860	490,248	28.4
GSP/AGOA imports	9,284	22,317	13,321	49,733	88,037	77.0

See footnote at end of table.

Table B-2-*Continued*
Democratic Republic of the Congo: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	3,249	1,713	6,430	6,568	10,206	55.4
Imports	1,432	1,830	995	1,536	2,030	32.1
GSP/AGOA imports	501	334	517	671	94	-86.0
Forest products						
Exports	37	350	1,327	1,792	452	-74.7
Imports	48	300	943	343	872	154.4
GSP/AGOA imports	6	17	26	15	17	16.2
Chemicals and related products						
Exports	714	753	1,141	2,144	1,314	-38.7
Imports	1,196	504	148	56	114	102.0
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	34	0	10	0	24	na
Imports	106,548	168,656	108,302	152,986	131,572	-14.0
GSP/AGOA imports	97,883	164,361	108,302	143,982	119,210	-17.2
Textiles and apparel						
Exports	1,399	2,420	1,759	2,045	2,753	34.6
Imports	10	6	4	0	1	na
GSP/AGOA imports	0	([1])	0	0	0	na
Footwear						
Exports	28	78	0	0	67	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	633	406	545	944	24	-97.5
Imports	122,291	39,616	34,807	30,987	34,513	11.4
GSP/AGOA imports	15,408	9,074	9,674	196	108	-44.9
Machinery						
Exports	2,713	446	861	1,054	1,398	32.7
Imports	6	24	69	64	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	10,269	1,183	587	1,542	1,806	17.2
Imports	0	9	0	5	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	1,081	2,138	1,500	3,946	10,273	160.4
Imports	76	476	162	142	93	-34.5
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	50	60	3,531	12	177	1,427.8
Imports	175	494	2,159	3,248	4,545	39.9
GSP/AGOA imports	4	0	7	21	42	105.5
Special provisions						
Exports	826	435	817	6,567	1,892	-71.2
Imports	131	325	125	325	128	-60.7
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	21,034	9,982	18,508	26,612	30,384	14.2
Imports	231,913	212,239	147,713	189,692	173,867	-8.3
GSP/AGOA imports	113,803	173,787	118,527	144,885	119,471	-17.5

See footnote at end of table.

Table B-2-*Continued*
Djibouti: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	13,816	2,908	1,981	40,667	12,642	-68.9
Imports	103	26	79	54	27	-49.9
GSP/AGOA imports	0	0	0	23	27	16.3
Forest products						
Exports	145	26	48	3,389	4,967	46.6
Imports	0	0	4	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	4,980	5,276	7,867	760	5,639	641.7
Imports	1	86	74	2	90	4,956.2
GSP/AGOA imports	0	86	0	0	0	na
Energy-related products						
Exports	0	20	26	4	0	-100.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	1,115	2,941	1,568	1,627	827	-49.2
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	0	12	0	18	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	257	182	560	72	377	426.9
Imports	0	5	0	9	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	2,131	951	856	870	2,404	176.2
Imports	6	0	7	4	0	-100.0
GSP/AGOA imports	6	0	0	0	0	na
Transportation equipment						
Exports	1,691	1,210	4,329	5,586	2,173	-61.1
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	771	2,458	307	1,491	2,706	81.5
Imports	0	0	3	91	36	-60.2
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	936	4	18	112	622	453.1
Imports	0	0	0	0	3	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	713	632	1,002	1,367	1,912	39.9
Imports	1	303	783	1,756	459	-73.9
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	26,555	16,609	18,573	55,945	34,287	-38.7
Imports	110	419	951	1,915	615	-67.9
GSP/AGOA imports	6	86	0	23	27	16.3

See footnote at end of table.

Table B-2-*Continued*
Equatorial Guinea: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	589	307	1,147	1,110	1,099	-0.9
Imports	0	11	0	27	51	91.2
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	1,136	93	42	38	191	405.3
Imports	724	690	16	48	556	1,068.0
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	1,469	8,181	1,253	1,355	3,334	146.1
Imports	5,465	0	37,251	71,219	136,922	92.3
GSP/AGOA imports	0	0	24,954	49,390	93,574	89.5
Energy-related products						
Exports	103	329	1,328	495	1,382	179.3
Imports	33,822	152,534	355,083	495,987	773,612	56.0
GSP/AGOA imports	7,845	136,280	90,985	352,108	670,396	90.4
Textiles and apparel						
Exports	149	145	63	333	387	16.4
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	4	38	16	50	53	5.7
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	38,416	10,991	10,991	14,372	41,510	188.8
Imports	13	35	0	16	6	-63.2
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	6,281	10,001	7,408	12,340	77,510	528.1
Imports	0	0	0	10	646	6,558.4
GSP/AGOA imports	0	0	0	0	3	na
Transportation equipment						
Exports	167,099	59,210	54,674	72,596	187,886	158.8
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	682	3,017	954	1,035	7,327	608.0
Imports	0	18	6	26	8	-67.9
GSP/AGOA imports	0	4	6	0	3	na
Miscellaneous manufactures						
Exports	456	333	405	2,141	10,742	401.7
Imports	0	51	0	548	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	4,666	2,028	1,277	1,818	4,597	152.9
Imports	576	1,378	3,253	4,737	6,701	41.4
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	221,050	94,673	79,558	107,681	336,019	212.1
Imports	40,601	154,717	395,609	572,619	918,503	60.4
GSP/AGOA imports	7,845	136,284	115,945	401,498	763,976	90.3

See footnote at end of table.

Table B-2-*Continued*
Eritrea: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	0	12,091	14,451	23,022	37,652	63.5
Imports	347	43	38	35	17	-52.5
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	55	17	100	90	528	484.3
Imports	0	36	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	48	78	870	699	438	-37.3
Imports	63	38	4	59	3	-94.6
GSP/AGOA imports	0	0	0	11	0	-100.0
Energy-related products						
Exports	0	0	0	0	15	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	53	140	32	347	370	6.6
Imports	1	80	([1])	2	47	2,380.0
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	9	0	0	0	0	na
Imports	0	1	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	488	52	580	83	404	388.9
Imports	38	0	17	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	382	289	649	435	2,042	369.2
Imports	0	0	20	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	1,062	200	630	286	36,428	12,623.5
Imports	0	0	4	0	2	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	1,151	754	2,029	1,987	5,910	197.5
Imports	8	4	5	28	42	50.1
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	9	65	18	92	182	99.0
Imports	21	2	0	24	28	18.3
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	440	2,551	2,070	1,550	2,519	62.5
Imports	2	([1])	0	221	112	-49.2
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	3,698	16,236	21,429	28,591	86,488	202.5
Imports	480	203	89	369	251	-31.9
GSP/AGOA imports	0	0	0	11	0	-100.0

See footnote at end of table.

Table B-2-*Continued*
Ethiopia: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
	1,000 dollars					
Agricultural products						
Exports	29,522	113,990	26,274	10,624	154,581	1,355.0
Imports	27,241	25,668	25,336	22,043	26,616	20.7
GSP/AGOA imports	488	888	655	1,004	918	-8.6
Forest products						
Exports	701	371	318	1,119	1,536	37.3
Imports	17	36	9	20	30	55.9
GSP/AGOA imports	7	26	0	12	16	29.5
Chemicals and related products						
Exports	9,728	9,772	17,276	5,646	4,191	-25.8
Imports	299	453	180	169	383	127.0
GSP/AGOA imports	4	2	0	4	25	566.6
Energy-related products						
Exports	3	126	201	81	55	-31.5
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	629	946	223	142	1,791	1,159.5
Imports	10	30	735	1,324	1,765	33.2
GSP/AGOA imports	0	1	163	1,297	1,751	35.0
Footwear						
Exports	15	29	5	0	0	na
Imports	0	([1])	1	([1])	0	-100.0
GSP/AGOA imports	0	0	0	([1])	0	-100.0
Minerals and metals						
Exports	309	387	163	385	294	-23.8
Imports	1,573	2,024	1,911	8	30	298.1
GSP/AGOA imports	0	3	0	0	27	na
Machinery						
Exports	7,878	1,808	2,833	2,134	2,624	22.9
Imports	0	0	3	18	41	121.0
GSP/AGOA imports	0	0	0	2	30	1,143.7
Transportation equipment						
Exports	105,407	16,108	6,311	6,487	203,141	3,031.5
Imports	500	0	0	0	14	na
GSP/AGOA imports	0	0	0	0	12	na
Electronic products						
Exports	6,161	6,606	3,148	5,238	26,422	404.4
Imports	0	88	69	2	156	6,321.2
GSP/AGOA imports	0	0	3	0	104	na
Miscellaneous manufactures						
Exports	373	151	201	141	688	388.8
Imports	53	158	186	16	85	431.5
GSP/AGOA imports	18	7	0	0	3	na
Special provisions						
Exports	3,572	14,721	3,706	28,126	12,031	-57.2
Imports	517	203	611	2,059	1,375	-33.2
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	164,297	165,016	60,659	60,123	407,354	577.5
Imports	30,211	28,660	29,041	25,659	30,496	18.8
GSP/AGOA imports	516	927	822	2,320	2,885	24.3

See footnote at end of table.

Table B-2-*Continued*
Gabon: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	5,443	4,967	4,416	4,383	2,174	-50.4
Imports	601	347	638	512	90	-82.4
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	39	609	576	454	103	-77.3
Imports	4,676	6,217	5,517	6,032	6,963	15.4
GSP/AGOA imports	0	0	65	149	18	-87.6
Chemicals and related products						
Exports	1,920	1,965	2,236	2,118	3,298	55.7
Imports	104,129	116,917	18,172	17,480	1,898	-89.1
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	242	1,282	1,526	441	3,340	658.3
Imports	1,320,410	1,884,421	1,680,342	1,570,697	1,893,711	20.6
GSP/AGOA imports	0	0	938,695	1,145,478	1,177,431	2.8
Textiles and apparel						
Exports	1,145	942	1,495	1,298	1,841	41.9
Imports	0	2	13	337	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	88	345	582	368	1,660	351.4
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	5,041	2,529	3,709	2,918	6,956	138.4
Imports	26,213	27,200	21,593	19,013	19,272	1.4
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	4,541	6,825	8,064	8,173	7,941	-2.8
Imports	13	50	2	0	54	na
GSP/AGOA imports	0	10	0	0	0	na
Transportation equipment						
Exports	17,799	38,567	46,564	40,700	29,274	-28.1
Imports	53,127	13	30	59	8	-86.4
GSP/AGOA imports	0	0	0	0	8	na
Electronic products						
Exports	7,372	2,668	2,874	2,534	3,834	51.3
Imports	72	53	2	26	29	11.9
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	246	1,049	389	493	123	-75.0
Imports	2,162	912	2,998	1,774	2,346	32.2
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	1,091	1,523	1,658	1,295	1,311	1.2
Imports	1,541	1,790	2,365	6,092	3,344	-45.1
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	44,967	63,270	74,089	65,176	61,856	-5.1
Imports	1,512,945	2,037,921	1,731,671	1,622,021	1,927,715	18.8
GSP/AGOA imports	0	10	938,760	1,145,627	1,177,458	2.8

See footnote at end of table.

Table B-2-*Continued*
The Gambia: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	4,095	3,709	3,002	3,292	4,792	45.6
Imports	38	196	134	237	5	-98.0
GSP/AGOA imports	0	7	0	0	0	na
Forest products						
Exports	21	70	121	67	74	10.6
Imports	3	12	3	24	25	2.5
GSP/AGOA imports	3	5	0	21	13	-38.1
Chemicals and related products						
Exports	344	270	469	518	860	65.8
Imports	1	0	0	35	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	3	10	51	83	39	-52.9
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	1,295	1,597	1,677	1,631	1,826	11.9
Imports	27	90	65	29	25	-13.5
GSP/AGOA imports	([1])	([1])	1	0	0	-100.0
Footwear						
Exports	41	39	55	88	160	81.3
Imports	0	([1])	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	135	674	187	146	614	321.6
Imports	33	6	0	0	3	na
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	529	59	189	660	337	-48.9
Imports	0	4	6	86	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	306	250	566	1,527	730	-52.2
Imports	0	0	0	0	6	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	1,951	836	1,555	841	911	8.4
Imports	0	0	22	87	46	-46.8
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	49	289	55	102	173	69.8
Imports	64	30	0	7	24	229.0
GSP/AGOA imports	8	12	0	2	7	171.3
Special provisions						
Exports	728	1,063	236	147	71	-51.5
Imports	20	3	3	57	1	-98.2
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	9,496	8,867	8,164	9,103	10,588	16.3
Imports	186	342	232	563	134	-76.1
GSP/AGOA imports	12	24	1	24	20	-17.6

See footnote at end of table.

Table B-2-*Continued*
Ghana: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	53,586	39,815	41,896	47,651	54,749	14.9
Imports	42,361	70,890	58,093	29,042	12,033	-58.6
GSP/AGOA imports	2,902	2,951	2,271	3,368	4,696	39.4
Forest products						
Exports	1,857	5,560	2,848	5,258	2,535	-51.8
Imports	22,966	28,700	31,263	35,108	31,539	-10.2
GSP/AGOA imports	2,626	7,448	6,863	7,301	6,150	-15.8
Chemicals and related products						
Exports	31,209	16,378	29,426	22,220	24,597	10.7
Imports	826	8,458	524	690	1,575	128.2
GSP/AGOA imports	0	5	1	2	4	190.8
Energy-related products						
Exports	15,389	10,825	5,863	1,377	991	-28.0
Imports	20,020	46,063	56,145	24,750	29,067	17.4
GSP/AGOA imports	0	0	33,086	22,657	24,871	9.8
Textiles and apparel						
Exports	9,059	6,404	6,863	8,863	12,726	43.6
Imports	3,619	508	413	550	4,508	719.1
GSP/AGOA imports	3	8	5	336	4,261	1,167.3
Footwear						
Exports	2,273	538	857	841	813	-3.3
Imports	0	2	([1])	5	3	-32.9
GSP/AGOA imports	0	0	0	1	0	-100.0
Minerals and metals						
Exports	6,795	6,868	4,758	4,574	4,041	-11.6
Imports	115,472	46,021	32,482	20,128	2,798	-86.1
GSP/AGOA imports	3,308	2,605	222	350	167	-52.1
Machinery						
Exports	19,448	24,484	14,937	25,479	16,665	-34.6
Imports	139	67	74	58	15	-74.2
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	62,765	39,328	40,905	40,998	52,378	27.8
Imports	21	153	215	267	46	-82.6
GSP/AGOA imports	0	0	2	0	0	na
Electronic products						
Exports	12,032	15,624	16,711	15,087	18,201	20.6
Imports	123	34	45	26	60	127.7
GSP/AGOA imports	0	0	2	0	12	na
Miscellaneous manufactures						
Exports	2,243	3,821	3,195	4,092	5,350	30.7
Imports	1,384	1,268	1,026	1,490	1,342	-9.9
GSP/AGOA imports	798	523	437	815	425	-47.8
Special provisions						
Exports	14,390	9,067	11,212	10,161	11,379	12.0
Imports	2,399	4,266	5,112	3,526	615	-82.6
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	231,045	178,712	179,473	186,601	204,426	9.6
Imports	209,330	206,431	185,391	115,641	83,603	-27.7
GSP/AGOA imports	9,637	13,539	42,889	34,830	40,586	16.5

See footnote at end of table.

Table B-2-*Continued*
Guinea: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	17,458	14,534	7,706	9,114	6,777	-25.6
Imports	1,143	378	3,565	1,217	454	-62.7
GSP/AGOA imports	30	0	0	10	63	543.0
Forest products						
Exports	1,202	947	792	818	466	-43.1
Imports	201	94	401	164	339	107.4
GSP/AGOA imports	23	70	113	35	61	76.6
Chemicals and related products						
Exports	4,637	9,225	21,058	7,066	3,241	-54.1
Imports	57	155	24	143	20	-86.1
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	2,184	5,806	2,249	11,380	398	-96.5
Imports	5,155	7	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	3,454	2,250	2,306	2,572	1,836	-28.6
Imports	16	171	39	61	20	-66.6
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	123	309	162	123	171	38.9
Imports	3	([1])	1	1	1	42.2
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	1,226	2,288	3,851	1,670	1,550	-7.2
Imports	107,206	85,097	82,144	69,398	66,913	-3.6
GSP/AGOA imports	0	3	3	0	12	na
Machinery						
Exports	3,328	6,119	9,656	3,978	4,669	17.4
Imports	67	36	28	7	13	101.5
GSP/AGOA imports	0	0	22	0	0	na
Transportation equipment						
Exports	6,507	15,013	14,009	12,233	7,166	-41.4
Imports	0	117	88	64	5	-91.6
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	1,830	2,061	2,439	4,186	1,935	-53.8
Imports	22	405	74	21	755	3,413.4
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	574	564	1,028	254	270	6.4
Imports	618	280	531	67	270	303.4
GSP/AGOA imports	32	26	53	24	57	142.6
Special provisions						
Exports	10,914	7,694	12,363	9,096	6,803	-25.2
Imports	923	1,623	937	459	435	-5.2
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	53,435	66,810	77,619	62,489	35,280	-43.5
Imports	115,411	88,363	87,832	71,600	69,226	-3.3
GSP/AGOA imports	84	100	191	68	194	184.0

See footnote at end of table.

Table B-2-*Continued*
Guinea-Bissau: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	694	48	50	846	352	-58.3
Imports	0	0	3	27	55	103.6
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	0	6	0	49	6	-87.4
Imports	0	0	16	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	0	0	22	733	27	-96.3
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	1,812	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	0	0	9	0	8	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	0	0	18	40	0	-100.0
Imports	72	20	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	43	0	0	10	127	1,220.1
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	0	126	0	519	0	-100.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	64	98	359	302	664	120.1
Imports	0	7	0	8	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	0	0	0	22	0	-100.0
Imports	0	11	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	15	5	412	38	19	-49.4
Imports	1	4	0	0	46	na
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	816	284	870	2,559	1,203	-53.0
Imports	72	42	19	35	1,912	5,342.5
GSP/AGOA imports	0	0	0	0	0	na

See footnote at end of table.

Table B-2-*Continued*
Kenya: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	28,167	27,141	18,762	42,698	32,848	-23.1
Imports	36,247	34,994	41,055	40,012	41,906	4.7
GSP/AGOA imports	650	833	3,016	2,860	5,309	85.6
Forest products						
Exports	5,601	4,252	3,933	3,214	2,834	-11.8
Imports	2,741	2,476	2,511	3,358	1,810	-46.1
GSP/AGOA imports	2,584	1,997	2,317	2,448	1,582	-35.4
Chemicals and related products						
Exports	32,392	28,197	41,364	32,604	32,447	-0.5
Imports	1,203	1,238	3,099	2,394	1,552	-35.2
GSP/AGOA imports	352	16	1,148	734	153	-79.2
Energy-related products						
Exports	411	412	234	188	258	36.8
Imports	15	236	101	0	76	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	7,854	6,160	9,047	7,594	7,260	-4.4
Imports	39,633	44,089	64,623	126,488	188,148	48.7
GSP/AGOA imports	172	1	51,556	121,881	176,286	44.6
Footwear						
Exports	201	194	210	87	242	178.7
Imports	11	35	7	33	10	-70.1
GSP/AGOA imports	0	0	0	6	9	42.8
Minerals and metals						
Exports	4,429	5,439	9,979	10,805	8,521	-21.1
Imports	2,725	2,437	1,430	1,592	1,236	-22.4
GSP/AGOA imports	584	228	162	530	247	-53.4
Machinery						
Exports	14,913	13,464	16,833	10,071	15,162	50.5
Imports	250	1,104	259	503	297	-41.0
GSP/AGOA imports	0	9	14	45	39	-14.5
Transportation equipment						
Exports	67,137	122,495	442,175	123,895	64,246	-48.1
Imports	875	319	413	179	183	2.5
GSP/AGOA imports	0	19	0	0	0	na
Electronic products						
Exports	18,420	20,007	17,873	23,217	18,871	-18.7
Imports	13,421	9,925	5,912	4,357	6,128	40.6
GSP/AGOA imports	37	29	29	8	43	444.4
Miscellaneous manufactures						
Exports	917	1,197	2,622	1,907	1,388	-27.2
Imports	3,032	2,943	3,874	2,333	2,508	7.5
GSP/AGOA imports	704	785	630	698	774	10.9
Special provisions						
Exports	6,647	6,456	10,788	11,692	8,932	-23.6
Imports	5,992	9,598	5,298	7,906	5,282	-33.2
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	187,089	235,413	573,819	267,972	193,009	-28.0
Imports	106,144	109,394	128,582	189,156	249,137	31.7
GSP/AGOA imports	5,082	3,919	58,873	129,210	184,441	42.7

See footnote at end of table.

Table B-2-*Continued*
Lesotho: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	59	492	30	614	2,631	328.2
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	82	0	7	3	27	761.2
Imports	0	0	27	0	0	na
GSP/AGOA imports	0	0	23	0	0	na
Chemicals and related products						
Exports	11	12	0	0	0	na
Imports	0	0	144	274	326	18.8
GSP/AGOA imports	0	0	39	226	74	-67.3
Energy-related products						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	0	0	0	221	166	-24.9
Imports	110,748	140,060	216,776	321,049	392,490	22.3
GSP/AGOA imports	1	0	129,523	317,803	372,600	17.2
Footwear						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	0	0	6	0	3	na
Imports	6	0	31	0	0	na
GSP/AGOA imports	0	0	8	0	0	na
Machinery						
Exports	0	112	16	31	1,714	5,487.4
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	39	74	350	365	333	-8.7
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	525	128	354	525	141	-73.1
Imports	0	0	4	0	9	na
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	0	3	20	3	4	50.8
Imports	0	0	55	0	39	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	18	16	34	56	78	40.6
Imports	59	90	127	152	193	26.7
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	733	837	817	1,818	5,098	180.5
Imports	110,814	140,150	217,165	321,475	393,056	22.3
GSP/AGOA imports	1	0	129,592	318,029	372,674	17.2

See footnote at end of table.

Table B-2-*Continued*
Liberia: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	16,013	12,320	8,683	9,294	11,832	27.3
Imports	294	64	18	59	34	-43.2
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	347	548	333	302	29	-90.5
Imports	816	78	142	77	128	67.1
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	3,499	1,700	1,978	1,586	2,096	32.2
Imports	28,606	43,374	41,158	43,424	55,719	28.3
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	331	235	204	95	60	-36.9
Imports	3	0	0	0	2,174	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	4,417	3,514	2,970	1,900	3,405	79.3
Imports	2	7	3	18	11	-40.5
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	165	150	143	201	140	-30.5
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	4,837	9,810	10,278	7,403	6,073	-18.0
Imports	139	586	92	211	781	270.9
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	3,317	2,449	1,725	478	1,362	185.2
Imports	255	100	52	250	7	-97.2
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	2,248	1,887	2,423	1,274	1,681	32.0
Imports	3	655	2	55	43	-21.6
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	2,833	3,225	2,132	836	1,168	39.8
Imports	36	231	130	208	90	-56.6
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	474	296	697	145	167	15.3
Imports	59	17	317	558	170	-69.5
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	6,105	6,262	5,243	4,004	4,969	24.1
Imports	308	298	643	950	328	-65.5
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	44,585	42,397	36,807	27,517	32,983	19.9
Imports	30,523	45,408	42,558	45,810	59,485	29.9
GSP/AGOA imports	0	0	0	0	0	na

See footnote at end of table.

Table B-2-*Continued*
Madagascar: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	1,587	4,962	4,785	7,407	7,384	-0.3
Imports	28,090	39,599	83,969	121,478	181,276	49.2
GSP/AGOA imports	3,229	2,598	2,484	2,360	76	-96.8
Forest products						
Exports	123	87	239	128	88	-31.4
Imports	2,004	2,177	2,054	1,526	1,566	2.6
GSP/AGOA imports	863	1,006	1,140	873	1,243	42.3
Chemicals and related products						
Exports	2,100	1,104	2,630	1,455	2,017	38.6
Imports	413	501	1,470	200	733	265.9
GSP/AGOA imports	0	4	0	3	0	-100.0
Energy-related products						
Exports	30	12	50	36	4	-89.2
Imports	0	0	2	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	670	432	744	234	626	167.9
Imports	46,068	109,907	178,750	89,998	196,375	118.2
GSP/AGOA imports	338	239	92,558	76,128	186,181	144.6
Footwear						
Exports	15	0	0	0	0	na
Imports	0	3	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	310	379	812	38	420	1,005.8
Imports	1,929	3,111	1,926	1,454	1,542	6.1
GSP/AGOA imports	120	164	231	104	34	-67.1
Machinery						
Exports	1,087	566	2,635	973	1,211	24.5
Imports	0	7	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	98,050	5,894	5,917	2,707	29,306	982.7
Imports	0	3	5	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	1,706	1,572	2,500	1,507	3,441	128.3
Imports	454	416	360	72	19	-73.4
GSP/AGOA imports	302	370	307	42	0	-100.0
Miscellaneous manufactures						
Exports	3	51	116	76	81	6.5
Imports	648	880	2,305	396	617	56.0
GSP/AGOA imports	221	339	385	217	345	59.0
Special provisions						
Exports	375	338	519	656	909	38.5
Imports	610	1,133	949	799	1,201	50.2
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	106,056	15,397	20,947	15,217	45,488	198.9
Imports	80,214	157,737	271,791	215,923	383,329	77.5
GSP/AGOA imports	5,073	4,720	97,105	79,728	187,879	135.6

See footnote at end of table.

Table B-2-*Continued*
Malawi: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	133	2,013	578	12,426	4,356	-64.9
Imports	57,274	60,616	59,317	56,565	56,811	0.4
GSP/AGOA imports	24,660	23,216	30,561	35,499	36,858	3.8
Forest products						
Exports	366	560	956	944	714	-24.3
Imports	6	4	12	4	22	433.5
GSP/AGOA imports	0	0	2	0	9	na
Chemicals and related products						
Exports	931	195	948	252	995	295.2
Imports	0	3	0	0	0	na
GSP/AGOA imports	0	3	0	0	0	na
Energy-related products						
Exports	24	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	419	812	862	337	342	1.3
Imports	1,204	7,326	12,385	11,432	23,173	102.7
GSP/AGOA imports	0	0	4,799	11,405	22,389	96.3
Footwear						
Exports	0	13	18	22	0	-100.0
Imports	0	0	([1])	0	1	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	5	31	48	206	157	-23.9
Imports	48	0	19	0	0	na
GSP/AGOA imports	42	0	0	0	0	na
Machinery						
Exports	402	1,576	2,273	1,528	1,698	11.1
Imports	9	0	0	0	0	na
GSP/AGOA imports	9	0	0	0	0	na
Transportation equipment						
Exports	279	1,344	284	509	1,864	266.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	2,077	1,195	3,076	6,480	2,131	-67.1
Imports	5	119	2	67	22	-67.3
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	12	25	53	110	7	-94.0
Imports	0	2	22	0	1	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	2,708	5,862	5,238	5,811	4,243	-27.0
Imports	58	57	42	42	46	8.3
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	7,356	13,627	14,334	28,626	16,507	-42.3
Imports	58,604	68,126	71,800	68,109	80,076	17.6
GSP/AGOA imports	24,711	23,218	35,362	46,904	59,256	26.3

See footnote at end of table.

Table B-2-*Continued*
Mali: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	1,760	5,160	1,774	1,461	1,431	-2.0
Imports	2,734	410	618	184	99	-46.2
GSP/AGOA imports	0	0	15	16	0	-100.0
Forest products						
Exports	28	1,173	73	68	25	-63.0
Imports	389	123	241	80	80	-0.2
GSP/AGOA imports	262	123	153	48	65	35.6
Chemicals and related products						
Exports	6,031	6,679	5,461	4,000	7,436	85.9
Imports	46	79	1	7	61	795.9
GSP/AGOA imports	0	58	0	6	0	-100.0
Energy-related products						
Exports	37	0	20	10	0	-100.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	1,133	1,166	285	573	384	-33.0
Imports	218	261	108	122	155	26.9
GSP/AGOA imports	4	5	4	1	2	73.5
Footwear						
Exports	82	20	72	21	31	44.9
Imports	0	18	0	([1])	([1])	19.2
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	291	993	573	107	123	14.6
Imports	38	148	398	252	101	-59.8
GSP/AGOA imports	21	0	81	208	11	-94.6
Machinery						
Exports	7,092	1,313	1,879	1,509	4,829	220.1
Imports	92	32	51	20	234	1,062.9
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	4,161	8,091	11,230	1,484	2,313	55.8
Imports	0	46	5	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	7,351	4,439	7,710	1,562	10,011	540.7
Imports	190	1,815	484	584	604	3.4
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	44	126	18	15	183	1,080.8
Imports	4,342	4,241	1,946	872	617	-29.3
GSP/AGOA imports	19	200	40	63	184	191.1
Special provisions						
Exports	577	580	2,723	220	3,150	1,334.0
Imports	817	1,265	2,353	460	443	-3.8
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	28,586	29,740	31,818	11,031	29,916	171.2
Imports	8,867	8,438	6,205	2,583	2,394	-7.3
GSP/AGOA imports	306	387	293	342	262	-23.3

See footnote at end of table.

Table B-2-*Continued*
Mauritania: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	13,076	1,886	2,216	1,418	5,547	291.2
Imports	0	49	26	131	546	317.8
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	0	5	9	15	0	-100.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	130	155	261	427	85	-80.1
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	72	84	3	174	273	56.9
Imports	0	0	0	0	3	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	34	215	240	361	319	-11.6
Imports	11	40	1	30	89	197.2
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	3	0	0	6	0	-100.0
Imports	0	0	0	387	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	1,249	2,244	2,154	269	308	14.4
Imports	170	0	0	15	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	3,152	4,728	4,577	6,608	13,093	98.1
Imports	0	0	0	42	3	-91.8
GSP/AGOA imports	0	0	0	0	3	na
Transportation equipment						
Exports	4,415	4,458	12,103	11,727	8,913	-24.0
Imports	0	3	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	913	1,821	2,920	1,053	4,771	353.3
Imports	537	15	131	139	136	-2.7
GSP/AGOA imports	0	2	0	35	0	-100.0
Miscellaneous manufactures						
Exports	0	19	40	63	0	-100.0
Imports	0	4	40	0	4	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	552	252	602	531	881	65.9
Imports	36	243	95	185	148	-19.9
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	23,597	15,866	25,126	22,652	34,191	50.9
Imports	754	354	294	929	929	0.0
GSP/AGOA imports	0	2	0	35	3	-90.3

See footnote at end of table.

Table B-2-*Continued*
Mauritius: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	443	920	274	550	508	-7.6
Imports	8,351	23,382	13,941	10,079	9,554	-5.2
GSP/AGOA imports	3,274	4,836	10,162	5,061	1,302	-74.3
Forest products						
Exports	716	781	610	420	475	13.1
Imports	0	63	117	368	244	-33.8
GSP/AGOA imports	0	5	6	0	5	na
Chemicals and related products						
Exports	1,129	1,570	1,816	1,490	1,712	14.9
Imports	374	762	1,882	1,286	1,074	-16.5
GSP/AGOA imports	0	13	9	37	12	-66.9
Energy-related products						
Exports	3	99	126	168	120	-28.9
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	405	453	2,865	1,501	2,208	47.1
Imports	232,109	244,863	238,345	254,653	269,155	5.7
GSP/AGOA imports	17	0	38,925	106,528	135,162	26.9
Footwear						
Exports	0	0	6	5	0	-100.0
Imports	8	75	0	2	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	469	444	299	877	744	-15.2
Imports	6,622	6,946	7,001	6,689	6,790	1.5
GSP/AGOA imports	48	50	18	16	21	30.6
Machinery						
Exports	2,799	4,327	4,415	3,434	3,751	9.2
Imports	0	166	620	517	577	11.6
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	2,837	1,536	3,149	2,821	2,190	-22.4
Imports	115	1,757	110	102	365	258.0
GSP/AGOA imports	0	0	2	0	49	na
Electronic products						
Exports	20,312	3,940	6,837	6,338	10,152	60.2
Imports	3,685	3,571	4,155	3,630	3,964	9.2
GSP/AGOA imports	3,211	2,928	2,945	1,854	1,611	-13.1
Miscellaneous manufactures						
Exports	1,507	441	705	790	708	-10.3
Imports	4,107	3,544	4,796	1,771	5,496	210.4
GSP/AGOA imports	2,740	1,825	1,908	795	4,914	517.8
Special provisions						
Exports	1,483	935	920	1,003	1,121	11.8
Imports	2,973	876	4,159	1,338	878	-34.4
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	32,103	15,448	22,022	19,398	23,689	22.1
Imports	258,343	286,008	275,127	280,433	298,096	6.3
GSP/AGOA imports	9,291	9,658	53,975	114,292	143,077	25.2

See footnote at end of table.

Table B-2-*Continued*
Mozambique: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	18,274	30,311	14,979	66,136	39,178	-40.8
Imports	8,403	23,901	6,594	6,656	5,576	-16.2
GSP/AGOA imports	78	10,688	5,253	5,713	5,385	-5.7
Forest products						
Exports	22	151	80	81	34	-58.2
Imports	46	7	61	64	27	-57.2
GSP/AGOA imports	0	2	8	16	16	-1.5
Chemicals and related products						
Exports	1,952	1,338	720	958	1,807	88.6
Imports	0	0	([1])	0	14	na
GSP/AGOA imports	0	0	([1])	0	0	na
Energy-related products						
Exports	49	6,076	2,805	15,791	9,141	-42.1
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	2,758	4,495	2,193	1,742	2,357	35.3
Imports	44	-1	179	193	2,528	1,208.3
GSP/AGOA imports	0	0	0	186	2,516	1,251.7
Footwear						
Exports	51	175	93	307	676	120.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	2,821	1,074	166	412	952	131.2
Imports	1,065	159	19	952	21	-97.8
GSP/AGOA imports	17	11	16	0	0	na
Machinery						
Exports	3,390	4,709	1,462	5,833	2,981	-48.9
Imports	19	0	0	48	10	-79.6
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	924	1,473	1,412	3,983	3,165	-20.5
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	2,444	2,287	1,520	1,574	1,125	-28.5
Imports	57	71	8	157	109	-30.7
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	83	28	504	39	117	198.2
Imports	60	46	34	69	52	-24.2
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	1,079	5,798	2,393	1,013	806	-20.4
Imports	592	194	165	22	373	1,609.7
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	33,847	57,913	28,327	97,869	62,340	-36.3
Imports	10,287	24,377	7,060	8,160	8,711	6.7
GSP/AGOA imports	95	10,701	5,278	5,916	7,917	33.8

See footnote at end of table.

Table B-2-*Continued*
Namibia: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	67	2,414	4,928	5,651	5,662	0.2
Imports	18,406	18,883	12,495	6,456	10,043	55.6
GSP/AGOA imports	341	1	26	0	5	na
Forest products						
Exports	48	420	187	468	575	23.0
Imports	173	186	76	189	155	-17.6
GSP/AGOA imports	76	134	67	161	142	-11.9
Chemicals and related products						
Exports	946	1,481	4,169	9,315	4,894	-47.5
Imports	197	404	48	1	748	57,899.1
GSP/AGOA imports	([1])	([1])	0	0	0	na
Energy-related products						
Exports	32	120	138	86	203	136.3
Imports	0	13,432	11,302	30,694	18,349	-40.2
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	201	77	84	157	582	271.5
Imports	40	192	118	6,713	41,972	525.3
GSP/AGOA imports	8	0	0	1,552	32,135	1,971.0
Footwear						
Exports	0	0	3	0	8	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	141	259	676	5,794	2,481	-57.2
Imports	9,638	6,968	12,138	11,344	49,639	337.6
GSP/AGOA imports	0	0	0	0	14,465	na
Machinery						
Exports	1,508	1,064	2,420	2,253	1,392	-38.2
Imports	94	220	34	79	8	-90.5
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	182,338	57,993	176,282	3,287	2,105	-36.0
Imports	7	2	0	6	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	5,944	3,012	10,260	13,601	2,228	-83.6
Imports	200	6	10	27	12	-56.5
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	180	725	597	1,688	958	-43.2
Imports	57	105	52	71	112	59.5
GSP/AGOA imports	2	18	0	4	7	83.1
Special provisions						
Exports	3,417	10,882	49,591	11,388	5,581	-51.0
Imports	1,173	1,795	1,571	1,775	2,211	24.6
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	194,822	78,448	249,334	53,688	26,668	-50.3
Imports	29,984	42,191	37,845	57,353	123,249	114.9
GSP/AGOA imports	427	154	93	1,717	46,755	2,622.8

See footnote at end of table.

Table B-2-*Continued*
Niger: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	432	2,357	4,759	7,184	5,823	-18.9
Imports	152	146	6	16	1,999	12,527.4
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	228	1,252	2,732	4,090	4,194	2.6
Imports	14	51	273	3	10	274.5
GSP/AGOA imports	11	0	0	3	0	-100.0
Chemicals and related products						
Exports	1,896	2,806	20,006	5,791	5,704	-1.5
Imports	121	56	204	94	309	228.1
GSP/AGOA imports	0	16	42	0	36	na
Energy-related products						
Exports	0	0	5	5	11	129.8
Imports	2,455	4,770	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	8,172	4,287	4,708	3,227	3,222	-0.2
Imports	128	42	54	100	129	28.7
GSP/AGOA imports	0	0	0	0	([1])	na
Footwear						
Exports	3	5	0	0	0	na
Imports	1	0	0	0	([1])	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	195	490	947	953	925	-3.0
Imports	4	578	126	32	234	625.4
GSP/AGOA imports	4	0	0	0	0	na
Machinery						
Exports	1,838	5,533	7,626	2,166	1,874	-13.5
Imports	599	810	55	167	104	-37.8
GSP/AGOA imports	254	0	0	0	0	na
Transportation equipment						
Exports	1,065	1,865	8,217	5,451	3,511	-35.6
Imports	33	12	112	211	74	-65.2
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	2,855	14,032	11,365	7,955	5,306	-33.3
Imports	318	139	240	29	481	1,534.2
GSP/AGOA imports	0	0	0	4	0	-100.0
Miscellaneous manufactures						
Exports	773	584	168	321	277	-13.7
Imports	199	24	13	201	171	-14.6
GSP/AGOA imports	11	0	0	15	26	66.7
Special provisions						
Exports	938	2,459	2,352	2,177	1,518	-30.3
Imports	813	344	342	43	522	1,120.7
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	18,394	35,671	62,886	39,320	32,365	-17.7
Imports	4,837	6,972	1,427	897	4,034	349.7
GSP/AGOA imports	280	16	42	22	63	186.7

See footnote at end of table.

Table B-2-*Continued*
Nigeria: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	172,699	178,734	245,911	303,482	324,575	7.0
Imports	8,277	5,227	10,529	16,015	48,058	200.1
GSP/AGOA imports	0	58	153	464	1,767	280.5
Forest products						
Exports	8,493	14,667	20,944	14,817	12,027	-18.8
Imports	1,138	875	477	421	453	7.6
GSP/AGOA imports	0	10	19	13	36	169.3
Chemicals and related products						
Exports	43,156	55,631	61,726	60,008	60,573	0.9
Imports	429,134	943,895	258,960	12,966	20,717	59.8
GSP/AGOA imports	0	0	([1])	0	0	na
Energy-related products						
Exports	26,321	16,568	24,335	36,515	21,963	-39.9
Imports	3,720,249	8,706,166	8,627,161	5,772,765	10,027,991	73.7
GSP/AGOA imports	0	0	5,688,030	5,409,167	9,353,913	72.9
Textiles and apparel						
Exports	12,817	8,384	13,647	15,053	12,464	-17.2
Imports	801	572	453	111	455	310.0
GSP/AGOA imports	0	0	([1])	0	1	na
Footwear						
Exports	738	728	1,391	3,590	2,528	-29.6
Imports	57	106	186	5	4	-27.7
GSP/AGOA imports	0	0	71	1	1	91.4
Minerals and metals						
Exports	19,272	25,355	37,884	42,235	29,095	-31.1
Imports	972	16,187	12,107	1,108	437	-60.6
GSP/AGOA imports	0	0	0	2	73	2,934.1
Machinery						
Exports	74,239	124,234	151,764	140,803	95,107	-32.5
Imports	2,693	55	296	487	48	-90.1
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	194,092	228,238	284,261	311,616	285,846	-8.3
Imports	0	23	72	1,075	266	-75.3
GSP/AGOA imports	0	0	56	0	205	na
Electronic products						
Exports	52,304	42,039	86,934	96,832	133,911	38.3
Imports	97	92	318	830	157	-81.1
GSP/AGOA imports	0	0	46	3	0	-100.0
Miscellaneous manufactures						
Exports	9,969	3,590	7,583	8,986	6,984	-22.3
Imports	4,710	2,969	1,463	1,635	1,858	13.6
GSP/AGOA imports	0	3	85	10	16	67.6
Special provisions						
Exports	10,061	14,432	11,234	12,971	11,379	-12.3
Imports	4,194	3,961	4,454	12,185	13,176	8.1
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	624,161	712,600	947,614	1,046,908	996,453	-4.8
Imports	4,172,322	9,680,128	8,916,476	5,819,603	10,113,618	73.8
GSP/AGOA imports	0	71	5,688,461	5,409,660	9,356,012	73.0

See footnote at end of table.

Table B-2-*Continued*
Republic of the Congo: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	9,487	16,369	14,325	4,251	13,057	207.1
Imports	4,423	3,053	1,196	3,560	4,661	30.9
GSP/AGOA imports	3,083	2,456	0	2,786	2,813	1.0
Forest products						
Exports	95	6,078	417	158	228	44.5
Imports	2,063	1,227	682	461	1,731	275.2
GSP/AGOA imports	21	27	2	0	48	na
Chemicals and related products						
Exports	1,345	6,365	1,380	1,633	2,347	43.7
Imports	16,847	29,720	666	1,675	3,341	99.4
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	59	348	91	114	138	21.5
Imports	367,338	445,822	438,808	200,766	383,446	91.0
GSP/AGOA imports	0	0	128,746	103,808	337,899	225.5
Textiles and apparel						
Exports	5,778	4,949	4,191	3,580	6,244	74.4
Imports	14	2	4	7	1	-89.0
GSP/AGOA imports	1	0	2	0	0	na
Footwear						
Exports	129	349	22	13	0	-100.0
Imports	0	2	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	836	4,182	5,601	6,972	3,516	-49.6
Imports	16,057	24,840	14,525	16,437	10,341	-37.1
GSP/AGOA imports	3,160	1,847	1,410	14	15	9.7
Machinery						
Exports	7,538	8,437	8,441	6,335	4,860	-23.3
Imports	4	76	22	5	24	399.3
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	14,393	23,666	46,299	23,914	40,807	70.6
Imports	4	9	0	38	11	-70.7
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	3,446	7,460	5,778	2,233	4,761	113.2
Imports	3	419	138	40	33	-16.7
GSP/AGOA imports	3	0	0	0	0	na
Miscellaneous manufactures						
Exports	104	342	227	69	104	50.5
Imports	2,124	1,994	1,115	692	1,136	64.1
GSP/AGOA imports	51	50	74	26	15	-41.9
Special provisions						
Exports	3,612	2,655	2,573	2,522	2,539	0.7
Imports	1,642	780	747	142	2,461	1,632.9
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	46,824	81,200	89,344	51,793	78,601	51.8
Imports	410,518	507,943	457,901	223,824	407,186	81.9
GSP/AGOA imports	6,319	4,380	130,235	106,633	340,790	219.6

See footnote at end of table.

Table B-2-*Continued*
Rwanda: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	17,796	10,186	8,404	7,543	5,652	-25.1
Imports	2,007	2,301	3,668	1,899	1,789	-5.8
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	8,111	3,917	117	22	85	282.1
Imports	0	0	20	10	6	-36.8
GSP/AGOA imports	0	0	20	10	6	-36.8
Chemicals and related products						
Exports	82	128	324	136	210	53.9
Imports	0	0	294	0	41	na
GSP/AGOA imports	0	0	265	0	0	na
Energy-related products						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	116	201	166	124	125	0.4
Imports	17	23	0	2	3	25.8
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	116	82	196	37	23	-37.9
Imports	1,422	2,552	3,134	991	622	-37.2
GSP/AGOA imports	154	324	33	0	0	na
Machinery						
Exports	135	280	91	37	38	3.0
Imports	0	0	0	33	68	103.7
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	32	1,020	50	284	533	88.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	19,550	2,537	6,990	1,491	738	-50.5
Imports	39	150	66	119	32	-73.2
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	14	17	75	54	66	22.0
Imports	0	0	20	18	54	202.2
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	1,538	554	973	434	444	2.5
Imports	201	36	20	14	8	-43.7
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	47,490	18,922	17,386	10,162	7,914	-22.1
Imports	3,686	5,061	7,221	3,086	2,623	-15.0
GSP/AGOA imports	154	324	318	10	6	-36.8

See footnote at end of table.

Table B-2-*Continued*
São Tomé & Principe: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	12	28	318	64	46	-28.2
Imports	0	21	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	319	63	0	190	191	0.9
Imports	0	0	0	272	9	-96.7
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	73	65	63	91	134	46.5
Imports	59	10	([1])	11	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	16	38	0	8	na
Imports	1,616	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	0	108	24	119	0	-100.0
Imports	23	3	19	2	1	-67.5
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	0	91	37	53	3	-94.4
Imports	33	46	9	34	2	-93.3
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	4	137	43	50	203	307.6
Imports	758	245	247	12	7	-44.6
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	52	190	9,921	1,068	71	-93.4
Imports	6	9	0	0	47	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	33	106	135	203	103	-49.4
Imports	142	116	32	37	16	-58.0
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	0	123	4	24	4	-83.5
Imports	7	5	0	3	10	242.3
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	17	34	29	59	481	718.1
Imports	49	59	15	19	([1])	-98.5
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	510	962	10,614	1,921	1,243	-35.3
Imports	2,693	513	322	391	91	-76.7
GSP/AGOA imports	0	0	0	0	0	na

See footnote at end of table.

Table B-2-*Continued*
Senegal: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	14,388	16,895	8,166	9,452	12,591	33.2
Imports	994	1,015	6,346	583	442	-24.3
GSP/AGOA imports	0	0	2	50	27	-47.3
Forest products						
Exports	175	498	878	184	1,036	463.4
Imports	171	227	154	184	47	-74.4
GSP/AGOA imports	16	38	58	22	40	78.5
Chemicals and related products						
Exports	6,617	15,773	17,377	11,206	10,154	-9.4
Imports	2,040	767	474	464	772	66.4
GSP/AGOA imports	699	691	407	376	608	61.6
Energy-related products						
Exports	171	185	535	2,299	4,548	97.9
Imports	7,263	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	3,570	4,102	4,142	4,125	3,743	-9.3
Imports	171	299	91	158	74	-53.3
GSP/AGOA imports	1	11	3	([1])	1	202.7
Footwear						
Exports	62	97	124	103	152	47.5
Imports	8	2	14	14	8	-42.5
GSP/AGOA imports	0	0	0	([1])	1	139.3
Minerals and metals						
Exports	140	1,976	4,853	1,672	3,238	93.7
Imports	156	0	11	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	8,494	6,801	7,740	6,018	7,364	22.4
Imports	17	14	0	4	16	299.2
GSP/AGOA imports	0	0	0	0	8	na
Transportation equipment						
Exports	9,997	21,551	18,861	26,741	42,489	58.9
Imports	0	26	6	0	44	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	16,172	9,289	8,463	6,917	8,783	27.0
Imports	1,453	204	2,576	571	774	35.5
GSP/AGOA imports	0	0	0	0	9	na
Miscellaneous manufactures						
Exports	711	363	1,431	870	1,746	100.8
Imports	1,337	1,138	1,376	1,116	974	-12.8
GSP/AGOA imports	24	41	97	50	27	-46.4
Special provisions						
Exports	2,311	2,653	5,765	2,376	3,045	28.1
Imports	3,863	539	91,297	704	1,177	67.0
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	62,808	80,183	78,334	71,962	98,888	37.4
Imports	17,473	4,231	102,345	3,799	4,326	13.9
GSP/AGOA imports	740	781	567	499	720	44.2

See footnote at end of table.

Table B-2-*Continued*
Seychelles: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	346	363	246	240	311	29.4
Imports	96	1,035	15,639	20,179	1,978	-90.2
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	29	326	261	65	87	33.7
Imports	166	10	24	45	3	-93.4
GSP/AGOA imports	93	0	0	0	3	na
Chemicals and related products						
Exports	953	656	858	1,804	933	-48.3
Imports	0	1	3	47	2,381	4,920.2
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	5,087	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	145	711	1,035	303	228	-24.6
Imports	1,041	156	25	([1])	90	23,781.4
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	1,523	391	295	383	412	7.6
Imports	38	291	355	220	113	-48.7
GSP/AGOA imports	10	0	0	0	0	na
Machinery						
Exports	1,063	535	6,613	676	381	-43.7
Imports	46	0	36	54	45	-17.4
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	280	188	155,029	2,272	1,550	-31.8
Imports	0	32	0	31	3	-91.1
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	2,071	3,490	10,888	1,886	2,493	32.2
Imports	3,277	5,172	4,880	3,327	3,699	11.2
GSP/AGOA imports	2,497	4,662	4,230	0	0	na
Miscellaneous manufactures						
Exports	854	32	357	274	356	29.7
Imports	81	34	11	0	26	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	283	278	376	300	196	-34.5
Imports	454	1,366	2,728	2,388	1,900	-20.4
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	7,547	6,971	175,959	8,204	6,947	-15.3
Imports	5,197	8,097	23,701	26,291	15,324	-41.7
GSP/AGOA imports	2,600	4,662	4,230	0	3	na

See footnote at end of table.

Table B-2-*Continued*
Sierra Leone: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	4,720	5,527	13,893	13,184	8,803	-33.2
Imports	153	291	209	526	281	-46.7
GSP/AGOA imports	0	10	18	48	22	-54.9
Forest products						
Exports	99	153	316	666	694	4.2
Imports	17	25	3	0	87	na
GSP/AGOA imports	0	25	3	0	0	na
Chemicals and related products						
Exports	491	787	1,015	963	1,734	80.0
Imports	82	262	454	311	304	-2.1
GSP/AGOA imports	3	60	1	145	48	-67.2
Energy-related products						
Exports	117	41	390	104	124	19.6
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	1,971	1,256	1,567	1,248	1,692	35.5
Imports	193	335	1,374	466	833	78.7
GSP/AGOA imports	25	0	0	0	0	na
Footwear						
Exports	0	49	111	170	204	20.1
Imports	1,776	134	854	140	196	39.9
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	149	536	1,039	459	412	-10.3
Imports	7,529	2,044	537	1,515	3,861	154.9
GSP/AGOA imports	0	119	226	6	0	-100.0
Machinery						
Exports	302	860	1,030	554	1,532	176.4
Imports	81	80	150	53	56	6.0
GSP/AGOA imports	0	29	44	10	6	-44.7
Transportation equipment						
Exports	336	2,489	1,165	2,333	2,490	6.7
Imports	107	55	189	48	99	105.5
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	1,573	2,422	2,767	2,478	3,774	52.3
Imports	151	45	180	112	403	261.2
GSP/AGOA imports	4	0	95	0	0	na
Miscellaneous manufactures						
Exports	88	389	542	288	621	115.4
Imports	213	512	680	277	278	0.3
GSP/AGOA imports	0	0	0	8	0	-100.0
Special provisions						
Exports	3,141	3,282	3,958	2,558	5,385	110.6
Imports	33	23	10	385	79	-79.5
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	12,985	17,791	27,791	25,006	27,466	9.8
Imports	10,335	3,806	4,640	3,833	6,478	69.0
GSP/AGOA imports	31	245	387	217	75	-65.5

See footnote at end of table.

Table B-2-*Continued*
Somalia: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	1,936	1,776	3,193	1,609	4,001	148.6
Imports	67	14	82	192	55	-71.2
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	0	0	6	8	21	177.5
Imports	0	5	5	7	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	68	100	25	808	1,143	41.5
Imports	35	56	151	39	80	107.3
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	0	0	0	0	na
Imports	0	0	12	5	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	228	4	454	304	234	-23.2
Imports	28	9	69	5	1	-82.1
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	138	0	5	137	525	282.4
Imports	0	324	6	6	2	-65.3
GSP/AGOA imports	0	324	0	0	0	na
Machinery						
Exports	276	126	51	18	276	1,433.4
Imports	0	7	4	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	5	517	550	44	45	2.3
Imports	0	0	8	11	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	132	2,137	778	3,062	671	-78.1
Imports	36	6	3	79	3	-96.6
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	0	0	10	53	0	-100.0
Imports	26	20	2	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	31	201	1,518	117	96	-17.7
Imports	0	2	([1])	5	42	801.8
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	2,813	4,862	6,591	6,161	7,013	13.8
Imports	192	443	343	348	183	-47.4
GSP/AGOA imports	0	324	0	0	0	na

See footnote at end of table.

Table B-2-*Continued*
South Africa: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	186,131	132,718	100,678	150,899	149,169	-1.1
Imports	161,980	199,584	173,169	192,160	207,742	8.1
GSP/AGOA imports	29,006	41,229	78,750	123,723	132,655	7.2
Forest products						
Exports	102,848	98,146	96,753	75,009	94,413	25.9
Imports	52,158	66,461	48,456	44,302	66,403	49.9
GSP/AGOA imports	8,889	8,789	9,141	17,467	22,849	30.8
Chemicals and related products						
Exports	401,563	481,668	460,718	446,993	440,889	-1.4
Imports	225,449	283,500	283,066	267,343	344,660	28.9
GSP/AGOA imports	97,971	118,967	126,011	134,334	175,348	30.5
Energy-related products						
Exports	94,429	107,317	94,076	110,362	112,981	2.4
Imports	9,678	62,926	66,489	42,385	45,164	6.6
GSP/AGOA imports	291	0	2,136	866	2,830	226.7
Textiles and apparel						
Exports	32,680	37,633	28,712	26,439	27,418	3.7
Imports	126,978	175,579	212,457	214,957	269,531	25.4
GSP/AGOA imports	1,737	2,242	33,621	88,292	131,188	48.6
Footwear						
Exports	10,069	7,674	2,101	1,037	1,336	28.9
Imports	91	59	217	461	910	97.3
GSP/AGOA imports	0	0	171	290	789	172.2
Minerals and metals						
Exports	109,057	118,611	97,323	89,056	103,545	16.3
Imports	2,109,370	2,841,397	2,783,624	2,456,462	2,722,387	10.8
GSP/AGOA imports	199,174	268,102	316,565	371,501	397,226	6.9
Machinery						
Exports	259,829	253,428	286,541	302,035	353,685	17.1
Imports	121,632	174,431	258,817	227,713	179,030	-21.4
GSP/AGOA imports	15,168	31,500	22,899	17,771	11,048	-37.8
Transportation equipment						
Exports	534,725	958,392	1,097,239	744,639	851,297	14.3
Imports	145,474	181,882	398,018	615,636	821,189	33.4
GSP/AGOA imports	72,265	76,812	300,476	544,706	731,347	34.3
Electronic products						
Exports	493,454	455,730	394,615	347,703	398,843	14.7
Imports	29,780	30,995	28,223	22,957	41,869	82.4
GSP/AGOA imports	17,021	13,499	5,476	6,887	11,083	60.9
Miscellaneous manufactures						
Exports	44,692	53,895	46,389	35,190	45,653	29.7
Imports	36,929	48,939	56,841	62,218	76,900	23.6
GSP/AGOA imports	7,862	22,037	27,997	36,756	52,210	42.0
Special provisions						
Exports	124,521	124,335	117,209	116,806	118,971	1.9
Imports	173,250	137,904	120,163	89,380	112,179	25.5
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	2,393,998	2,829,546	2,822,354	2,446,169	2,698,201	10.3
Imports	3,192,768	4,203,657	4,429,539	4,235,974	4,887,962	15.4
GSP/AGOA imports	449,384	583,176	923,243	1,342,594	1,668,573	24.3

See footnote at end of table.

Table B-2-*Continued*
Sudan: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	8,399	16,869	16,557	8,984	24,949	177.7
Imports	0	1,688	3,337	1,308	2,734	109.0
GSP/AGOA imports	0	0	0	0	0	na
Forest products						
Exports	56	0	0	70	54	-23.3
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Chemicals and related products						
Exports	0	0	122	629	641	1.8
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	0	0	0	0	11	na
Imports	0	([1])	2	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	0	0	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	27	0	6	8	6	-14.1
Imports	0	0	0	0	31	na
GSP/AGOA imports	0	0	0	0	0	na
Machinery						
Exports	58	4	116	5	33	560.6
Imports	0	0	0	42	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	19	0	20	12	20	69.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	51	0	41	10	156	1,507.7
Imports	26	4	8	0	10	na
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	0	0	0	11	24	124.1
Imports	21	116	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	211	9	255	1,125	165	-85.3
Imports	10	0	39	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	8,821	16,882	17,119	10,854	26,059	140.1
Imports	57	1,808	3,385	1,350	2,775	105.6
GSP/AGOA imports	0	0	0	0	0	na

See footnote at end of table.

Table B-2-*Continued*
Swaziland: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	749	73	398	364	1,248	243.2
Imports	8,297	12,539	6,891	7,286	7,641	4.9
GSP/AGOA imports	7,744	11,935	6,487	6,779	6,996	3.2
Forest products						
Exports	155	321	80	256	33	-87.2
Imports	2,122	3,015	2,382	4,449	1,727	-61.2
GSP/AGOA imports	70	0	3	270	52	-80.7
Chemicals and related products						
Exports	881	807	2,110	1,672	2,412	44.3
Imports	1,452	1,866	839	886	1,332	50.3
GSP/AGOA imports	2	22	85	283	478	69.0
Energy-related products						
Exports	0	0	4	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	204	160	159	16	80	390.8
Imports	23,318	31,898	48,091	89,088	140,510	57.7
GSP/AGOA imports	0	0	8,195	73,901	126,369	71.0
Footwear						
Exports	0	5	0	0	0	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	50	43	384	6,134	499	-91.9
Imports	147	207	126	102	5,144	4,939.8
GSP/AGOA imports	120	0	0	19	47	149.5
Machinery						
Exports	367	2,542	138	362	1,784	392.5
Imports	539	61	2,256	421	241	-42.7
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	459	1,240	1,023	502	195	-61.3
Imports	124	3	3	443	59	-86.7
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	640	2,312	2,716	1,421	1,110	-21.9
Imports	157	152	258	7,212	387	-94.6
GSP/AGOA imports	28	0	0	0	34	na
Miscellaneous manufactures						
Exports	51	44	216	70	520	643.8
Imports	1,429	2,482	3,897	4,217	4,510	7.0
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	192	194	209	242	194	-19.7
Imports	264	355	294	359	483	34.5
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	3,748	7,741	7,438	11,040	8,075	-26.9
Imports	37,849	52,577	65,036	114,464	162,033	41.6
GSP/AGOA imports	7,964	11,957	14,770	81,252	133,975	64.9

See footnote at end of table.

Table B-2-*Continued*
Tanzania: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	16,548	3,704	9,797	11,672	13,607	16.6
Imports	17,165	13,739	12,301	13,253	11,595	-12.5
GSP/AGOA imports	1,026	1,134	636	811	474	-41.5
Forest products						
Exports	1,095	875	895	523	1,379	163.5
Imports	190	561	499	355	347	-2.1
GSP/AGOA imports	75	200	224	239	203	-15.1
Chemicals and related products						
Exports	2,539	2,269	5,506	1,722	3,830	122.4
Imports	341	554	236	122	1,776	1,354.4
GSP/AGOA imports	0	0	21	0	0	na
Energy-related products						
Exports	92	79	170	198	53	-73.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	8,262	10,881	9,780	10,236	12,045	17.7
Imports	2,658	242	487	371	1,942	423.1
GSP/AGOA imports	6	19	1	127	867	581.7
Footwear						
Exports	1,377	1,106	1,757	2,572	3,087	20.0
Imports	0	0	0	3	1	-59.8
GSP/AGOA imports	0	0	0	2	0	-100.0
Minerals and metals						
Exports	1,253	1,047	5,280	7,499	1,010	-86.5
Imports	9,771	14,586	11,528	8,263	7,483	-9.4
GSP/AGOA imports	2,007	13	10	105	10	-91.0
Machinery						
Exports	3,905	4,174	3,935	5,945	4,878	-18.0
Imports	0	30	200	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	9,284	10,324	16,624	9,076	12,699	39.9
Imports	0	2	8	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	11,529	5,269	7,050	6,593	6,449	-2.2
Imports	4	51	265	10	36	266.2
GSP/AGOA imports	0	0	2	0	6	na
Miscellaneous manufactures						
Exports	296	1,830	449	367	486	32.5
Imports	3,384	2,927	273	268	259	-3.5
GSP/AGOA imports	0	25	5	8	9	15.2
Special provisions						
Exports	4,502	2,989	2,497	5,397	4,116	-23.7
Imports	981	2,596	1,432	2,699	796	-70.5
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	60,682	44,548	63,741	61,800	63,639	3.0
Imports	34,495	35,288	27,229	25,343	24,234	-4.4
GSP/AGOA imports	3,114	1,392	899	1,293	1,569	21.4

See footnote at end of table.

Table B-2-*Continued*
Togo: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	3,020	380	1,212	2,979	300	-89.9
Imports	2,081	1,259	1,246	1,510	767	-49.2
GSP/AGOA imports	1,442	233	145	4	4	-11.1
Forest products						
Exports	36	269	68	90	42	-53.3
Imports	3	14	11	9	7	-22.2
GSP/AGOA imports	3	0	11	9	7	-22.2
Chemicals and related products						
Exports	1,040	507	1,435	1,409	1,506	6.8
Imports	0	0	4,568	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	21	33	33	13	1,115	8,688.5
Imports	0	3,118	3,819	0	0	na
GSP/AGOA imports	0	3,118	3,819	0	0	na
Textiles and apparel						
Exports	3,031	2,098	3,165	2,234	1,708	-23.6
Imports	42	23	4	6	43	627.9
GSP/AGOA imports	([1])	3	0	0	0	na
Footwear						
Exports	275	596	429	745	308	-58.6
Imports	1	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	131	619	74	21	63	202.5
Imports	2	5	3	8	606	7,373.6
GSP/AGOA imports	0	2	3	0	6	na
Machinery						
Exports	2,687	1,341	4,855	1,096	1,438	31.2
Imports	0	10	0	13	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	1,842	2,367	966	2,484	3,418	37.6
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	12,563	1,252	3,203	1,585	2,566	61.9
Imports	120	14	2	55	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	228	96	126	38	168	347.1
Imports	378	247	534	295	102	-65.5
GSP/AGOA imports	0	0	0	0	0	na
Special provisions						
Exports	746	924	589	314	387	23.2
Imports	543	1,286	2,396	763	4,095	437.1
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	25,620	10,480	16,154	13,008	13,019	0.1
Imports	3,170	5,975	12,583	2,659	5,620	111.3
GSP/AGOA imports	1,445	3,355	3,977	14	17	25.5

See footnote at end of table.

Table B-2-*Continued*
Uganda: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	6,901	6,214	8,984	3,942	12,223	210.1
Imports	19,225	21,124	15,723	13,738	32,774	138.6
GSP/AGOA imports	26	0	0	13	30	136.0
Forest products						
Exports	671	316	637	596	704	18.2
Imports	10	14	27	19	95	405.1
GSP/AGOA imports	10	14	27	14	39	187.4
Chemicals and related products						
Exports	2,281	1,942	3,328	1,431	2,694	88.3
Imports	47	133	24	20	40	103.2
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	20	43	5	0	10	na
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	2,466	2,419	2,386	2,494	2,371	-4.9
Imports	0	16	13	1	1,631	158,988.1
GSP/AGOA imports	0	4	0	0	1,433	na
Footwear						
Exports	0	4	11	14	27	88.8
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	50	3,733	266	213	285	33.5
Imports	742	1,415	1,776	870	117	-86.6
GSP/AGOA imports	0	59	114	0	3	na
Machinery						
Exports	1,639	2,425	2,457	2,120	4,230	99.6
Imports	0	0	4	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	2,919	1,075	1,453	1,511	9,664	539.5
Imports	0	2	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	6,330	6,949	9,597	7,275	8,189	12.6
Imports	8	292	9	7	10	44.6
GSP/AGOA imports	3	0	0	0	0	na
Miscellaneous manufactures						
Exports	70	260	237	612	200	-67.3
Imports	45	23	51	84	60	-28.6
GSP/AGOA imports	6	2	0	6	4	-33.7
Special provisions						
Exports	1,172	1,386	2,788	2,427	1,643	-32.3
Imports	180	6,046	206	459	157	-65.8
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	24,518	26,766	32,150	22,635	42,240	86.6
Imports	20,256	29,064	17,835	15,197	34,883	129.5
GSP/AGOA imports	45	78	141	32	1,509	4,631.9

See footnote at end of table.

Table B-2-*Continued*
Zambia: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	500	485	765	14,092	1,629	-88.4
Imports	2,004	1,385	1,213	1,200	1,341	11.8
GSP/AGOA imports	134	229	95	60	53	-11.9
Forest products						
Exports	3,266	400	231	295	418	41.8
Imports	1,231	852	1,261	494	678	37.3
GSP/AGOA imports	2	132	677	20	435	2,047.4
Chemicals and related products						
Exports	961	2,913	2,208	3,434	3,008	-12.4
Imports	0	0	0	6	11	103.2
GSP/AGOA imports	0	0	0	0	0	na
Energy-related products						
Exports	11	67	0	37	0	-100.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	933	929	935	1,133	455	-59.8
Imports	8	258	227	5	14	174.4
GSP/AGOA imports	0	0	0	0	0	na
Footwear						
Exports	106	53	139	146	28	-80.8
Imports	0	2	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Minerals and metals						
Exports	132	427	156	187	73	-61.0
Imports	33,955	14,031	12,384	5,819	10,180	74.9
GSP/AGOA imports	185	98	2	0	21	na
Machinery						
Exports	2,175	1,798	2,060	3,340	2,429	-27.3
Imports	0	0	0	6	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Transportation equipment						
Exports	4,970	4,189	3,915	7,819	3,478	-55.5
Imports	0	0	0	14	0	-100.0
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	3,397	4,306	3,124	2,601	3,284	26.3
Imports	0	3	1	65	7	-88.8
GSP/AGOA imports	0	0	0	0	0	na
Miscellaneous manufactures						
Exports	233	57	196	81	344	324.8
Imports	93	97	18	15	6	-60.0
GSP/AGOA imports	0	6	0	2	0	-100.0
Special provisions						
Exports	3,016	3,146	1,758	2,325	3,856	65.8
Imports	566	1,099	481	166	231	39.3
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	19,700	18,770	15,487	35,491	19,002	-46.5
Imports	37,857	17,727	15,584	7,790	12,469	60.1
GSP/AGOA imports	321	466	775	83	510	515.3

See footnote at end of table.

Table B-2-*Continued*
Zimbabwe: U.S. exports, imports, and GSP/AGOA imports, by major commodity sectors, 1999-2003

Sector	1999	2000	2001	2002	2003	Change 2002-03 Percent
			1,000 dollars			
Agricultural products						
Exports	8,893	3,813	317	16,620	11,456	-31.1
Imports	37,179	21,376	27,369	33,714	22,480	-33.3
GSP/AGOA imports	10,535	14,076	10,247	13,337	2,784	-79.1
Forest products						
Exports	1,294	1,465	2,346	1,259	362	-71.2
Imports	4,192	3,213	2,942	3,647	3,501	-4.0
GSP/AGOA imports	2,442	2,362	2,872	0	3,464	na
Chemicals and related products						
Exports	4,889	4,751	6,082	10,840	5,136	-52.6
Imports	609	1,476	18	216	17	-92.2
GSP/AGOA imports	11	70	7	115	0	-100.0
Energy-related products						
Exports	47	9	28	16	7	-56.0
Imports	0	0	0	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Textiles and apparel						
Exports	2,121	1,695	651	277	419	51.5
Imports	18,727	19,872	15,332	8,132	5,031	-38.1
GSP/AGOA imports	2	10	11	15	7	-50.7
Footwear						
Exports	13	0	0	0	8	na
Imports	66	104	122	86	105	22.0
GSP/AGOA imports	0	0	0	3,386	0	-100.0
Minerals and metals						
Exports	551	538	395	898	368	-59.0
Imports	49,549	51,971	27,460	24,425	21,992	-10.0
GSP/AGOA imports	41,088	35,034	18,750	11,551	13,627	18.0
Machinery						
Exports	10,869	6,825	6,611	2,294	4,674	103.8
Imports	0	46	50	11	0	-100.0
GSP/AGOA imports	0	34	50	11	0	-100.0
Transportation equipment						
Exports	17,078	20,604	8,916	7,019	9,039	28.8
Imports	5	0	36	0	0	na
GSP/AGOA imports	0	0	0	0	0	na
Electronic products						
Exports	9,860	10,876	4,150	4,038	4,168	3.2
Imports	7	13	73	204	42	-79.4
GSP/AGOA imports	5	0	0	5	0	-100.0
Miscellaneous manufactures						
Exports	208	300	655	3,874	4,351	12.3
Imports	22,826	13,938	16,576	28,153	13,197	-53.1
GSP/AGOA imports	21,185	9,665	12,100	26,461	11,836	-55.3
Special provisions						
Exports	1,702	1,897	1,014	1,981	954	-51.8
Imports	1,913	1,034	583	540	311	-42.5
GSP/AGOA imports	0	0	0	0	0	na
All sectors						
Exports	57,525	52,773	31,166	49,116	40,942	-16.6
Imports	135,073	113,043	90,560	99,127	66,676	-32.7
GSP/AGOA imports	75,268	61,251	44,037	54,881	31,720	-42.2

[1] Positive value less than $500.

na = Value is undefined (divided by 0).

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table B-3
Angola: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999 Absolute	Change, 2003 from 1999 Percent
	1,000 dollars			
U.S. imports:				
Electronic products	18	452	434	2,369
Special provisions	1,162	4,876	3,714	320
Minerals and metals	9,286	20,647	11,361	122
Energy-related products	2,319,748	4,136,580	1,816,831	78
Chemicals and related products	18,103	13,702	-4,401	-24
Miscellaneous manufactures	206	100	-107	-52
Transportation equipment	68	5	-63	-93
Forest products	15	0	-15	-100
Agricultural products	0	3	3	na
Textiles and apparel	0	2	2	na
Footwear	0	0	0	na
Machinery	0	64	64	na
Total	2,348,606	4,176,429	1,827,824	78
U.S. exports:				
Footwear	279	1,002	723	259
Agricultural products	23,083	65,325	42,241	183
Special provisions	4,634	12,400	7,765	168
Energy-related products	1,318	3,332	2,014	153
Textiles and apparel	2,758	6,541	3,783	137
Chemicals and related products	10,398	24,155	13,756	132
Miscellaneous manufactures	883	1,998	1,114	126
Transportation equipment	126,921	279,951	153,030	121
Minerals and metals	16,705	29,650	12,944	77
Electronic products	17,996	26,622	8,626	48
Machinery	41,698	31,362	-10,336	-25
Forest products	4,706	275	-4,431	-94
Total	251,381	482,612	231,231	92
Total trade:				
Footwear	279	1,002	723	259
Special provisions	5,796	17,275	11,479	198
Agricultural products	23,083	65,327	42,244	183
Textiles and apparel	2,758	6,543	3,785	137
Transportation equipment	126,989	279,956	152,967	120
Minerals and metals	25,991	50,297	24,306	94
Miscellaneous manufactures	1,090	2,097	1,008	92
Energy-related products	2,321,067	4,139,912	1,818,845	78
Electronic products	18,014	27,074	9,060	50
Chemicals and related products	28,501	37,857	9,356	33
Machinery	41,698	31,426	-10,272	-25
Forest products	4,721	275	-4,446	-94
Total	2,599,986	4,659,041	2,059,055	79

Table B-3—*Continued*
Côte d'Ivoire: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999	
			Absolute	Percent
		1,000 dollars		
U.S. imports:				
Transportation equipment	21	633	612	2,897
Special provisions	932	1,810	878	94
Energy-related products	34,166	61,128	26,962	79
Forest products	5,999	10,178	4,180	70
Miscellaneous manufactures	1,559	2,364	805	52
Agricultural products	293,603	410,382	116,779	40
Minerals and metals	332	373	41	12
Textiles and apparel	1,054	721	-333	-32
Electronic products	655	363	-292	-45
Machinery	387	187	-200	-52
Chemicals and related products	4,779	2,109	-2,670	-56
Footwear	0	0	0	na
Total	343,487	490,248	146,760	43
U.S. exports:				
Minerals and metals	1,928	7,334	5,406	280
Footwear	425	1,596	1,171	276
Miscellaneous manufactures	596	953	358	60
Chemicals and related products	19,522	30,690	11,167	57
Agricultural products	20,508	22,352	1,844	9
Transportation equipment	15,416	15,628	212	1
Special provisions	2,808	2,784	-24	-1
Electronic products	7,484	6,474	-1,010	-13
Energy-related products	298	249	-48	-16
Machinery	14,374	7,767	-6,607	-46
Textiles and apparel	6,275	2,294	-3,980	-63
Forest products	9,249	1,929	-7,319	-79
Total	98,882	100,050	1,168	1
Total trade:				
Footwear	425	1,596	1,171	276
Minerals and metals	2,260	7,707	5,447	241
Energy-related products	34,464	61,377	26,913	78
Miscellaneous manufactures	2,155	3,317	1,163	54
Agricultural products	314,111	432,734	118,623	38
Chemicals and related products	24,302	32,799	8,497	35
Special provisions	3,740	4,594	854	23
Transportation equipment	15,437	16,261	824	5
Electronic products	8,139	6,837	-1,302	-16
Forest products	15,247	12,108	-3,140	-21
Machinery	14,761	7,954	-6,808	-46
Textiles and apparel	7,329	3,015	-4,313	-59
Total	442,369	590,297	147,928	33

Table B-3—*Continued*
Equatorial Guinea: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999 Absolute	Change, 2003 from 1999 Percent
		1,000 dollars		
U.S. imports:				
Chemicals and related products	5,465	136,922	131,457	2,405
Energy-related products	33,822	773,612	739,789	2,187
Special provisions	576	6,701	6,124	1,063
Forest products	724	556	-168	-23
Minerals and metals	13	6	-7	-53
Agricultural products	0	51	51	na
Textiles and apparel	0	0	0	na
Footwear	0	0	0	na
Machinery	0	646	646	na
Transportation equipment	0	0	0	na
Electronic products	0	8	8	na
Miscellaneous manufactures	0	0	0	na
Total	40,601	918,503	877,902	2162
U.S. exports:				
Miscellaneous manufactures	456	10,742	10,286	2,256
Footwear	4	53	49	1,289
Energy-related products	103	1,382	1,279	1,245
Machinery	6,281	77,510	71,229	1,134
Electronic products	682	7,327	6,645	974
Textiles and apparel	149	387	238	160
Chemicals and related products	1,469	3,334	1,866	127
Agricultural products	589	1,099	511	87
Transportation equipment	167,099	187,886	20,787	12
Minerals and metals	38,416	41,510	3,094	8
Special provisions	4,666	4,597	-70	-1
Forest products	1,136	191	-945	-83
Total	221,050	336,019	114,969	52
Total trade:				
Miscellaneous manufactures	456	10,742	10,286	2,256
Energy-related products	33,925	774,994	741,069	2,184
Chemicals and related products	6,934	140,256	133,322	1,923
Footwear	4	53	49	1,289
Machinery	6,281	78,156	71,875	1,144
Electronic products	682	7,336	6,654	975
Textiles and apparel	149	387	238	160
Special provisions	5,243	11,298	6,055	115
Agricultural products	589	1,151	562	95
Transportation equipment	167,099	187,886	20,787	12
Minerals and metals	38,429	41,516	3,087	8
Forest products	1,861	748	-1,113	-60
Total	261,651	1,254,522	992,871	379

Table B-3—*Continued*
Gabon: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999 Absolute	Change, 2003 from 1999 Percent
	1,000 dollars			
U.S. imports:				
Machinery	13	54	41	312
Special provisions	1,541	3,344	1,803	117
Forest products	4,676	6,963	2,287	49
Energy-related products	1,320,410	1,893,711	573,301	43
Miscellaneous manufactures	2,162	2,346	183	8
Minerals and metals	26,213	19,272	-6,941	-26
Electronic products	72	29	-44	-60
Agricultural products	601	90	-511	-85
Chemicals and related products	104,129	1,898	-102,231	-98
Transportation equipment	53,127	8	-53,118	-100
Textiles and apparel	0	0	0	na
Footwear	0	0	0	na
Total	1,512,945	1,927,715	414,770	27
U.S. exports:				
Footwear	88	1,660	1,572	1,789
Energy-related products	242	3,340	3,098	1,278
Forest products	39	103	64	163
Machinery	4,541	7,941	3,400	75
Chemicals and related products	1,920	3,298	1,378	72
Transportation equipment	17,799	29,274	11,475	64
Textiles and apparel	1,145	1,841	696	61
Minerals and metals	5,041	6,956	1,915	38
Special provisions	1,091	1,311	220	20
Electronic products	7,372	3,834	-3,538	-48
Miscellaneous manufactures	246	123	-122	-50
Agricultural products	5,443	2,174	-3,269	-60
Total	44,967	61,856	16,888	38
Total trade:				
Footwear	88	1,660	1,572	1,789
Special provisions	2,632	4,655	2,023	77
Machinery	4,554	7,994	3,440	76
Textiles and apparel	1,145	1,841	696	61
Forest products	4,715	7,066	2,351	50
Energy-related products	1,320,653	1,897,051	576,399	44
Miscellaneous manufactures	2,408	2,469	61	3
Minerals and metals	31,254	26,228	-5,026	-16
Electronic products	7,445	3,863	-3,582	-48
Transportation equipment	70,926	29,282	-41,644	-59
Agricultural products	6,044	2,264	-3,780	-63
Chemicals and related products	106,049	5,196	-100,853	-95
Total	1,557,913	1,989,571	431,658	28

Table B-3—*Continued*
Ghana: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999	
			Absolute	Percent
	1,000 dollars			
U.S. imports:				
Transportation equipment	21	46	25	118
Chemicals and related products	826	1,575	749	91
Energy-related products	20,020	29,067	9,047	45
Forest products	22,966	31,539	8,574	37
Textiles and apparel	3,619	4,508	889	25
Miscellaneous manufactures	1,384	1,342	-42	-3
Electronic products	123	60	-63	-51
Agricultural products	42,361	12,033	-30,328	-72
Special provisions	2,399	615	-1,784	-74
Machinery	139	15	-124	-89
Minerals and metals	115,472	2,798	-112,674	-98
Footwear	0	3	3	na
Total	209,330	83,603	-125,727	-60
U.S. exports:				
Miscellaneous manufactures	2,243	5,350	3,108	139
Electronic products	12,032	18,201	6,169	51
Textiles and apparel	9,059	12,726	3,668	40
Forest products	1,857	2,535	678	37
Agricultural products	53,586	54,749	1,163	2
Machinery	19,448	16,665	-2,783	-14
Transportation equipment	62,765	52,378	-10,388	-17
Special provisions	14,390	11,379	-3,011	-21
Chemicals and related products	31,209	24,597	-6,611	-21
Minerals and metals	6,795	4,041	-2,754	-41
Footwear	2,273	813	-1,460	-64
Energy-related products	15,389	991	-14,398	-94
Total	231,045	204,426	-26,619	-12
Total trade:				
Miscellaneous manufactures	3,627	6,693	3,066	85
Electronic products	12,156	18,261	6,106	50
Forest products	24,823	34,075	9,252	37
Textiles and apparel	12,678	17,235	4,557	36
Machinery	19,587	16,680	-2,907	-15
Energy-related products	35,409	30,059	-5,350	-15
Transportation equipment	62,787	52,424	-10,362	-17
Chemicals and related products	32,034	26,173	-5,862	-18
Special provisions	16,789	11,994	-4,795	-29
Agricultural products	95,947	66,782	-29,165	-30
Footwear	2,273	816	-1,457	-64
Minerals and metals	122,267	6,839	-115,428	-94
Total	440,376	288,030	-152,346	-35

Table B-3—*Continued*
Kenya: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999 Absolute	Percent
	1,000 dollars			
U.S. imports:				
Energy-related products	15	76	61	423
Textiles and apparel	39,633	188,148	148,515	375
Chemicals and related products	1,203	1,552	349	29
Machinery	250	297	46	18
Agricultural products	36,247	41,906	5,659	16
Footwear	11	10	-1	-9
Special provisions	5,992	5,282	-710	-12
Miscellaneous manufactures	3,032	2,508	-523	-17
Forest products	2,741	1,810	-930	-34
Electronic products	13,421	6,128	-7,292	-54
Minerals and metals	2,725	1,236	-1,489	-55
Transportation equipment	875	183	-692	-79
Total	106,144	249,137	142,994	135
U.S. exports:				
Minerals and metals	4,429	8,521	4,091	92
Miscellaneous manufactures	917	1,388	471	51
Special provisions	6,647	8,932	2,285	34
Footwear	201	242	41	20
Agricultural products	28,167	32,848	4,680	17
Electronic products	18,420	18,871	452	2
Machinery	14,913	15,162	249	2
Chemicals and related products	32,392	32,447	55	0
Transportation equipment	67,137	64,246	-2,891	-4
Textiles and apparel	7,854	7,260	-594	-8
Energy-related products	411	258	-153	-37
Forest products	5,601	2,834	-2,767	-49
Total	187,089	193,009	5,919	3
Total trade:				
Textiles and apparel	47,488	195,409	147,921	311
Minerals and metals	7,154	9,757	2,603	36
Footwear	211	251	40	19
Agricultural products	64,414	74,753	10,340	16
Special provisions	12,639	14,215	1,576	12
Machinery	15,163	15,459	295	2
Chemicals and related products	33,595	33,999	403	1
Miscellaneous manufactures	3,949	3,896	-53	-1
Transportation equipment	68,012	64,429	-3,583	-5
Electronic products	31,840	25,000	-6,841	-21
Energy-related products	425	334	-92	-22
Forest products	8,341	4,644	-3,697	-44
Total	293,233	442,146	148,913	51

Table B-3—*Continued*
Mauritius: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999 Absolute	Change, 2003 from 1999 Percent
	1,000 dollars			
U.S. imports:				
Transportation equipment	115	365	250	217
Chemicals and related products	374	1,074	700	187
Miscellaneous manufactures	4,107	5,496	1,389	34
Textiles and apparel	232,109	269,155	37,046	16
Agricultural products	8,351	9,554	1,204	14
Electronic products	3,685	3,964	279	8
Minerals and metals	6,622	6,790	168	3
Special provisions	2,973	878	-2,095	-70
Footwear	8	0	-8	-100
Forest products	0	244	244	na
Energy-related products	0	0	0	na
Machinery	0	577	577	na
Total	258,343	298,096	39,753	15
U.S. exports:				
Energy-related products	3	120	117	3,738
Textiles and apparel	405	2,208	1,803	445
Minerals and metals	469	744	275	59
Chemicals and related products	1,129	1,712	583	52
Machinery	2,799	3,751	952	34
Agricultural products	443	508	66	15
Transportation equipment	2,837	2,190	-647	-23
Special provisions	1,483	1,121	-362	-24
Forest products	716	475	-241	-34
Electronic products	20,312	10,152	-10,161	-50
Miscellaneous manufactures	1,507	708	-799	-53
Footwear	0	0	0	na
Total	32,103	23,689	-8,414	-26
Total trade:				
Energy-related products	3	120	117	3,738
Chemicals and related products	1,503	2,786	1,283	85
Machinery	2,799	4,328	1,529	55
Textiles and apparel	232,513	271,362	38,849	17
Agricultural products	8,793	10,063	1,269	14
Miscellaneous manufactures	5,614	6,204	590	11
Minerals and metals	7,091	7,534	443	6
Forest products	716	719	3	0
Transportation equipment	2,952	2,554	-397	-13
Electronic products	23,997	14,116	-9,881	-41
Special provisions	4,455	1,999	-2,457	-55
Footwear	8	0	-8	-100
Total	290,445	321,785	31,339	11

Table B-3—*Continued*
Nigeria: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999 Absolute	Change, 2003 from 1999 Percent
	1,000 dollars			
U.S. imports:				
Agricultural products	8,277	48,058	39,781	481
Special provisions	4,194	13,176	8,982	214
Energy-related products	3,720,249	10,027,991	6,307,742	170
Electronic products	97	157	60	62
Textiles and apparel	801	455	-346	-43
Minerals and metals	972	437	-535	-55
Forest products	1,138	453	-684	-60
Miscellaneous manufactures	4,710	1,858	-2,852	-61
Footwear	57	4	-53	-93
Chemicals and related products	429,134	20,717	-408,417	-95
Machinery	2,693	48	-2,645	-98
Transportation equipment	0	266	266	na
Total	4,172,322	10,113,618	5,941,297	142
U.S. exports:				
Footwear	738	2,528	1,790	242
Electronic products	52,304	133,911	81,606	156
Agricultural products	172,699	324,575	151,876	88
Minerals and metals	19,272	29,095	9,823	51
Transportation equipment	194,092	285,846	91,755	47
Forest products	8,493	12,027	3,535	42
Chemicals and related products	43,156	60,573	17,418	40
Machinery	74,239	95,107	20,868	28
Special provisions	10,061	11,379	1,318	13
Textiles and apparel	12,817	12,464	-353	-3
Energy-related products	26,321	21,963	-4,358	-17
Miscellaneous manufactures	9,969	6,984	-2,985	-30
Total	624,161	996,453	372,292	60
Total trade:				
Footwear	796	2,532	1,737	218
Energy-related products	3,746,570	10,049,953	6,303,384	168
Electronic products	52,401	134,067	81,666	156
Agricultural products	180,977	372,633	191,656	106
Special provisions	14,255	24,555	10,300	72
Transportation equipment	194,092	286,112	92,020	47
Minerals and metals	20,244	29,532	9,288	46
. Forest products	9,630	12,480	2,850	30
Machinery	76,932	95,155	18,223	24
Textiles and apparel	13,618	12,919	-699	-5
Miscellaneous manufactures	14,679	8,842	-5,837	-40
Chemicals and related products	472,289	81,290	-390,999	-83
Total	4,796,483	11,110,071	6,313,589	132

Table B-3—*Continued*
Republic of Congo: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999 Absolute	Percent
	1,000 dollars			
U.S. imports:				
Electronic products	3	33	30	929
Machinery	4	24	20	548
Transportation equipment	4	11	7	198
Special provisions	1,642	2,461	819	50
Agricultural products	4,423	4,661	238	5
Energy-related products	367,338	383,446	16,108	4
Forest products	2,063	1,731	-332	-16
Minerals and metals	16,057	10,341	-5,716	-36
Miscellaneous manufactures	2,124	1,136	-988	-47
Chemicals and related products	16,847	3,341	-13,505	-80
Textiles and apparel	14	1	-13	-94
Footwear	0	0	0	na
Total	410,518	407,186	-3,332	-1
U.S. exports:				
Minerals and metals	836	3,516	2,679	320
Transportation equipment	14,393	40,807	26,414	184
Forest products	95	228	133	141
Energy-related products	59	138	79	133
Chemicals and related products	1,345	2,347	1,002	74
Electronic products	3,446	4,761	1,315	38
Agricultural products	9,487	13,057	3,570	38
Textiles and apparel	5,778	6,244	466	8
Miscellaneous manufactures	104	104	0	0
Special provisions	3,612	2,539	-1,072	-30
Machinery	7,538	4,860	-2,678	-36
Footwear	129	0	-129	-100
Total	46,824	78,601	31,778	68
Total trade:				
Transportation equipment	14,397	40,818	26,422	184
Electronic products	3,449	4,794	1,345	39
Agricultural products	13,911	17,719	3,808	27
Textiles and apparel	5,792	6,245	452	8
Energy-related products	367,397	383,584	16,187	4
Special provisions	5,254	5,000	-254	-5
Forest products	2,158	1,958	-199	-9
Minerals and metals	16,893	13,857	-3,036	-18
Machinery	7,542	4,884	-2,658	-35
Miscellaneous manufactures	2,228	1,240	-988	-44
Chemicals and related products	18,192	5,688	-12,504	-69
Footwear	129	0	-129	-100
Total	457,342	485,787	28,445	6

Table B-3—*Continued*
South Africa: Leading changes in sectoral trade, by sectors, 1999 and 2003

Sector	1998	2002	Change, 2003 from 1999 Absolute	Percent
		1,000 dollars		
U.S. imports:				
Footwear	91	910	819	901
Transportation equipment	145,474	821,189	675,715	464
Energy-related products	9,678	45,164	35,485	367
Textiles and apparel	126,978	269,531	142,553	112
Miscellaneous manufactures	36,929	76,900	39,971	108
Chemicals and related products	225,449	344,660	119,211	53
Machinery	121,632	179,030	57,399	47
Electronic products	29,780	41,869	12,089	41
Minerals and metals	2,109,370	2,722,387	613,017	29
Agricultural products	161,980	207,742	45,762	28
Forest products	52,158	66,403	14,245	27
Special provisions	173,250	112,179	-61,070	-35
Total	3,192,768	4,887,962	1,695,194	53
U.S. exports:				
Transportation equipment	534,725	851,297	316,573	59
Machinery	259,829	353,685	93,857	36
Energy-related products	94,429	112,981	18,552	20
Chemicals and related products	401,563	440,889	39,326	10
Miscellaneous manufactures	44,692	45,653	961	2
Special provisions	124,521	118,971	-5,550	-4
Minerals and metals	109,057	103,545	-5,512	-5
Forest products	102,848	94,413	-8,435	-8
Textiles and apparel	32,680	27,418	-5,263	-16
Electronic products	493,454	398,843	-94,611	-19
Agricultural products	186,131	149,169	-36,962	-20
Footwear	10,069	1,336	-8,732	-87
Total	2,393,998	2,698,201	304,203	13
Total trade:				
Transportation equipment	680,199	1,672,486	992,287	146
Textiles and apparel	159,658	296,948	137,290	86
Energy-related products	104,107	158,145	54,037	52
Miscellaneous manufactures	81,621	122,552	40,931	50
Machinery	381,460	532,716	151,255	40
Minerals and metals	2,218,427	2,825,932	607,505	27
Chemicals and related products	627,012	785,549	158,536	25
Forest products	155,006	160,816	5,810	4
Agricultural products	348,111	356,911	8,801	3
Electronic products	523,234	440,712	-82,522	-16
Special provisions	297,771	231,151	-66,620	-22
Footwear	10,160	2,246	-7,914	-78
Total	5,586,766	7,586,163	1,999,397	36

na = Value is undefined (divided by 0).
Note.-Calculations based on unrounded data.
Source: Compiled from official statistics of the U.S. Department of Commerce.

Table B–4
U.S. imports under AGOA[1] and GSP, 2002, 2003, Jan.–June 2003, and Jan.–June 2004

	2002		2003		Jan.–June 2003		Jan.–June 2004	
Sector/Country	AGOA	GSP	AGOA	GSP	AGOA	GSP	AGOA	GSP
				Dollars				
Agricultural products								
South Africa	123,722,536	47,160,024	132,655,151	29,322,997	43,190,667	8,587,384	50,769,548	12,977,404
Côte d'Ivoire	21,688,834	21,681,834	41,265,664	41,251,664	19,761,150	19,747,150	19,817,076	19,799,176
Malawi	35,499,271	5,583,659	36,858,262	23,411,165	8,715,457	4,624,029	19,459,529	13,020,829
Swaziland	6,779,206	6,573,302	6,995,610	6,746,023	152,166	0	122,981	0
Mozambique	5,713,206	5,713,206	5,384,711	5,384,711	0	0	0	0
Kenya	2,860,074	1,247,514	5,309,129	1,032,977	1,447,629	682,221	4,339,381	1,328,790
Ghana	3,368,470	3,355,642	4,695,699	4,666,569	1,815,625	1,815,625	2,710,307	2,694,467
Congo (ROC)	2,785,829	2,785,829	2,812,979	2,812,979	2,812,979	2,812,979	2,305,165	2,305,165
Nigeria	464,454	464,454	1,767,052	1,767,052	1,341,846	1,341,846	133,746	133,746
Mauritius	5,061,297	5,061,297	1,301,974	1,301,974	492,807	492,807	837,811	837,811
Ethiopia	1,004,377	982,656	917,767	896,473	471,925	467,275	903,850	763,570
Tanzania	811,319	300,653	474,274	215,195	344,815	97,736	564,395	101,597
Congo (DROC)	0	0	93,750	93,750	93,750	93,750	22,000	22,000
Madagascar	2,360,377	2,360,377	75,698	75,698	35,164	35,164	64,912	64,912
Guinea	9,850	9,850	63,340	63,340	34,431	34,431	4,190	4,190
Cape Verde	50,599	50,599	59,608	12,500	45,608	12,500	0	0
Zambia	60,328	8,678	53,140	53,140	11,000	11,000	0	0
Cameroon	8,324	8,324	38,213	38,213	8,851	8,851	7,974	6,924
Uganda	12,506	0	29,512	21,144	4,888	0	1,007,766	1,007,766
Djibouti	23,035	23,035	26,779	26,779	8,616	8,616	33,208	33,208
Senegal	50,376	50,376	26,539	21,979	13,929	9,369	38,809	38,809
Sierra Leone	47,826	47,826	21,549	21,549	0	0	60,855	60,855
Namibia	0	0	4,744	4,744	2,923	2,923	5,992	5,992
Botswana	38,250	38,250	0	0	0	0	0	0
Mali	15,700	15,700	0	0	0	0	0	0
Total	212,436,044	103,523,085	240,931,144	119,242,615	80,806,226	40,885,656	103,209,495	55,207,211
Chemical and related products								
South Africa	134,334,265	130,446,977	175,347,572	166,189,264	90,314,565	86,337,427	106,561,962	96,666,384
Senegal	376,332	376,332	608,020	608,020	417,220	417,220	207,800	207,800
Swaziland	282,582	95,713	477,565	169,005	135,131	135,131	232,120	232,120
Kenya	734,224	103,555	152,919	152,919	105,382	105,382	370,136	370,136
Lesotho	226,014	226,014	73,836	73,836	42,160	42,160	91,144	91,144
Sierra Leone	145,232	145,232	47,620	47,620	0	0	0	0
Niger	0	0	36,445	36,445	36,445	36,445	0	0
Ethiopia	3,800	3,800	25,331	25,331	1,651	1,651	0	0
Mauritius	37,369	37,369	12,355	12,355	9,839	9,839	968	968
Ghana	1,503	1,503	4,371	4,371	0	0	0	0
Côte d'Ivoire	2,080	2,080	0	0	0	0	2,440	2,440
Eritrea	11,250	11,250	0	0	0	0	NAE	NAE
Madagascar	3,267	3,267	0	0	0	0	68,868	68,868
Mali	6,048	6,048	0	0	0	0	1,200	1,200
Malawi	0	0	0	0	0	0	750	750
Rwanda	0	0	0	0	0	0	4,164	4,164
Uganda	0	0	0	0	0	0	600	600
Total	136,163,966	131,459,140	176,786,034	167,319,166	91,062,393	87,085,255	107,542,152	97,646,574

See footnote at end of table.

Table B–4—*Continued*
U.S. imports under AGOA[1] and GSP, 2002, 2003, Jan.–June 2003, and Jan.–June 2004

Sector/Country	2002 AGOA	2002 GSP	2003 AGOA	2003 GSP	Jan.–June 2003 AGOA	Jan.–June 2003 GSP	Jan.–June 2004 AGOA	Jan.–June 2004 GSP
	Dollars							
Electronic products								
South Africa	6,886,799	6,884,587	11,083,132	11,016,595	3,676,374	3,672,243	6,929,287	6,919,927
Mauritius	1,853,755	1,853,755	1,611,446	1,611,446	962,197	962,197	756,022	756,022
Ethiopia	0	0	103,800	103,800	103,800	103,800	0	0
Kenya	7,878	5,600	42,890	42,890	3,312	3,312	18,000	18,000
Swaziland	0	0	33,567	0	0	0	0	0
Chad	0	0	32,940	32,940	29,242	29,242	0	0
Ghana	0	0	11,636	11,636	0	0	0	0
Senegal	0	0	8,730	8,730	8,730	8,730	0	0
Tanzania	0	0	6,000	6,000	6,000	6,000	0	0
Madagascar	42,075	42,075	0	0	0	0	0	0
Mauritania	35,298	35,298	0	0	0	0	0	0
Niger	3,625	3,625	0	0	0	0	0	0
Nigeria	2,648	2,648	0	0	0	0	14,100	14,100
Total	8,832,078	8,827,588	12,934,141	12,834,037	4,789,655	4,785,524	7,717,409	7,708,049
Energy–related products								
Nigeria	5,409,166,504	0	9,353,913,106	0	4,633,121,265	0	6,931,934,358	0
Gabon	1,145,478,260	0	1,177,431,094	0	499,634,297	0	800,107,543	0
Congo (ROC)	103,308,158	0	337,898,690	0	160,209,221	0	98,603,514	0
Cameroon	115,542,306	0	146,745,936	0	33,784,083	0	124,911,152	0
Congo (DROC)	0	0	119,210,156	119,210,156	60,117,369	60,117,369	47,473,797	47,473,797
Côte d'Ivoire	27,257,725	0	46,346,627	0	5,558,091	0	45,002,250	0
Ghana	22,657,164	0	24,870,591	0	18,627,906	0	18,785,413	0
Chad	0	0	14,438,044	0	0	0	187,055,718	95,663,670
South Africa	866,196	0	2,829,584	9,630	2,829,584	9,630	0	0
Angola	NAE	NAE	NAE	NAE	NAE	NAE	1,858,095,512	1,375,154,530
Total	6,824,276,313	0	11,223,683,828	119,219,786	5,413,881,816	60,126,999	10,111,969,257	1,518,291,997
Footwear								
South Africa	289,997	0	789,389	0	411,410	0	412,373	0
Kenya	6,024	0	8,604	0	6,860	0	24,631	0
Senegal	450	0	1,077	0	0	0	3,368	0
Nigeria	522	0	999	0	999	0	0	0
Ethiopia	320	0	0	0	0	0	0	0
Ghana	1,190	0	0	0	0	0	0	0
Tanzania	1,990	0	0	0	0	0	0	0
Côte d'Ivoire	0	0	0	0	0	0	2,160	0
Total	300,493	0	800,069	0	419,269	0	442,532	0
Forest products								
South Africa	17,467,365	17,442,803	22,849,058	22,827,022	11,152,577	11,140,354	10,044,460	10,026,659
Ghana	7,301,451	7,297,460	6,149,819	6,149,819	2,904,082	2,904,082	2,770,346	2,770,346
Kenya	2,447,583	2,447,583	1,581,797	1,575,384	796,927	790,514	663,534	663,270
Madagascar	873,360	650,848	1,242,597	1,014,302	580,947	410,371	503,130	292,147
Zambia	20,278	20,278	435,457	435,457	93,241	93,241	254,027	254,027
Tanzania	239,229	239,229	203,190	203,190	51,032	51,032	98,979	98,979
Cameroon	168,009	168,009	193,752	193,752	43,170	43,170	81,208	81,208
Namibia	161,491	161,491	142,345	142,345	46,061	46,061	82,410	82,410
Côte d'Ivoire	499,563	499,563	126,991	126,991	95,917	95,917	62,320	62,320

See footnote at end of table.

Table B–4—*Continued*
U.S. imports under AGOA[1] and GSP, 2002, 2003, Jan.–June 2003, and Jan.–June 2004

	2002		2003		Jan.–June 2003		Jan.–June 2004	
Sector/Country	AGOA	GSP	AGOA	GSP	AGOA	GSP	AGOA	GSP
	Dollars							
Forest products–cont.								
Mali	48,025	48,025	65,137	65,137	41,412	41,412	31,925	31,925
Guinea	34,640	34,640	61,171	61,171	21,370	21,370	12,500	12,500
Swaziland	270,049	270,049	52,245	51,550	2,877	2,182	2,080	2,080
Congo (ROC) .	0	0	48,129	48,129	48,129	48,129	0	0
Senegal	22,209	22,209	39,653	37,953	9,716	9,716	41,340	41,340
Uganda	13,621	13,621	39,146	39,146	20,785	20,785	16,575	16,575
Nigeria	13,248	8,586	35,672	35,672	8,631	8,631	8,711	8,711
Gabon	149,133	149,133	18,432	18,432	0	0	0	0
Congo (DROC)	0	0	16,920	16,920	12,200	12,200	0	0
Ethiopia	12,485	12,485	16,169	16,169	13,709	13,709	0	0
Mozambique . .	16,273	16,273	16,025	16,025	13,883	13,883	0	0
Gambia	0	0	13,000	13,000	7,000	7,000	14,000	14,000
Malawi	0	0	9,304	8,413	891	0	0	0
Rwanda	10,100	10,100	6,385	6,385	0	0	0	0
Mauritius	0	0	4,800	4,800	0	0	0	0
Seychelles	0	0	2,967	2,967	2,967	2,967	0	0
Niger	2,774	2,774	0	0	0	0	4,999	4,999
Sierra Leone . .	0	0	0	0	0	0	4,552	4,552
Central African Republic . . .	0	0	0	0	0	0	NAE	NAE
Benin	0	0	0	0	0	0	3,000	3,000
Total	29,770,886	29,515,159	33,370,161	33,110,131	15,967,524	15,776,726	14,700,096	14,471,048
Machinery								
South Africa . .	17,770,826	17,762,797	11,047,660	11,044,283	5,965,980	5,965,980	5,646,452	5,643,277
Kenya	45,052	45,052	38,520	38,520	0	0	0	0
Ethiopia	2,381	2,381	29,613	29,613	21,473	21,473	0	0
Senegal	0	0	8,496	8,496	8,496	8,496	0	0
Chad	0	0	6,616	6,616	6,616	6,616	0	0
Sierra Leone . .	10,104	10,104	5,587	5,587	0	0	26,677	26,677
Mauritania . . .	0	0	3,433	3,433	0	0	0	0
Mauritius	0	0	0	0	0	0	20,500	20,500
Nigeria	0	0	0	0	0	0	245,900	245,900
Total	17,828,363	17,820,334	11,139,925	11,136,548	6,002,565	6,002,565	5,939,529	5,936,354
Minerals and metals								
South Africa . .	371,500,868	233,199,174	397,226,057	278,118,061	185,405,096	118,403,533	241,717,911	198,878,320
Namibia	0	0	14,465,416	14,465,416	0	0	32,206,076	32,206,076
Kenya	530,105	320,957	247,025	247,025	148,827	148,827	37,389	37,389
Ghana	349,542	349,542	167,323	167,323	157,276	157,276	47,971	42,787
Congo (DROC)	0	0	108,331	108,331	5,500	5,500	485,231	485,231
Nigeria	2,398	0	72,757	72,757	41,571	41,571	22,874	22,874
Swaziland	18,648	0	46,522	2,282	15,753	2,282	0	0
Madagascar . .	103,947	103,947	34,203	31,203	31,203	31,203	96,286	96,286
Côte d'Ivoire . .	3,000	3,000	28,103	28,103	28,103	28,103	0	0
Ethiopia	0	0	26,623	26,623	19,050	19,050	0	0
Zambia	0	0	20,930	20,930	0	0	0	0
Mauritius	15,998	15,998	20,891	20,891	0	0	0	0

See footnote at end of table.

Table B–4—*Continued*
U.S. imports under AGOA[1] and GSP, 2002, 2003, Jan.–June 2003, and Jan.–June 2004

Sector/Country	2002 AGOA	2002 GSP	2003 AGOA	2003 GSP	Jan.–June 2003 AGOA	Jan.–June 2003 GSP	Jan.–June 2004 AGOA	Jan.–June 2004 GSP
	Dollars							
Minerals and metals–cont.								
Congo (ROC) .	13,740	13,740	15,076	15,076	15,076	15,076	0	0
Guinea	0	0	11,628	11,628	11,628	11,628	0	0
Mali	208,000	208,000	11,269	11,269	6,274	6,274	0	0
Tanzania	105,271	105,271	9,500	9,500	0	0	0	0
Cameroon	5,405	5,405	4,324	4,324	4,324	4,324	2,247	2,247
Uganda	0	0	3,000	3,000	0	0	13,057	0
Botswana	97,778	97,778	0	0	0	0	0	0
Sierra Leone . .	6,006	6,006	0	0	0	0	60,567	60,567
Niger	0	0	0	0	0	0	3,249	3,249
Angola	NAE	NAE	NAE	NAE	NAE	NAE	6,198	6,198
Total	372,960,706	234,428,818	412,518,978	293,363,742	185,889,681	118,874,647	274,699,056	231,841,224
Miscellaneous manufactures								
South Africa . .	36,755,871	35,892,077	52,210,175	50,432,512	20,013,586	19,313,438	25,981,965	24,651,733
Mauritius	795,401	795,401	4,914,206	4,914,206	372,073	372,073	930,190	930,190
Kenya	698,272	692,590	774,185	744,154	405,477	386,247	545,601	405,629
Ghana	814,703	813,191	425,110	423,050	215,311	213,251	235,998	233,428
Madagascar . .	217,149	217,149	345,259	345,259	215,288	215,288	587,870	587,870
Mali	63,298	61,827	184,274	183,924	62,786	62,436	0	0
Guinea	23,700	23,700	57,490	57,490	31,860	31,860	17,439	17,439
Côte d'Ivoire . .	90,306	90,306	49,115	49,115	9,504	9,504	9,604	9,604
Central African Republic . . .	191,774	191,774	43,097	43,097	0	0	NAE	NAE
Congo (DROC)	0	0	42,312	42,312	28,177	28,177	15,624	15,624
Cameroon	79,276	79,276	28,706	28,706	21,834	21,834	36,479	36,479
Senegal	49,746	49,746	26,666	22,653	12,753	10,683	4,755	4,755
Niger	15,404	15,004	25,672	23,872	23,872	23,872	13,770	13,770
Nigeria	9,834	7,462	16,486	16,486	5,943	5,943	2,900	2,900
Congo (ROC) .	25,549	25,549	14,848	14,848	4,823	4,823	7,000	7,000
Tanzania	7,838	6,348	9,029	9,029	2,024	2,024	9,903	9,903
Namibia	3,953	0	7,237	7,237	7,237	7,237	12,300	12,300
Gambia	0	0	6,783	6,783	0	0	0	0
Uganda	5,759	5,759	3,820	3,820	3,820	3,820	4,644	4,644
Ethiopia	0	0	3,095	3,095	3,095	3,095	0	0
Botswana	734,987	734,987	0	0	0	0	0	0
Sierra Leone . .	7,810	7,810	0	0	0	0	0	0
Zambia	2,209	2,209	0	0	0	0	0	0
Seychelles	0	0	0	0	0	0	2,750	2,750
Total	40,592,839	39,712,165	59,187,565	57,371,648	21,439,463	20,715,605	28,418,792	26,946,018
Transportation								
South Africa . .	544,706,434	61,353,875	731,346,848	96,960,977	326,138,713	40,076,543	287,707,790	53,522,045
Nigeria	0	0	204,584	204,584	204,584	204,584	0	0
Mauritius	0	0	48,916	48,916	48,916	48,916	0	0
Côte d'Ivoire . .	4,303	4,303	16,016	16,016	0	0	0	0
Ethiopia	0	0	12,000	12,000	12,000	12,000	0	0
Gabon	0	0	8,047	8,047	8,047	8,047	0	0
Sierra Leone . .	0	0	0	0	0	0	44,667	44,667
Tanzania	0	0	0	0	0	0	6,615	6,615
Total	544,710,737	61,358,178	731,636,411	97,250,540	326,412,260	40,350,090	287,759,072	53,573,327

See footnote at end of table.

Table B–4—*Continued*
U.S. imports under AGOA[1] and GSP, 2002, 2003, Jan.–June 2003, and Jan.–June 2004

Sector / Country	2002 AGOA	2002 GSP	2003 AGOA	2003 GSP	Jan.–June 2003 AGOA	Jan.–June 2003 GSP	Jan.–June 2004 AGOA	Jan.–June 2004 GSP
	Dollars							
Textiles and apparel								
Lesotho	317,803,078	0	372,600,486	56,592	166,455,175	34,704	198,097,397	74,664
Madagascar	76,127,920	511,965	186,181,046	225,090	60,007,522	60,829	120,494,469	160,027
Kenya	121,880,573	10,386	176,286,039	8,178	86,746,363	7,858	125,773,879	31,568
Mauritius	106,527,814	0	135,162,249	51,311	62,352,183	0	73,167,285	0
South Africa	88,292,479	2,899,363	131,188,156	4,231,055	55,805,149	1,838,866	54,564,440	2,288,244
Swaziland	73,901,023	0	126,369,084	726	53,608,211	0	72,535,057	0
Namibia	1,551,705	12,402	32,135,107	2,973	9,147,198	0	24,192,180	0
Malawi	11,404,806	295	22,388,748	0	10,515,846	0	13,743,578	0
Botswana	3,707,452	0	6,323,660	0	2,209,170	0	7,936,328	0
Ghana	336,248	12,093	4,261,311	6,721	1,997,301	4,431	4,091,966	8,850
Mozambique	186,167	0	2,516,333	0	1,693,291	0	803,464	0
Cape Verde	0	0	2,405,300	0	824,034	0	1,160,264	0
Ethiopia	1,297,077	0	1,750,717	0	801,454	0	1,812,677	680
Uganda	0	0	1,433,346	0	457,163	0	1,585,203	0
Tanzania	127,180	2,824	866,991	16,159	365,174	0	950,260	16,439
Côte d'Ivoire	187,077	187,077	204,041	204,041	131,830	131,830	72,303	72,303
Mali	979	979	1,699	1,699	1,699	1,699	721	721
Nigeria	0	0	1,393	1,393	858	858	300	300
Senegal	375	375	1,135	1,135	1,135	1,135	0	0
Niger	0	0	400	400	0	0	0	0
Cameroon	525	525	0	0	0	0	0	0
Zambia	0	0	0	0	0	0	367	367
Nigeria	0	0	0	0	0	0	300	300
Total	803,332,478	3,638,284	1,202,077,241	4,807,473	513,120,756	2,082,210	700,982,438	2,654,463
Grand total	8,991,204,903	630,282,751	14,105,065,497	915,655,686	6,659,791,608	396,685,277	11,643,379,828	2,014,276,265

[1] AGOA includes the GSP provisions.

NAE = "Not AGOA Eligible"

Note.—Calculations based on unrounded data.

Source: Compiled from official statistics of the U.S. Department of Commerce.