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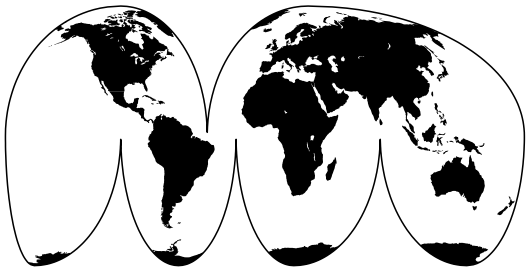

AFRICA

ISSN 1531-1635

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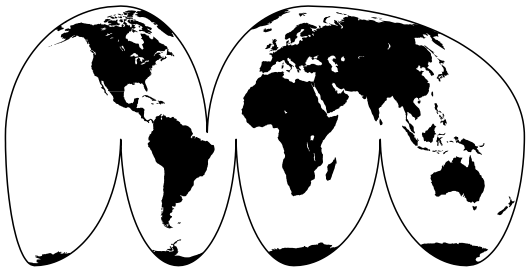

Volume 2
AFRICA

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CONTENTS

For Conversion Tables, Abbreviations and Acronyms, Glossaries, World Tables, Notes to the Tenth Edition, and other supplementary materials, see Volume 1.

Guide to Country Articles vi
Algeria 1
Angola 17
Benin 29
Botswana 40
Burkina Faso 52
Burundi 62
Cameroon 72
Cape Verde 85
Central African Republic 92
Chad 103
Comoros 114
Congo, Democratic Republic of the 122
Congo, Republic of the 138
Côte d'Ivoire 149
Djibouti 162
Egypt 170
Equatorial Guinea 186
Eritrea 195
Ethiopia 204
French African Dependencies 216
Gabon 218
Gambia, The 229
Ghana 237
Guinea 251
Guinea-Bissau 264
Kenya 272
Lesotho 287
Liberia 297
Libya 308
Madagascar 320
Malawi 332
Mali 343
Mauritania 355
Mauritius 366
Morocco 375
Mozambique 390
Namibia 402
Niger 412
Nigeria 423
Rwanda 440
São Tomé and Príncipe 451
Senegal 459
Seychelles 471
Sierra Leone 479
Somalia 491
South Africa 503
Sudan 524
Swaziland 537
Tanzania 545
Togo 559
Tunisia 570
Uganda 583
United Kingdom African Dependencies 595
Zambia 597
Zimbabwe 609
Index to Countries 623

GUIDE TO COUNTRY ARTICLES

All information contained within a country article is uniformly keyed by means of small superior numerals to the left of the subject headings. A heading such as "Population," for example, carries the same key numeral (6) in every article. Thus, to find information about the population of Albania, consult the table of contents for the page number where the Albania article begins and look for section 6 thereunder. Introductory matter for each nation includes coat of arms, capital, flag (descriptions given from hoist to fly or from top to bottom), anthem, monetary unit, weights and measures, holidays, and time zone.

SECTION HEADINGS IN NUMERICAL ORDER

1 Location, size, and extent
2 Topography
3 Climate
4 Flora and fauna
5 Environment
6 Population
7 Migration
8 Ethnic groups
9 Languages
10 Religions
11 Transportation
12 History
13 Government
14 Political parties
15 Local government
16 Judicial system
17 Armed forces
18 International cooperation
19 Economy
20 Income
21 Labor
22 Agriculture
23 Animal husbandry
24 Fishing
25 Forestry
26 Mining
27 Energy and power
28 Industry
29 Science and technology
30 Domestic trade
31 Foreign trade
32 Balance of payments
33 Banking and securities
34 Insurance
35 Public finance
36 Taxation
37 Customs and duties
38 Foreign investment
39 Economic development
40 Social development
41 Health
42 Housing
43 Education
44 Libraries and museums
45 Media
46 Organizations
47 Tourism, travel, and recreation
48 Famous persons
49 Dependencies
50 Bibliography

SECTION HEADINGS IN ALPHABETICAL ORDER

Agriculture 22
Animal husbandry 23
Armed forces 17
Balance of payments 32
Banking and securities 33
Bibliography 50
Climate 3
Customs and duties 37
Dependencies 49
Domestic trade 30
Economic development 39
Economy 19
Education 43
Energy and power 27
Environment 5
Ethnic groups 8
Famous persons 48
Fishing 24
Flora and fauna 4
Foreign investment 38
Foreign trade 31
Forestry 25
Government 13
Health 41
History 12
Housing 42
Income 20
Industry 28
Insurance 34
International cooperation 18
Judical system 16
Labor 21
Languages 9
Libraries and museums 44
Local government 15
Location, size, and extent 1
Media 45
Migration 7
Mining 26
Organizations 46
Political parties 14
Population 6
Public finance 35
Religions 10
Science and technology 29
Social development 40
Taxation 36
Topography 2
Tourism, travel, and recreation 47
Transportation 11

FREQUENTLY USED ABBREVIATIONS AND ACRONYMS

AD—Anno Domini
am—before noon
b.—born
BC—Before Christ
c—Celsius
c.—circa (about)
cm—centimeter(s)
Co.—company
Corp.—corporation
cu ft—cubic foot, feet
cu m—cubic meter(s)
d.—died
e—east
e—evening
e.g.—exempli gratia (for example)
ed.—edition, editor
est.—estimated
et al.—et alii (and others)
etc.—et cetera (and so on)
f—Fahrenheit
fl.—flourished
FRG—Federal Republic of Germany
ft—foot, feet
ft^3—cubic foot, feet
GATT—General Agreement on Tariffs and Trade
GDP—gross domestic products
gm—gram
GMT—Greenwich Mean Time
GNP—gross national product
GRT—gross registered tons
ha—hectares
i.e.—id est (that is)
in—inch(es)
kg—kilogram(s)
km—kilometer(s)
kw—kilowatt(s)
kwh—kilowatt-hour(s)
lb—pound(s)
m—meter(s); morning
m^3—cubic meter(s)
mi—mile(s)
Mt.—mount
Mw—megawatt(s)
n—north
n.d.—no date
NA—not available
oz—ounce(s)
pm—after noon
r.—reigned
rev. ed.—revised edition
s—south
sq—square
St.—saint
UK—United Kingdom
UN—United Nations
US—United States
USSR—Union of Soviet Socialist Republics
w—west

A fiscal split year is indicated by a stroke (e.g. 1998/99).
For acronyms of UN agencies and their intergovernmental organizations, as well as other abbreviations used in text, see the United Nations volume.
A dollar sign ($) stands for US$ unless otherwise indicated.
Note that 1 billion = 1,000 million = 10^9.

AFRICA
0 200 400 600 800 Miles
0 200 400 600 800 Kilometers
MOROCCO
ALGERIA
TUNISIA
LIBYA
EGYPT
WESTERN SAHARA (Occupied by Morocco)
MAURITANIA
MALI
NIGER
CHAD
SUDAN
ERITREA
DJIBOUTI
ETHIOPIA
SOMALIA
CAPE VERDE
SENEGAL
THE GAMBIA
GUINEA-BISSAU
GUINEA
BURKINA FASO
BENIN
NIGERIA
CÔTE D'IVOIRE
GHANA
TOGO
SIERRA LEONE
LIBERIA
CAMEROON
CENTRAL AFRICAN REPUBLIC
EQUATORIAL GUINEA
GABON
CONGO
DEMOCRATIC REPUBLIC OF CONGO
UGANDA
KENYA
RWANDA
BURUNDI
TANZANIA
SÃO TOMÉ & PRÍNCIPE
ANGOLA
ANGOLA (Cabinda)
NAMIBIA
BOTSWANA
ZAMBIA
ZIMBABWE
MALAWI
MOZAMBIQUE
SOUTH AFRICA
LESOTHO
SWAZILAND
MADAGASCAR
COMOROS
SEYCHELLES
MAURITIUS
Aozou Strip
Suez Canal
Red Sea
Gulf of Aden
Lake Nasser
Lake Chad
Lake Albert
Lake Turkana
Lake Victoria
Lake Tanganyika
Lake Malawi
Nile
White Nile
Blue Nile
Niger
Benue
Zaire (Congo)
Chari
Zambezi
Oranje
Channel
Mozambique
INDIAN OCEAN
ATLANTIC OCEAN
Tropic of Cancer
Tropic of Capricorn
Equator
Madeira Is. (PORTUGAL)
Canary Is. (SPAIN)
Ascension (UK)
St. Helena (UK)
Annobón (EQ. GUINEA)
Juan de Nova (FRANCE)
Bassas da India (FRANCE)
Îles Europa (FRANCE)
Tromelin (FRANCE)
Cargados Carajos Shoals (MAURITIUS)
Rodrigues I. (MAURITIUS)
Réunion (FRENCH AFRICAN DEPENDENCY)
Îles Glorieuses (FRANCE)
Mayotte (FRANCE)
Pemba I.
Zanzibar I.
Mafia I.
Algiers
Tunis
Rabat
Oran
Marrakesh
Tripoli
Tobruk
Alexandria
Cairo
Aswān
Tajarhi
Al Jawf
Tamanrasset
Semara
Chegga
Nouakchott
Néma
Tombouctou
Agadez
Faya-Largeau
Port Sudan
Khartoum
Asmara
Nyala
Djibouti
Erigavo
Addis Ababa
Juba
Dakar
Banjul
Bissau
Bamako
Ouagadougou
Niamey
Zinder
Kano
Maiduguri
N'Djamena
Bousso
Birao
Yagaba
Abuja
Porto-Novo
Lomé
Accra
Yamoussoukro
Abidjan
Freetown
Conakry
Monrovia
Malabo
Douala
Yaoundé
Bangui
Bata
Libreville
São Tomé
Brazzaville
Kinshasa
Kananga
Kisangani
Kampala
Nairobi
Kigali
Bujumbura
Dodoma
Mogadishu
Victoria
Luanda
Benguela
Lucapa
Lubumbashi
Mbala
Kitwe
Lilongwe
Nampula
Lusaka
Mavinga
Harare
Bulawayo
Muhembo
Windhoek
Walvis Bay
Lüderitz
Gaborone
Inhambane
Pretoria
Johannesburg
Mbabane
Maputo
Maseru
Cape Town
Port Elizabeth
Toliara
Mahajanga
Antananarivo
Moroni
Dzaoudzi
Antsiranana
Port Louis
St.-Denis

ALGERIA

Democratic and Popular Republic of Algeria
Al-Jumhuriyah al-Jaza'iriyah ad-Dimuqratiyah ash-Sha'biyah

CAPITAL: Algiers (Alger)

FLAG: The national flag consists of two equal vertical stripes, one green and one white, with a red crescent enclosing a five-pointed red star in the center.

ANTHEM: *Kassaman (We Pledge).*

MONETARY UNIT: The Algerian dinar (DA) is a paper currency of 100 centimes. There are coins of 1, 2, 5, 10, and 50 centimes and 1, 5 and 10 dinars, and notes of 10, 20, 50, 100, and 200 dinars. DA1 = $0.0127 (or $1 = DA78.46) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; Overthrow of Ben Bella, 19 June; Independence Day, 5 July; Revolution Day, 1 November. Muslim religious holidays include 'Id al-Fitr, 'Id al-'Adha', 1st of Muharram (Muslim New Year), and Milad an-Nabi. Christians observe their own religious holidays.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated in northwestern Africa along the Mediterranean Sea, Algeria is the second-largest country on the continent. Comparatively, it is slightly less than 3.5 times the size of Texas, with a total area of 2,381,740 sq km (919,595 sq mi). Extending about 2,400 km (1,500 mi) E–W and 2,100 km (1,300 mi) N–S, Algeria is bounded on the N by the Mediterranean Sea, on the E by Tunisia and Libya, on the SE by Niger, on the SW by Mali, on the W by Mauritania, and on the W and NW by the Western Sahara and Morocco; the total boundary length is 6,343 km (3,933 mi). Land boundary and claims disputes with Libya were unresolved as of late 2002.

Algeria's capital city, Algiers, is located on the northern boundary of the country on the Mediterranean Sea.

[2]TOPOGRAPHY

The parallel mountain ranges of the Tell or Maritime Atlas, comprising coastal massifs and northern inland ranges, and the Saharan Atlas divide Algeria into three basic longitudinal zones running generally east–west: the Mediterranean zone or Tell; the High Plateaus, including the regions of Great and Small Kabilia; and the Sahara Desert, accounting for at least 80% of Algeria's total land area. About half of Algeria is 900 m (3,000 ft) or more above sea level, and about 70% of the area is from 760 to 1,680 m (2,500 to 5,500 ft) in elevation. The highest point is Mount Tahat (3,003 m/9,852 ft), in the Ahaggar Range of the Sahara.

Only the main rivers of the Tell have water all year round, and even then the summer flow is small. None of the rivers are navigable. The mountainous areas of the High Plateaus are poorly watered; most of the rivers and streams (oueds) flow irregularly, since they depend for water upon an erratic rainfall. In the High Plateaus are many salt marshes and dry or shallow salt lakes (sebkhas or shotts). Farther south, the land becomes increasingly arid, merging into the completely dry desert.

Algeria lies on the African Tectonic Plate. Northwestern Algeria is a seismologically active area. Earthquakes on 10 October 1980 in a rural area southwest of Algiers left over 2,500 persons dead and almost 100,000 homeless.

[3]CLIMATE

Northern Algeria lies within the temperate zone, and its climate is similar to that of other Mediterranean countries, although the diversity of the relief provides sharp contrasts in temperature. The coastal region has a pleasant climate, with winter temperatures averaging from 10° to 12°C (50° to 54°F) and average summer temperatures ranging from 24° to 26°C (75° to 79°F). Rainfall in this region is abundant—38 to 69 cm (15 to 27 in) per year, and up to 100 cm (40 in) in the eastern part—except in the area around Oran (Ouahran), where mountains form a barrier against rain-carrying winds. When heavy rains fall (often more than 3.8 cm/1.5 in within 24 hours), they flood large areas and then evaporate so quickly that they are of little help in cultivation.

Farther inland, the climate changes; winters average 4° to 6°C (39° to 43°F), with considerable frost and occasional snow on the massifs; summers average 26° to 28°C (79° to 82°F). In this region, prevailing winds are westerly and northerly in winter and easterly and northeasterly in summer, resulting in a general increase in precipitation from September to December and a decrease from January to August; there is little or no rainfall in the summer months.

In the Sahara Desert, temperatures range from –10° to 34°C (14° to 93°F), with extreme highs of 49°C (120°F). There are daily variations of more than 44°C (80°F). Winds are frequent and violent. Rainfall is irregular and unevenly distributed.

[4]FLORA AND FAUNA

Characteristic trees of northern Algeria are the olive and the cork oak. The mountain regions contain large forests of evergreens (Aleppo pine, juniper, and evergreen oak) and some deciduous trees; the forests are inhabited by boars and jackals, about all that remain of the many wild animals once common. Fig, eucalyptus, agave, and various palm trees grow in the warmer areas. Esparto

grass, alfa, and drinn are common in the semiarid regions. On the coastal plain, the grape vine is indigenous.

Vegetation in the Sahara is sparse and widely scattered. Animal life is varied but scarce. Camels are used extensively. Other mammals are jackals, jerboas, and rabbits. The desert also abounds with poisonous and nonpoisonous snakes, scorpions, and numerous insects.

[5]ENVIRONMENT

Algeria's principal environmental problem is encroachment of the desert onto the fertile northern section of the country. Soil erosion from overgrazing adds to the effect. To impede desertification, the government in 1975 began a project to erect a "green wall" of trees and vegetation 1,500 km (930 mi) long and 20 km (12 mi) wide along the northern fringes of the Sahara. The annual cost of this 20-year afforestation project was about $100 million.

Other significant environmental problems include water shortages and pollution. The small amount of water available in Algeria is threatened by regular droughts. The problem is further complicated by lack of sewage control and pollutants from the oil industry, as well as other industrial effluents. The Mediterranean Sea has also been contaminated by the oil industry, fertilizer runoff, and soil erosion.

Endangered or extinct species include the Barbary hyena, Barbary leopard, Barbary macaque, and Mediterranean monk seal. Of the 92 species of mammals, 15 were threatened as of the late 2001, as well as eight of the 192 species of birds.

[6]POPULATION

The population of Algeria in 2003 was estimated by the United Nations at 31,800,000, which placed it as number 35 in population among the 193 nations of the world. In that year approximately 4% of the population was over 65 years of age, with another 35% of the population under 15 years of age. There were 102 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.67%, with the projected population for the year 2015 at 38,142,000. The population density in 2002 was 13 per sq km (34 per sq mi). The birthrate was down from 29 births per 1,000 population in 1996 to 23 per 1,000 in 2002, due in part to government programs.

It was estimated by the Population Reference Bureau that 60% of the population lived in urban areas in 2001. The capital city, Algiers, had a population of 1,840,000 in that year. Other large cities and their estimated populations include Oran, 700,000; Constantine (Qacentina), 500,000; and Batna, 300,000. According to the United Nations, the urban population growth rate for 2000–2005 was 3.2%.

The population is concentrated in the cultivated areas of the northern Tell region near the Mediterranean coast. More than 90% of the populace lives in approximately one eighth of the country. The plateau and desert regions are sparsely populated.

[7]MIGRATION

In 1962, some 180,000 Algerian refugees were repatriated from Tunisia and Morocco; after independence was declared that July, about 650,000 French Algerians and more than 200,000 harkis (Algerian Muslims who fought on the French side during the war of independence and chose to retain French citizenship) emigrated to France. The exodus reduced the French population from about 10% of the total in 1961 to less than 1% in 1981. Around 24,000 displaced persons from Mali and Niger located in the southern Algerian region of Tamanrasst, Adrar, and Illizi. In 1995, UNHCR started the repatriation of the Tuareg refugees back to Mali and Niger. Repatriation was complete as of June 1998, benefiting some 6,302 Malians and 3,259 Nigerians. At the closing of the refugee camps, some 200 residual refugees remained. As of May 1997, there were an estimated 4,000 Palestinians that were well integrated in Algerian society. As a result of the war between the Polisario guerrillas and Morocco over the Western Sahara, about 150,000 Sahrawi refugees fled to Algeria. In 1999 there were 165,000 refugees from Western Sahara in the region of Tindouf of southwestern Algeria. As of 2000, there was a total of 169,500 refugees remaining in Algeria.

The net migration rate for Algeria was -1.8 migrants per 1,000 population, which was a loss of 52,000 people. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The population consists almost entirely of Arabs. Arabs in Algeria are chiefly of Berber derivation, particularly in the Kabilia and Aurès areas and in the Sahara oases, or admixtures of Berbers with invaders from earlier periods. The Berbers, who resemble the Mediterranean subrace of Southern Europe, are descendants of the original inhabitants of Algeria and are divided into many subgroups. They account for 99% of the population. The Kabyles (Kaba'il), mostly farmers, live in the compact mountainous section in the northern part of the country between Algiers and Constantine. The Chaouia (Shawiyyah) live in the Aurès Mountains of the northeast. The Mzab, or Mozabites, include sedentary date growers in the Ued Mzab oases. Desert groups include the Tuareg, Tuat, and Wargla (Ouargla).

Europeans are of French, Corsican, Spanish, Italian, and Maltese ancestry. Algeria's European population was estimated at less than 1% of the population in early 1999. About half the Jews in Algeria were descended from converted Berbers, and the remainder were mainly descendants of Spanish Jews. Within a month after Algeria became independent, about 70,000 Jews emigrated to France and 10,000 to Israel. Almost all the rest left Algeria during the next seven years; fewer than 100 Jews remained as of 1998, and virtually all synagogues had been converted to mosques.

[9]LANGUAGES

The sole official and majority language is Arabic, with many variations and dialects, but many Algerians also speak French; "Arabization" has been encouraged by the government. About one-fifth of the population speaks a wide variety of Berber dialects, particularly in Kabilia, in the Aurès, and in smaller, relatively protected areas in the mountains and the Sahara. Berber is a distinct branch of the Hamitic language group; dialects vary from district to district. In antiquity, the Numidians wrote Berber in script form.

[10]RELIGIONS

About 99% of the population adheres to Islam, the state religion. Except for a small minority of Kharijites (Ibadhis) in the Mzab region, most Muslims are adherents of the Maliki rite of the Sunni sect, with a few Hanafi adherents. The law prohibits assembling for purposes of practicing any faith other than Islam. However, there are Roman Catholic churches that conduct services without government interference. Non-Muslims usually congregate in private homes for worship services. Proselytizing of non-Muslim faiths is illegal. Foreigners who practice non-Muslim faiths are generally shown a greater degree of social tolerance than non-Muslim citizens.

Many citizens who practice non-Muslim faiths have fled the country because of the civil war. The number of Christians and Jews is thus significantly lower than in the early 1990s. The small Christian community, which is mostly Roman Catholic, has approximately 25,000 members, and the Jewish community numbers fewer than 100.

[11]TRANSPORTATION

In 2002, Algeria's nationally owned railroad had about 4,820 km (2,995 mi) of track. The system consists principally of a main

LOCATION: 18°57′ to 37°5′ N; 8°44′ W to 12°E. BOUNDARY LENGTHS: Mediterranean coastline, 1,104 kilometers (686 miles); Tunisia, 958 kilometers (595 miles); Libya, 982 kilometers (610 miles); Niger, 956 kilometers (594 miles); Mali, 1,376 kilometers (855 miles); Mauritania, 463 kilometers (288 miles); Morocco, 1,637 kilometers (1,017 miles). TERRITORIAL SEA LIMIT: 12 miles.

east-west line linked with the railways of Tunisia and Morocco and of lines serving the mining regions of Béchar (formerly Colomb Béchar); the esparto grass country on the High Plateaus; the date-producing areas of Biskra, Touggourt, and Tebessa; and the main port cities.

Roads are most adequate in the Tell zone; in the mountainous and rural areas, they are relatively poor. In 2002 there were 104,000 km (64,625 mi) of roads, of which about 71,656 km (44,527 mi) were paved (including 640 km or 398 mi of expressways), used by 589,900 passenger cars and 396,200 commercial vehicles in 2000. The French colonial administration built a good road system, partly for military purposes, which after independence was allowed to deteriorate to some extent; however, new roads have been built linking the Sahara oil fields

with the coast. Algeria's portion of the trans-Saharan highway, formally known as the Road of African Unity, stretching about 420 km (260 mi) from Hassi Marroket to the Niger border south of Tamanrasset, was completed in 1985.

Algiers is the principal seaport. Other significant ports are Arzew, Bejaïa (Bougie), Skikda (a large gas-exporting center also known as Philippeville), Oran, Annaba, Ghazaouet, and Mostaganem. Algeria's merchant fleet numbered 73 ships of 1,000 GRT or over, totaling 903,944 GRT as of 2002

An extensive air service uses 136 airports and airstrips, of which 54 have paved runways in 2001. The main international airport, H. Boumediene Airport, is about 20 km (12 mi) from Algiers. Constantine, Annaba, Tilimsen (Tlemcen), and Oran have smaller modern airports that can accommodate jet aircraft. Air Algérie, the national airline, provides international service. In 2001, 3,239,600 passengers were carried on domestic and international flights.

12 HISTORY

Before the period of recorded history, the North African coastal area now known as Algeria was inhabited by Berber tribal groups, from whom many present-day Algerians are descended. Phoenician sailors established coastal settlements, and after the 8th century BC, the territory was controlled by Carthage. Roman dominance dates from the fall of Carthage in 146 BC. Completely annexed in AD 40, the region, known as Numidia, became a center of Roman culture. Christianity flourished, as did agriculture and commerce; Numidian wheat and olives were shipped to Rome. By the mid-third century there were some 20 Numidian bishops. Despite the prosperity of the Roman cities and the cereal-growing countryside, there were frequent Berber revolts. The Roman influence gradually declined, especially after the Vandal invasion of 430–31. The Byzantine conquered eastern Numidia in the 6th century.

After the Arab conquest began in 637, the area was known as Al-Maghrib al-Awsat, or the Middle West and continued for a century. The Berbers accepted Islam but preserved their own traditional political and social institutions, in effect absorbing the invaders. Arabs from the east attacked in the 11th century. These newcomers, unlike their predecessors, were nomadic herders rather than farmers; they destroyed many of the towns and farms and reinforced a more pastoral type of economy. Almoravids from Morocco also took possession of part of the region in the 11th century, and they were succeeded by Almohads a century later. Although these and other dynasties and individuals united the territory and consolidated it with Morocco and Spain, local rulers retained considerable autonomy. Meanwhile, seafaring and piracy became important.

Spain conquered part of the coast in the early 16th century, and Algerians asked the aid of 'Aruj, known as Barbarossa, a Turkish pirate. He expelled the Spaniards from some of their coastal footholds, made himself sultan, and conquered additional territory. The area of Barbarossa's control was extended by his brother, Khayr ad-Din, also called Barbarossa, who placed his territory under the suzerainty of the Ottoman sultan in Constantinople. Until 1587, Algiers was governed by beylerbeys; from 1587 to 1659, by pashas, who were appointed for three-year terms; and after 1659, by aghas and finally by deys (28 deys in all, 14 of whom were assassinated). Other parts of what is now called Algeria were ruled either by Turkish officials or by local chieftains. Spain held a small area around Oran until 1708 and controlled it again from 1732 to 1791.

Algiers became increasingly independent of Constantinople and, joining with other states of the Barbary Coast, thrived on piracy. At this time, it had diplomatic and trade relations with many European countries, including France. But with the defeat (though not suppression) of the Barbary pirates by US and European fleets during 1815–16, and with the growing European interest in acquiring overseas colonies, Algiers was seen as a possible addition to either the British or the French empire. In 1830, the French took over the principal ports; they gradually subjugated the Berbers, annexed the northern regions, and set up a system of fortified posts. Thereafter, sporadic revolts broke out, notably the guerrilla war from 1830 to 1847, led by the legendary hero, Abd al-Qadir, and the Kabyle rebellion in 1871. Other sections, however, remained independent of France until the first decade of the 20th century.

Al-Jazair, as it was called in Arabic, became, in French, Algérie, a name that France applied to the territory for the first time in 1839. In 1848, northern Algeria was proclaimed an integral part of France and was organized into three provinces. Following the Franco-Prussian War of 1870–71, large numbers of Alsatians and other French colonizers settled the most fertile confiscated lands, as did other Europeans at the invitation of France. Muslims had no political rights except for limited participation in local financial delegations.

Following World War I, France took the first steps toward making all Algeria an integral part of France. In 1919, voting rights were given to a few Muslims, based on education and military service qualifications. (French citizenship had previously been open to Muslims who renounced their Koranic status.)

During World War II, in exchange for loyalty to France, many Muslims hoped for political concessions, and moderates believed that France might be persuaded to grant Algeria a separate status while retaining close diplomatic, economic, and defense ties. In 1957, all Muslims became French subjects, but about 9 million Muslims and 500,000 Europeans voted on separate electoral rolls for a joint assembly. Unsuccessful in obtaining further reforms and faring poorly in several apparently rigged elections, the moderate Muslim nationalist group led by Ferhat Abbas was greatly weakened.

The war in Algeria toppled several French governments before causing the demise of the Fourth Republic in May 1958. Gen. Charles de Gaulle was then brought to power by French rightists and military groups in Algeria. To their surprise, however, he pursued a policy of preparing for Algerian independence. He offered self-determination to Algeria in September 1958. Referendums in France and Algeria on 8 April and 1 July 1962 approved a settlement, and independence was formally proclaimed on 3 July, despite a program of counterterrorism by the French Secret Army Organization in Algeria. Meanwhile, younger nationalists had formed what would become known as the National Liberation Front (Front de Libération Nationale—FLN), and a guerrilla war was launched on 1 November 1954. The FLN's National Liberation Army (Armée de Libération Nationale—ALN) perpetrated acts of terrorism and sabotage throughout Algeria and gained increasing mass support. Eventually, France was forced to maintain at least 450,000 troops in Algeria. During the hostilities, the French army completely cleared many rural areas of their civilian populations and evacuated some two million Muslims to army-controlled *regroupment* centers or new large villages. Although the army gradually eliminated the power of the FLN to carry out large-scale attacks, the latter continued its terrorist acts against the French army, French settlers, and pro-French Muslims. Terrorist activities, mainly as a result of factional disputes, also were carried on by Algerian Muslims in France. During more than seven years of civil war, well over 1,000,000 Muslim guerrillas and civilians and 10,000 French soldiers lost their lives.

With independence achieved, a seven-man Political Bureau, set up as the policy-making body of the FLN, took over effective control of the country on 5 August 1962. Ahmed Ben Bella became the first premier, and Ferhat Abbas was chosen speaker of the Assembly. The Assembly adopted a constitution, which was endorsed by referendum in September 1963.

Elected president in October, Ben Bella began to nationalize foreign-owned land and industry. Opposition to his authoritarian regime led to an outbreak of armed revolts in the Kabilia and Biskra areas in July 1964 and to open attacks on the regime by leading political figures. On 19 June 1965, the Ben Bella government was overthrown in a bloodless coup directed by Col. Houari Boumedienne, first deputy premier and defense minister. The 1963 constitution was suspended, and a revolutionary council headed by Boumedienne took power. The new government shifted to a gradualist approach to national development, with deliberate economic planning and an emphasis on financial stability. During the 1970s, the council nationalized the oil industry and initiated agrarian reforms. Boumedienne ruled by decree until June 1976, when a national referendum approved a Socialist constitution providing for a one-party state with a strong presidential system and an elected National Assembly. Boumedienne was elected president in December 1976 but died two years later.

The FLN Central Committee, with strong army backing, chose Col. Chadli Bendjedid as the party's leader, and his presidential candidacy was ratified by the electorate on 7 February 1979. He was reelected without opposition in January 1984 for a second five-year term. After a period of maintaining continuity with the previous regime, the Bendjedid government moved toward more moderate policies, expanding powers for the provinces and state enterprises and attempting to revitalize the FLN and government agencies. In foreign affairs, Algeria reduced its earlier support for liberation groups around the globe and for hard-line nonaligned positions. It patched up its dispute with Morocco over the Western Sahara and sharply reduced its aid to the Polisario. Algeria played a key role in helping the United States resolve the hostage crisis in 1981 and worked hard for the Arab Maghreb Union, a planned EC for North Africa. Serious internal trouble developed in 1988 when young Algerians rioted over high prices, unemployment, and the dictatorship of an aging, inept, and corrupt revolutionary regime. Shocked by the 500 deaths in the streets, Bendjedid moved to liberalize his government. Political parties were allowed to form outside the FLN and the prime minister and cabinet were made responsible to the National Assembly. He won a third term in 1989, supported by 81% of the electorate.

Burdened by heavy debts and low oil prices, Bendjedid was obliged to pursue austere economic policies and to abandon socialism for the free market—actions which further inflamed his opposition, now led by the Islamic Salvation Front (FIS). In 1989, the party won 55% of urban election seats while the FLN maintained power in the countryside. Elections to the National Assembly, postponed six months, were held in December 1991 under relatively free conditions. FIS candidates won 188 out of 231 contested seats, needing only 28 more places in a second vote to control the 430-member Assembly. The FLN won only 16 seats.

The army intervened, arresting FIS leaders and postponing indefinitely the second stage vote. Bendjedid resigned under pressure from the army and Mohammed Boudiaf, a hero of the revolution, returned from exile to lead the High State Council which the army established. A harsh crackdown on Islamists began; the FIS was banned and its local councils were closed. As acts of terrorism continued by both sides in 1992 and 1993, the regime declared a state of emergency, set up special security courts and arrested more than 5,000 persons. Boudiaf was assassinated in June 1992 to be replaced by Ali Kafi with Redha Malek as prime minister in August 1993. In January 1994, Defense Minister Liamine Zeroual was named president and the five-man presidential council was abolished.

Zeroual released two top FIS leaders in September 1994 and began a dialogue with the FIS. After six weeks of apparently halfhearted talks, Zeroual ended the dialogue and called for new presidential elections. Opposition parties—including the FLN, the FIS, and other Islamist groups—met in late 1994 and early 1995 under the auspices of the Sant' Egidio Roman Catholic community in Italy to produce a national contract to end the violence through a transitional government that would include all parties. Zeroual rejected the meeting as foreign interference in Algeria's internal affairs and condemned the contract that it produced. He continued to attempt dialogue with the legalized opposition parties with no results.

While parties accounting for nearly 80% of the vote in the 1991 parliamentary elections were excluded from participating, Zeroual did have three opponents for the presidency in the November 1995 elections. The elections went ahead as scheduled. Despite widespread calls for boycotts and threats of violence, the government claimed 75% of registered voters participated in the election, which gave Zeroual the office of presidency with 61% of the votes. Opposition groups disputed the turnout figures.

Zeroual's first objective after election was the passing of a new constitution greatly expanding presidential powers. The referendum approving the new constitution was passed with nearly 80% of the registered voters participating and 86% approving the new constitution. While there were widespread electoral irregularities, the vote was generally viewed as reflecting Algeria's weariness with civil war (which, as of 2003, had claimed approximately 100,000–120,000 lives since 1992) and a willingness to give the government the power to end it. At the very least, the elections showed that few of Algeria's registered voters respected the boycott calls made by opposition parties, even when those calls were backed up with threats of violence.

However, the elections did not stop the cycles of violence. When the government thought it had effectively stopped the terror campaign, the Ramadan of 1997 (the traditional high point of terrorist activity) was the bloodiest ever, with daily reports of bombings and massacres.

Despite the violence and instability, Zeroual continued to hold elections as he reshaped Algeria's government. In June 1997, parliamentary elections were held. Thirty-nine political parties registered for the elections with over 7,000 candidates contesting for the 280 seats in the National People's Assembly. Violence continued throughout the campaigning. The result of the election was a victory for pro-government parties. However, though the FIS and other religious parties were barred from participating, two other more moderate Islamist parties won more than 100 seats and received over 20% of the votes cast. Regional and municipal council elections were held in October 1997, with the RND (Rassemblement national pour la démocratie or National Democratic Rally) winning more than half of the seats.

In September 1998 President Zeroual gave a surprise address announcing that he would step down from power in February 1999, two years before his term was to expire. The decision was most likely due to infighting in the regime, which had become increasingly public. Forty-seven candidates presented themselves for election, but only seven made it to the final list, with Abdelaziz Bouteflika quickly emerging as the leading candidate. Tarnishing the results of the election, four of the candidates officially withdrew from the contest two days before the 15 April election day claiming massive fraud in favor of Bouteflika in the forming of election lists. They were joined the following day by the other two candidates. The fraud claims were rejected by the minister of the interior and the election went ahead with Bouteflika as the single candidate.

Following his election victory Bouteflika instituted dialogue with opposition groups and at the end of 1999 moved against corruption. Within weeks of his election, Bouteflika announced a "Civil Concord Plan" based upon a 1997 truce between the military and the FIS's Islamic Salvation Army (AIS). In September 1999, a referendum was held on the plan, which was approved by

more than 98% of the voters; voter turnout was over 85% nationwide, but was below 50% in eastern regions of the country, which are dominated by the opposition. The plan included an amnesty for those Islamists who renounced violence; up to 5,500 rebels participated in the amnesty, and the AIS formally disbanded in 2000. Those guilty of murder, rape, or the placing of bombs were to be prosecuted; however, the death penalty would not be used, and no prison sentence would be longer than 20 years. The plan was supported by the FIS; however, violence continued, and was still ongoing as of March 2003.

In April 2001, a Berber youth taken into custody by the police was killed, sparking months of demonstrations and rioting in the northeastern region of Kabylie. More than 90 people died in the unrest, which also spread beyond Kabylie. The Berber protesters' complaints went beyond the act of police brutality, addressing concerns of ethnic discrimination, corruption, housing shortages, unemployment, repression, and violence. In May, the mainly Berber party, the Rally for Culture and Democracy, withdrew from the government in protest against the government's handling of the unrest. In October, Bouteflika agreed to a constitutional amendment granting national recognition to the Berber language, Tamazight. However, the language would not be granted "official" status, like Arabic.

In the aftermath of the 11 September 2001 terrorist attacks on the United States, the United States called upon all states to implement counterterrorism measures. Algeria pledged its support for the Bush administration's campaign against terrorism, and sent the United States a list of 350 Islamic extremists known to be living abroad who may have had contacts with Osama bin Laden's al-Qaeda network. Bouteflika made two official state visits to President Bush in 2001, the first such visits by an Algerian president in 15 years. In return for Algeria's aid, the Bush administration agreed to ease restrictions on arms sales to Algeria.

In parliamentary elections held on 30 May 2002, the FLN won 199 of 389 seats in the National Assembly; it was one of 23 parties participating. Four parties, including 2 Berber parties, boycotted the elections, which were marred by violence and low voter turnout (47%).

On 3 March 2003, French president Jacques Chirac visited Algiers, the first state visit by a French president since Algeria won independence in 1962. Chirac stated that the two countries could not forget the brutal war for independence that had created "countless victims, tore families apart, and shattered destinies and dreams." He laid flowers at a monument for Algerians who fought the French during the war, which was regarded as an act of reconciliation. Chirac also called on the government to use dialogue to end the Islamic insurgency ongoing since 1992.

13 GOVERNMENT

Algerian voters approved a new constitution in 1996 that strengthened the role of the already-dominant executive. Under the constitution, a second legislative body called the Council of the Nation would join the already existent National Assembly. One-third of the Council was to be appointed by the president, and the other two-thirds elected by local and regional government. This body must approve, by a three-fourths vote, any legislation proceeding from the National Assembly.

Since the annulment of the 1991 election, the military has been the ultimate power in Algeria. In 1994 it appointed a retired general, Liamine Zeroual, to the presidency. In somewhat irregular elections, Zeroual was elected with 61% of the vote over three other candidates. In 1998, Zeroual announced he would step down as president before his term ended. Abdelaziz Bouteflika won the presidential election of April 1999; he was the lone candidate.

Elections for the National Assembly were held in June 1997, with pro-government parties winning 57% of the 380 seats. Moderate Islamic parties won over 100 seats, with the rest of the seats going to independent candidates and an ethnic Berber party. Several opposition parties, including the FIS, were barred from participating. Regional and municipal council elections were held in October 1997, with the government's RND winning more than half of the seats.

Elections for the National Assembly were next held on 30 May 2002. The FLN took 1999 of the now 389 seats; the National Democratic Rally, Bouteflika's party, took 47 seats; Islah, the Movement for National Reform took 43 seats; the Movement for a Peaceful Society won 38 seats; the socialist Worker's Party won 21 seats; and smaller parties and independents took the remaining 41 seats. Again, the FIS was banned from participating. In local elections held 10 October 2002, the FLN won a majority of town councils and provincial assemblies.

14 POLITICAL PARTIES

One of the earliest active figures in the struggle for Algerian self-determination was Messali Hadj, who in 1925 formed the Star of North Africa (Étoile Nord Africaine) movement among Algerian workers and intellectuals in Paris and in 1937 founded the Algerian People's Party (Parti Populaire Algérien—PPA). Banned in 1939, the PPA operated illegally and militantly under the Vichy regime, with strong support from students and workers.

In 1944, Ferhat Abbas formed the Friends of the Manifesto and of Liberty (Amis du Manifeste et de la Liberté—AML), a moderate reform group that was later transformed into the Democratic Union of the Algerian Manifesto (Union Démocratique du Manifeste Algérien—UDMA). In 1946, some AML members joined the PPA and, under Messali Hadj's leadership, formed a legal front organization, the Movement for the Triumph of Democratic Liberties (Mouvement pour le Triomphe des Libertés Démocratiques—MTLD). On a program favoring "the return of the Algerian people to national sovereignty," the MTLD won 5 of the 15 elected seats in the National Assembly elections of 1 November 1946; in 1948, however, the MTLD lost all its seats and was reduced to semi-illegality. Two years later, it was suppressed by the police.

In 1951, an Algerian Front was formed by the MTLD, the UDMA, the Algerian Communist Party, and the Society of 'Ulema, a political-cultural organization. Policy differences in the following years resulted in the creation of three groups: supporters of Messali Hadj; centrists, who hoped to obtain constitutional advances by cooperating with the French administration; and a militant group who proposed violent action. By 1954 there was an open split. The centrist majority repudiated Messali Hadj's leadership. An activist group of nine members formerly associated with an MTLD splinter group calling for armed rebellion then established the Revolutionary Committee for Unity and Action (Comité Révolutionnaire d'Unité et d'Action—CRUA) with headquarters in Cairo, divided Algeria into six military zones and appointed commanders for each, and launched a war with France on 1 November 1954.

Shortly thereafter, the CRUA changed its name to the National Liberation Front (Front de Libération Nationale—FLN), and its forces became known as the National Liberation Army. The FLN was an amalgamation of various nationalist tendencies in Algeria. Its membership gradually incorporated most members of the former MTLD, most members of the UDMA, and members of the Society of 'Ulema, as well as former independents and young people with no previous political allegiance. Its goal was the complete independence of Algeria, and it appeared to have the support of the great majority of Muslims. After Messali Hadj broke with the FLN, he formed the National Algerian Movement (Mouvement National Algérien—MNA), supported mainly by Algerians in France. The MNA attacked both the FLN and the war through acts of terrorism in France, but became almost completely without influence following Messali's imprisonment.

In August 1956, an FLN congress established an embryo parliament, the 34-member National Committee of the Algerian Revolution, enlarged in 1957 by 20 more members to a total of about 50, and a 5-member executive body, the Executive and Coordinating Committee, enlarged in Cairo in 1957 by additional members. In September 1958, a provisional government was established with Ferhat Abbas as president and with headquarters in Cairo and Tunis. (Benyoussef Ben Khedda succeeded Abbas as premier in August 1961.) President de Gaulle in effect recognized the FLN as the only political organization that had the authority to speak for the Muslims during peace negotiations with the French government. During this period, French expatriates in Algeria organized the Secret Army Organization, which violently opposed Algerian independence.

After independence, differences of opinion arose among the members of the Political Bureau, the FLN's policy-making body, regarding the organization of the FLN. While Ben Bella envisaged the creation of an elite party, Mohammed Khider (assassinated in Spain in January 1967) sought to create a broader mass party. The FLN mobilized popular political participation by forming mass organizations for peasants, youth, guerrilla veterans, and women. It organized itself into departmental federations, sections, and cells, staffed largely by former guerrillas (mujahidin). In April 1964, the first congress of the FLN adopted the Charter of Algiers, a guideline for government policy that provided for a wide range of agricultural, industrial, and social reforms. The FLN's National Charter of April 1976 outlined a plan for creating a Socialist system commensurate with Islamic principles. A new National Charter adopted in January 1986 de-emphasized Socialism and placed greater stress on Islam. The chief organs of the FLN are the Central Committee, the highest policy-making body of both the FLN and the nation, the Political Bureau and the Secretariat. The Islamic Salvation Front is an umbrella organization of groups, which support a government guided by Islamic law. In September 1989 the government approved a multi-party system, and by 31 December 1990, over 30 legal political parties existed, including Islamic Salvation Front (FIS), National Liberation Front (FLN), and Socialist Forces Front (FFS).

With the annulment of elections, several parties, notably the FIS, were outlawed. The main parties that participated in the June 1997 elections included the official government party known as the National Democratic Rally (Rassemblement national pour la démocratie—RND); the Movement for a Peaceful Society (formerly Hamas); Ennahda (a moderate Islamic party); two ethnic-Berber parties, the Socialist Forces Front and the Rally for Culture and Democracy; and the FLN.

Twenty-three parties participated in the May 2002 parliamentary elections. Two Berber parties boycotted the elections, including the Rally for Culture and Democracy and the Socialist Forces Front. The FLN took a majority of seats in the National Assembly. Also winning seats were Islah, the National Democratic Rally, the Movement for a Peaceful Society, the Workers' Party, the Algerian National Front, the Islamic Renaissance Movement, the Party of Algerian Renewal, and the Movement of National Understanding. Independents won 30 of 389 seats.

[15]LOCAL GOVERNMENT

In 1969, a governorate of 48 provinces (*wilayats*) system replaced the departments that had been established by the French. Each wilaya has its own elected people's assembly, executive council, and appointed governor (*wali*), who is responsible to the Ministry of the Interior. The 48 wilayats have subdivisions called *da'iraats* (districts), which are further subdivided into 1,541 communes. The commune is the basic collective unit, governed by an assembly elected for four years. Winning a majority of local council and assembly seats in the 10 October 2002 elections was the FLN, taking control of 668 communes and 43 of the country's 48 cities. The National Democratic Rally lost its previously held majority, taking control of 171 communes. The Socialist Forces Front won 65 communes and independents took control of 77. Islamic parties declined in popularity overall.

[16]JUDICIAL SYSTEM

After independence in 1962, Algeria's judicial system was reorganized. The former French magistrates were replaced by Algerians and the judiciary was extended into regions of the country previously ignored.

The judicial system now includes civil and military courts. Within each wilayat is a court of first instance for civil and some criminal cases. At the head of the system is the Supreme Court. The Special Court of State Security was abolished in 1995.

The constitution guarantees independence of the judiciary. However, executive branch decrees have restricted some of the judiciary's authority. Judges are appointed by the executive branch without legislative approval, and the government can remove judges at will. A judge's term is 10 years.

Algeria's present legal codes, adopted in 1963, are based on the laws of Islam and of other Northern African and Socialist states, as well as on French laws. Efforts were made to harmonize the laws and legal procedures with those of the Maghreb nations. A first plan for judicial reorganization was approved in 1965; this was followed in 1966 with the beginning of large-scale structural reforms. A new civil code was promulgated in 1975 and a new penal code in 1982.

In civilian courts, Shari'a (Islamic law) is applied in resolving social issues. Defendants in civilian courts are afforded a wide range of procedural protections including a public trial, right to counsel, right to confront witnesses, and right of appeal.

Military courts have jurisdiction in cases involving military personnel and have heard some cases in which civilians are charged with security-related and terrorism offenses.

The Constitutional Council reviews the constitutionality of treaties, laws, and regulations. The Constitutional Council is not part of the judiciary but it has the authority to nullify unconstitutional laws. The Constitution prohibits torture and other cruel, inhuman, or degrading treatment. The Constitution prohibits arbitrary arrest and detention. In criminal cases, the suspect must be charged or released within 48 hours of incommunicado detention. However, the 1992 Antiterrorist Law provides up to 12 days of prearraignment detention.

President Bouteflika announced a major reorganization of the judiciary in August 2000. He changed approximately 80% of the heads of the 187 lower courts and all but three of the presidents of the 37 higher-level courts. By the end of 2001, women sat at the head of 26 courts.

[17]ARMED FORCES

Six months' military service is compulsory for males. Algeria's armed forces in 2000 totaled 120,000 personnel. The army had 105,000 officers and men, plus reserves of up to 150,000; weaponry included 951 main battle tanks. The navy had 7,000 men; vessels included 2 submarines, 3 frigates, 5 corvettes, and 11 OSA missile patrol craft. The air force had 10,000 men, about 242 combat aircraft, and 65 combat helicopters. The gendarmerie totaled 60,000, and the national security forces 20,000. Algeria's defense budget was $1.9 billion in 1998 or about 3.9% of GDP.

[18]INTERNATIONAL COOPERATION

Algeria was admitted to the UN on 8 October 1962 and is a member of ECA and all the non-regional specialized agencies, including the IFC. Algeria also participates in the African Development Bank, G-77, League of Arab States, African Union,

and OPEC. The nation is a signatory of the Law of the Sea and an applicant to the WTO.

[19]ECONOMY

Saharan oil and natural gas have been important export items since 1959, and they dominate Algeria's economy, accounting for over 95% of total export value, 60% of government revenue, and 30% of GDP. Algeria is the largest supplier of natural gas to the EU. During the late 1970s, as oil prices rose, real economic growth topped 20% annually, with the manufacturing sector averaging about 15%; during 1980–81, however, the rate dropped to 7–8% because of the weakening oil market, and a decline of 5% was registered in 1982, followed by an average annual growth rate of 4.5% during 1983–86. Because of the weak oil market, growth continued to fall, to 3.4% in 1989, 1.1% in 1990, and negative growth in 1994 of -1.1%. Debt restructuring accomplished in 1994 and 1995 allowed increased imports and restored economic growth to an estimated 3% per year. The real growth rate in 1998 was 3.2%, and was forecast at 6.8% for 2003 and 5.3% in 2004. These healthy growth rates in the early 21st century were driven by real export growth, based on expanding crude oil production, although government consumption played a role. As of 2003, Algeria had a large trade surplus, high foreign exchange reserves, and had reduced its foreign debt.

Although nearly 20% of Algerians make their living directly from the soil, agriculture produces only about 10–11% of Algeria's GDP every year, and meets only a small portion of the country's needs. The government targeted agricultural development as a priority in the late 1990s, but drought in 1997 dimmed agricultural prospects. However, good rains in 2001 produced a stronger performance for cereals in terms of real growth.

Before independence, the Algerian economy was almost completely dependent on the Europeans, who employed more than 90% of those working in industry and commerce, accounted for about 90% of gross business earnings, and provided some 90% of the country's private investment. The exodus of most Europeans in 1962 temporarily disrupted Algeria's economic life. The FLN governments established a Socialist economy by nationalizing the mining industry and creating state farms and state-owned industries on abandoned farms and on expropriated French landholdings. The nationalization with compensation of all foreign-owned companies was completed in 1974, although certain companies operating in partnership with Algerian state enterprises were allowed to continue. In the 1980s, decentralization was emphasized, with over 90 state corporations split into 300 specialized units. It was announced in 1987 that these enterprises would adopt their own annual plans, decide on the prices of their products, and invest their profits freely. In 1990 the money and credit law opened the way for substantial international participation in Algeria's economy. The 1993 investment code opened up Algeria to foreign investment, and investment promotion agencies were created in 1995 in order to stimulate the economy. Since then, Algeria has taken steps to liberalize foreign trade, the price structure, and foreign exchange system, and to reevaluate the public sector while encouraging the private sector and competition.

The dramatic decline in oil prices in 1985–86 affected Algeria at a time when it also faced a heavy foreign debt burden. The Algerian government thus attempted to diversify the economy and privatize business. However, no meaningful progress on privatization was expected for 2003–04. In the late 1990s and into the 2000s, challenges to the Algerian economy included terrorism, inefficient agricultural methods, and an unemployment rate of 34% in 2001 that extended into the ranks of professionals, engineers, and highly trained workers.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Algeria's gross domestic product (GDP) was estimated at $177 billion. The per capita GDP was estimated at $5,600. The annual growth rate of GDP was estimated at 3.8%. The average inflation rate in 2001 was 3%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 17% of GDP, industry 33%, and services 50%. Foreign aid receipts amounted to about $6 per capita.

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $791. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 2%. The richest 10% of the population accounted for approximately 27% of household consumption and the poorest 10% approximately 3%. It was estimated that in 1999 about 23% of the population had incomes below the poverty line.

[21]LABOR

In 2001, the estimated workforce stood at 9.4 million. The government employed around 29% of the labor force in 1996, with agriculture accounting for 25%. About 34% of the workforce was unemployed in 2001.

Before 1956, many European and Muslim workers belonged to the General Labor Federation. This organization was Communist controlled after 1947, and organized in Algeria as the General Union of Algerian Syndicates. Realizing the importance of trade union activity in organizing and strengthening a nationalist movement, the two Algerian nationalist groups formed trade unions in 1956: the Trade Union of Algerian Workers, which found its greatest strength among Algerian laborers in France, and the General Union of Algerian Workers (Union Générale des Travailleurs Algériens—UGTA), founded by the FLN. In July 1956, because of its obvious strength among Muslims and because of the support it had received from the General Union of Tunisian Workers, UGTA was admitted to the ICFTU. Working closely with the FLN leadership, UGTA was more of a political weapon in the struggle for independence than a means for improving the economic lot of the worker. Since independence, it has combined its political and economic roles. UGTA played a significant role in the revival of the All-African Trade Union Federation. Approximately two-thirds of Algerian workers were unionized as of 2002.

The law permits collective bargaining for all unions. Minimum wages are set by the government with the advice of the UGTA The standard workweek is 37.5 hours. As of 2002, the minimum wage was $105 per month. This amount does not provide a family with a decent standard of living. Health and safety regulations are specified by law, however enforcement is irregular. The minimum age for employment is 16 years. Child labor remains a problem in agriculture and in the informal economy.

[22]AGRICULTURE

Although almost 25% of the population is engaged in agriculture (including subsistence farming), only 3% of Algeria's land is cultivated. The soil is poor and subject to erosion, and the water supply is generally irregular and insufficient; about one-quarter of northern Algeria is completely unproductive. Agriculture contributed 10% to GDP in 2001, down from 13% in 1999.

Before independence, European-owned agriculture accounted for about two-thirds of vegetable production and employed

about 800,000 farm laborers, 700,000 of them Muslims. Most Muslim-owned farms were small—10 hectares (25 acres) or less—and were located mainly in marginal areas on the interior plains and on mountain slopes. The Muslim sector, comprising the bulk of the agricultural population, accounted for only one-third of vegetable production but nearly all the livestock raising.

Within six months after independence was declared, at least half the European-owned land had been vacated. Algerian peasants soon began to work on these abandoned farms under a self-management system. During the 1960s, the government established more than 2,300 state farms on expropriated French landholdings; by the end of the decade, these farms accounted for two-thirds of total agricultural production and employed about 500,000 workers. In July 1971, President Boumedienne announced an agrarian program providing for the breakup of large Algerian-owned farms and their reorganization into cooperatives. The first stage of the plan, the registration of land ownership, began in March 1972. In the second stage, many absentee landlords were forced to hand over part of their land to the state. By July 1973, of a total of five million hectares (12.4 million acres) of public land, one million hectares (2.5 million acres) of cultivable land had been redistributed to 54,000 families of landless peasants (*fellahin*), and 1,348 cooperatives had been created. By 1980, the number of cooperatives had increased to about 6,000; in the early 1980s, however, the government split large cooperatives into smaller units to improve efficiency. In 1982–83, about 450,000 hectares (1.1 million acres) of land previously nationalized were returned to private ownership, mostly in plots of 10 hectares (25 acres) or less. In 1987, a further breakup of large state-owned farms into private cooperatives was implemented. Long-term leases of land to cooperatives were begun. Farmers were given autonomy in production and investment decisions, including the right to keep profits. The National Union of Algerian Peasants, established in March 1973, played a leading role in the land reform program and has about 1,200,000 members. By 1995, most of the cooperatives had been dispersed because of internal disputes and land was divided into individual plots. The government does not officially endorse this development, which compels farmers to sell their output on the black market. The Ministry of Agriculture is considering land privatization as a way to stimulate private investment.

Government policy aims at increased use of fertilizers and improved seeds, conversion of vineyards to the production of cereals and other staple foods, and achievement of self-sufficiency in food production. The main agricultural products continue to be wheat, barley, pulses, fresh vegetables, dates, table and wine grapes, figs, olives, and citrus. Grain and pulse production varies significantly and depends upon the frequency and amount of rainfall during the growing season. Estimated agricultural output in 1999 included 1,100,000 tons of wheat; 410,000 tons of barley; 996,000 tons of potatoes; 955,000 tons of tomatoes; 307,000 tons of oranges; 78,000 tons of grapes; and 428,000 tons of dates. In 2001, nearly 6.6 million tons of cereals were imported, including 4.5 million tons of wheat. The total cost for imported cereals was nearly $996 million. Modest agricultural productivity growth along with rapid population increase makes Algeria one of the world's largest agricultural import markets; imports of food and agricultural products amount to about $2.8 billion per year.

[23]ANIMAL HUSBANDRY

Algeria has 30,765 ha (76,020 acres) of permanent pastures and grazing land, 13% of the country's total area. About half of the livestock is owned by only 5% of the herdsmen. In 1999 there were an estimated 16,750,000 sheep, 3,400,000 goats, 1,650,000 head of cattle, 200,000 donkeys, 150,000 camels, 70,000 mules, and 55,000 horses. There were also 105 million chickens. Algeria is self-sufficient in poultry meat and eggs, but must import all inputs (chicks, hatching eggs, feed, veterinary products, equipment). Algeria has a severe shortage of milk, meat, and cheese and must therefore rely on imports. Algeria produces about one billion liters of milk annually, while consumption amounts to three billion liters.

[24]FISHING

Fishing is fairly extensive along the coast, but the industry is relatively undeveloped. Sardines, bogue, mackerel, anchovies, and shellfish are caught. The 2000 catch was 100,000 tons, down from 135,402 tons in 1994.

[25]FORESTRY

Only 1.6% of the land area is forested. The mountain ranges contain dense forests of evergreens (evergreen oak, Aleppo pine, and cedar) and deciduous trees, whereas the warmer regions contain large numbers of fruit and palm trees. Algeria is an important producer of cork; other forestry products are firewood, charcoal, and wood for industrial use. Roundwood production was estimated at 7,525,000 cu m (94.7 million cu ft) in 2000.

Two-thirds of the French-planted forests in eastern Algeria were burned by French forces during the 1954–62 war. Reforestation was begun on 12,100 hectares (30,000 acres) of unused land in the semiarid region in 1960. By 1964, 25 million trees had been planted: eucalyptus in clay soils, Aleppo pine in calcareous regions, and olive trees. Current reforestation projects include the planting of a "green wall" across Algeria from the Moroccan to the Tunisian frontier to halt the encroachment of the Sahara. During the first half of the 1980s, reforestation proceeded at a rate of 52,000 hectares (128,000 acres) per year, but from 1984 to 1994, deforestation averaged about 45,000 hectares (111,200 acres) per year, so that Algeria now has 10% less forested land than in 1979.

[26]MINING

In 2000, the government proposed allowing foreign investors to develop mineral deposits held by the national mining companies. The national geologic and mineral research office has identified many mineral deposits. However, they were located in remote areas that lacked infrastructure or government funding for development. With Algeria's proximity to Europe, its major minerals customer, the country's base and precious metals are of interest to foreign investors. Guerrilla activity, though, remains a significant deterrent.

Algeria's phosphate deposits at Djebel Onk, in the northeast, are among the largest in the world, covering about 2,072 sq km (800 sq mi), with an output of 877,000 tons in 2000, down from 1.16 million tons in 1998. There are deposits of high-grade iron ore at Ouenza, near the Tunisian border. Production totaled 1.65 million tons in 2000, down from 2.25 million tons in 1996; half is exported. Among other mineral production in 2000, zinc concentrate output was 10,452 tons, up from 3,690 in 1997; bentonite, 22,708 tons, up from 15,491 in 1999; lead concentrate, 818 tons, down from 1,215 in 1999; mercury, 215,625 kg, down from 447,034 in 1997; crude barite, 51,925 tons, up from 31,348 in 1996; salt, 182,000 tons; hydraulic lime, 96,000 tons, up from 65,000 in 1998; and marble, 700,000 tons. Silver, kaolin, sulfur, fuller's earth, and strontium are also mined.

Two gold projects, Amesmessa and Tirek, in the southern Hoggar region, were being developed by the South African Council for Mineral Technology. Production was scheduled to begin in 2001. Resource estimates were 4.96 million tons at grade of 14.1 grams per ton gold for Amesmessa, and 1.17 million tons at an average grade of 17 grams per ton for Tirek.

[27]ENERGY AND POWER

Algeria is an important producer and exporter of oil and gas and supplies a significant portion of Europe's energy requirements. Natural gas and petroleum dominate the economy; in 2003, estimated exports of hydrocarbons were valued at more than 90% of total exports, and around 30% of gross domestic product (GDP). In the 1950s, natural gas was found in the east, near the Libyan border, and at Hassi R'Mel in the Sahara. Algeria's proven natural gas reserves are among the world's ten largest, totaling an estimated 4.5 trillion cu m (158.9 trillion cu ft) as of 2002. Algeria produced 82 billion cu m (2.9 trillion cu ft) of natural gas in 2000. A 500-km (310-mi) main pipeline connecting Hassi R'Mel to Arzew (between Oran and Mostaganem) was opened in 1961, and branch lines to Oran and Algiers were completed four years later. Since then, six other pipelines have been constructed, including the first trans-Mediterranean gas pipeline (Transmed) to Europe via Sicily, built at a cost of $3 billion. The Transmed consists of three segments, linking Algeria, 550 km (342 mi); Tunisia, 370 km (230 mi); and the Mediterranean to Sicily, 154 km (96 mi) underwater. In 2001, Algeria's total LNG export capacity amounted to over 6 billion cu m (212 billion cu ft) per year. The $2.3-billion Gazoduc Maghreb-Europe pipeline to Spain and Portugal via Morocco began operating in November 1996. Total exports of natural gas amounted to an estimated 53.8 billion cu m (1.9 trillion cu ft) in 1999. Algeria's total natural gas export capacity as of 2001 was 57 billion cu m (2 trillion cu ft).

Oil was discovered at Edjeleh and Hassi Messaoud in 1956 and at Al-Gassi in 1959; by 1969, the Franco-Algeria Cooperative Association (ASCOOP), a petroleum development company, had discovered eight major fields. Proved reserves of crude oil amounted to 9.2 billion barrels in 2002; crude oil production averaged 839,000 barrels per day in the first 10 months of 2002. There are four main pipelines linking the wellheads in the eastern Sahara with Algerian ports and a fifth with the Tunisian port of Sekhira; there are also several branch pipelines. In late 2002, Algeria's total refinery capacity was 450,000 barrels per day.There were four gas liquefaction plants in 2000, three at Arzew and one at Skikda, all operating well below capacity because of disrepair and lack of funds for spare parts. In 2000 Algeria was the world's second-largest exporter of liquefied natural gas (LNG); its exports, which went mainly to Western Europe, accounted for 19% of the world's total.

The Société Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbons (Sonatrach), founded in 1964 as the state-owned petroleum company, handles the distribution and transport of oil. On 24 February 1971, President Boumedienne announced the Algerian takeover of controlling interest in all French oil company subsidiaries and the nationalization of all pipelines and natural gas deposits. Holdings of all other foreign petroleum interests in Algeria were nationalized by the end of 1971. Subsequent agreements have generally treated foreign companies as minority partners in Algerian state enterprises. Contracts for sales of natural gas to Western Europe and the United States increased spectacularly in the 1970s but decreased in the 1980s as world energy prices fell, pushing Algeria into severe debt. By 1991, Sonatrach was reversing its monopolistic policy, and forming joint ventures for new exploration contracts. The company plans to invest $20 billion through 2004 to develop Algeria's oil and gas fields, focusing on wet gas field development, enhanced oil recovery techniques, pipeline expansion, exploration, and dry gas field development. In April 2000 Sonatrach announced a $500 million joint venture with Amerada Hess to develop the el-Gassi, el-Agreb, and Zotti oilfields, with the goal of increasing production to 45,000 barrels per day by the end of 2003.

In 2000, net electricity generation was 23.5 billion kWh, of which 99.6% came from fossil fuels, and the rest from hydropower. In the same year, consumption of electricity totaled 21.8 billion kWh. Total installed capacity at the beginning of 2001 was 6 million kW.

In 1996, Algeria signed a nuclear cooperative agreement with China, which built the two nuclear reactors in Algeria. Algeria claims that these reactors are for research and the peaceful exploitation of nuclear power. Algeria has signed a cooperative agreement with the International Atomic Energy Agency and has opened its reactor facilities to agency inspectors.

[28]INDUSTRY

The industries of Algeria, which traditionally have been concentrated around Algiers and Oran, have included carpet mills, cement factories, chemical plants, automobile assembly plants, food-processing installations, oil refineries, soap factories, and textile plants. Other major industries have produced bricks and tiles, rolled steel, farm machinery, electrical supplies, machine tools, phosphates, sulfuric acid, paper and cartons, matches, and tobacco products.

Before independence, industry made significant gains. New enterprises were developed in food processing and packaging, textiles, leather, chemicals, metalworking, building materials, and farm machinery. A new large steel plant was built at Annaba, a petroleum refinery at Algiers, a petrochemical complex at Arzew, and a phosphate production center at Djebel Onk, near the Tunisian border. Other industries were set up to produce automobiles, tractors, cement, rubber tires, and ammonia.

French firms were nationalized after independence, between 1962 and 1974. The government put great emphasis on the development of the hydrocarbons sector, including the building of refineries and natural gas liquefaction plants. Algeria had five oil refineries with a capacity of 470,000 barrels per day by 1989. As of 2003, it had four oil refineries with a capacity of 450,000 barrels per day. Algeria's total production capacity in 2003 was 1.1 million barrels per day. Algeria is a member of the Organization of the Petroleum Exporting Countries (OPEC), and its production quota was set at 780,000 barrels per day as of February 2003. Algeria has been pressing to have its OPEC quota raised, as it is likely that its production capacity will increase rapidly. As of 2003, Algeria expected to raise its production capacity to 1.5 million barrels per day by 2004, and to 2 million barrels per day in 10 years.

The government has encouraged diversification away from Algeria's heavy reliance on hydrocarbons, although those efforts have not been entirely successful, especially given the increase in oil and natural gas export revenues since 1999. Algeria is considered to be underexplored, and significant oil and natural gas discoveries have been made in recent years, which have increased Algeria's proven oil reserves to 11,314 million barrels, placing it 14th in the world in total oil reserves. Algeria's proven natural gas reserves were 160 trillion cu ft in 2003, the fifth largest in the world. The state-owned hydrocarbons company, Sonatrach, invested nearly $20 billion between 1996 and 2000 on new pipelines and extensions. The company's Trans-Maghreb pipeline opened in 1996, supplying Spain and Portugal with natural gas, and Sonatrach substantially increased the capacity of its Trans-Med gas pipeline to Italy. In 2001, Sonatrach undertook a feasibility study on another natural gas pipeline under the Mediterranean to Sicily, the Italian mainland, and southern France. As of 2003, there was also the possiblity of a Trans-Saharan natural gas pipeline, running from Nigeria, across the Sahara, and on to Algeria and the Mediterranean coast. In 1998, Sonatrach issued bonds for the first time, showing the regime's loosening hold on the state-run enterprise. Algeria's oil and natural gas industries increasingly are becoming more open to foreign investors.

The textile and leather industry declined 14.7% in 2001, and 27 state-owned textile companies had gone out of business since 1996, resulting in a loss of 22,000 jobs. Textile manufacturer Group Texmaco, however, was successful as of 2002. It accounted for 30% of the market and had 18,000 employees, although it was operating at 20% capacity in 2002.

As of 2000, industry accounted for about 33% of the nation's GDP. The hydrocarbons sector (mostly petroleum and natural gas) alone accounted for 30% of GDP in 2003 and over 95% of export revenues. Algerian industry has been in the process of a structural transformation as it moves from a socialist, government-controlled economy to a free-market economy. Consequently, industrial production has fallen as inefficient plants are closed and large oversized industries are scaled back. As of 2002, of the 1,270 state-owned companies, 53% were considered sound after substantial restructuring, 30% were functioning but in poor financial shape, and the remaining 18% were bankrupt or nearly so (approximately 230 companies). The industrial sector has generally been in decline since the 1990s. The government has spent $15 billion to restructure industry, but industrial output continued to decline in the beginning of the 21st century. Manufacturing production fell 6.7% in the first quarter of 2002.

[29] SCIENCE AND TECHNOLOGY

Since independence, Algeria has made major technological advances, especially in the steel and petrochemical industries. However, Algeria still has a severe shortage of skilled workers and is heavily dependent on foreign technologies. Scientific training is principally conducted at the Hovari Boumedienne University of Sciences and Technology, founded at Algiers in 1974; the Oran University of Sciences and Technology, founded in 1975; the universities of Annaba (founded in 1975), Blida (founded in 1981), Boumerdes (founded in 1981), Constantine (founded in 1969), Oran Es-senia (founded in 1965), and Tlemcen (founded in 1974); and the Ferhat Abbas-Setif University of Setif (founded in 1978). In 1987–97, science and engineering students accounted for 58% of college and university enrollments. The government's National Bureau of Scientific Research operates 18 research centers in biology; anthropology; oceanography and Fisheries; astronomy, astrophysics, and geophysics; renewable energy; arid zones; technology transfer; and other fields.

[30] DOMESTIC TRADE

European trading firms formerly played a major role in the economy; however, many Europeans, fearful of eventual Muslim control, sold their holdings or gave them up in 1961–62. After independence, about one-half of the country's shops closed down, and in 1963, state agencies began taking over nearly all wholesaling and marketing operations. Since 1996, the Algerian government has prioritized the privatization of state-owned enterprises.

The principal cities of the north are the largest trade centers. While most trade is done on a cash or credit basis, some bartering still goes on among the rural dwellers and in the Muslim quarters of cities. In the mountain regions there are local market days or special local fairs for the exchange of products during different seasons. Travelers checks and credit cards are not widely accepted.

Normal business hours in winter are 8 AM to noon and 2:30 to 6 PM, Sunday–Wednesday, and 8 AM to noon on Thursday; afternoon hours in summer are 3 to 6:30. Banks are generally open in the winter months from 8:45 AM to 12 noon and 2:15 to 5 PM, Saturday–Wednesday; in summer, 8:15 AM to 12 noon and 3 to 5:30 PM.

[31] FOREIGN TRADE

Crude oil and natural gas account for nearly all of Algeria's export value; industrial equipment and semi-finished goods and foodstuffs, especially wheat, dominate the country's imports. Surpluses accrued with the oil and gas price increases beginning in the mid-1970s and continuing through 1985, with the exception of 1978. In 1986, however, because of a severe drop in oil prices, Algeria experienced the first trade deficit since 1978 and the largest ever. The 1986 collapse of oil prices drove the government to implement decentralizing IMF programs in order to stabilize the economy. Algeria was able to register a trade surplus during most of the nineties, except during 1994, after a season of political turmoil. On 30 April 1998, the Algerian government chose not to re-subscribe to IMF structural programs. Coupled with low oil prices, this move brought about diminished export revenues, threatening a trade deficit. Rising oil prices during 1999 brought back a trade surplus. As of 2000, Algeria was running a trade surplus of nearly $13 billion (US dollars).

In 2000 Algeria's imports were distributed among the following categories:

Consumer goods	9.1%
Food	24.8%
Fuels	1.4%
Industrial supplies	38.4%
Machinery	24.2%
Transportation	12.1%
Other	0.0%

Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Italy	4,425	811	3,614
United States	3,425	1,054	2,371
France	2,920	2,159	761
Spain	2,329	546	1,783
Netherlands	1,658	175	1,483
Brazil	1,503	56	1,447
Turkey	1,332	286	1,046
Canada	780	350	430
Germany	733	710	23
Belgium	659	239	420
United Kingdom	648	210	438
Japan	24	273	-249
China	11	213	-202

[32] BALANCE OF PAYMENTS

Algeria long had a current-accounts deficit, which before independence was covered by the French government. While the departure of Europeans after independence contributed to a more equitable balance of trade (Europeans had been the chief consumers of foreign goods), it also caused a heavy withdrawal of capital and a decrease in French aid, resulting in a continued deterioration of Algeria's payments position. However, with the continued growth of the petroleum sector, Algeria recorded substantial payments surpluses during the 1970s. In 1986, the fall of oil prices brought about a large deficit and an economic restructuring through the IMF that was intended to help service the country's debt and begin government privatization. In 1991, many import restrictions were abolished, although foreign exchange and external credit access were still restricted. By 1996, Algeria promulgated a liberalized trade regime in which nearly all export restrictions were removed and foreign investment was encouraged.

Debt rescheduling by the Paris Club and other lenders allowed the Bank of Algeria in the late 1990s to increase its reserves of hard currency. Algeria must increase its non-hydrocarbon

exports, however, in order to generate enough foreign exchange so that when oil prices are low, it will be able to pay for necessary imports and to service its external debt, which stood at $24.7 billion in 2001.

The US Central Intelligence Agency (CIA) reports that in 2002 the purchasing power parity of Algeria's exports was $19.5 billion while imports totaled $10.6 billion resulting in a trade surplus of $8.9 billion.

[33]BANKING AND SECURITIES

The Central Bank of Algeria, created in December 1962, was the sole bank of issue at that time. Following the separation of the French and Algerian treasuries in late 1962, the Directorate of Treasury and Credit was established as the government's fiscal agent. The state also established cooperative banks. It wasn't until 1996 that private companies were permitted to set up money-changing shops following a directive issued by the Central Bank initiating open market operations. This opened a field previously restricted to state-owned banks. Bank base interest rates officially fell from 18.5% to 15% during 1996, according to the prime minister, Ahmed Ouyahia. In 1998, local commercial banks cut interest rates on loans to between 10% and 12.5%, down from a range of 18.5% to 23.5% in 1996. The Bank of Algeria's primary method of financial control was to limit lending, and interest rate cuts were aimed at encouraging growth.

Foreign banks ceased operations after the nationalization of banks in 1963 and were absorbed by three government-owned banks including the Foreign Bank of Algeria, the National Bank of Algeria, and the People's Credit of Algeria. There were also four government banks for financing economic development and a savings institution that offered housing loans. These included the Algerian Development Bank, the Agricultural Bank for Rural Development, and the Maghreb Bank for Investment and Commerce.

In 1997, the banking industry of Algeria included one Central Bank (Banque d'Algerie), six state-owned banks, one public development bank and one private bank (Union Bank, concentrating on merchant banking since 1995). In 1998, five new private banks opened, including one US-based bank.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $16.0 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $26.9 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 3.35%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6%.

The Algiers stock exchange was opened in July 1999. With only three companies listed (a food processing company, a pharmaceutical company, and a hotel) the exchange is in its early stages. Bonds issued in 1998 by Sonatrach, the national oil company, were rated in the Algiers stock exchange on 18 October 1999.

[34]INSURANCE

In 1966, a state monopoly based on the Algerian Company of Insurance (ACI), and the Algerian Insurance of Reinsurance Fund (AIRF), replaced foreign insurance companies. Ten Algerian insurance companies were operating in 2003: the Compagnie Algérienne d'Assurances, the Compagnie Algérienne des Assurances Transports, the Compagnie Centrale de Réassurance, the Agricultural Mutual Fund, the Algerian Fund Insurance for Workers in Education and Culture, the CAGEX Insurance Company, and Guarantee for Exports and the Société Nationale d'Assurances. In 1998, Trust-Algeria, the International Company of Insurance and Reinsurance, and Algerian Insurance were approved as Algerian Insurance Companies. The state insurer, Société Algérienne d'Assurance (SAA), posted an DA323.3 million ($5.6million) net profit for 1995, on a turnover of DA13.9 billion. In 1990, Algerians spent US$18.5 per capita on insurance premiums, or 1.4% of the country's GDP.

The government sponsors an export credit insurance agency, managed by the Algerian Export Management Company, that is financed by 10% of a tax on imported luxury goods. This has been set up to aid the growth of non-hydrocarbon exports.

[35]PUBLIC FINANCE

Algeria's fiscal year coincides with the calendar year. Government expenditures increased rapidly from independence until 1986, when IMF adjustment plans attempted to curb spending. Government expenditures have continued to rise, despite austerity measures and the spread of liberalization to the economy. Instead of gaining funds from the sale of state-run industry, the government has had to foreclose companies for a lack of investors. About 60% of total government revenue came from the petroleum and natural gas industries, which are still state-operated.

The US Central Intelligence Agency (CIA) estimates that in 2001 Algeria's central government took in revenues of approximately $20.3 billion and had expenditures of $18.8 billion including capital expenditures of $5.8 billion. Overall, the government registered a surplus of approximately $1.5 billion. External debt totaled $24.7 billion.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	20,300
Tax revenue	90.0%	18,265
Non-tax revenue	10.0%	2,035

[36]TAXATION

The most important sources of government revenue have been oil and gas royalties. Algeria's tax system has been streamlined through the replacement of a number of different taxes by a value-added tax, a personal income tax, and a corporate profits tax. The corporation tax was 45% on distributed profits and 20% on reinvested earnings. Many fiscal advantages have been granted to developing and expanding industries, especially to private investment. For established domestic industry and commerce there is a tax on production (a single tax that was passed on to the consumer) and a tax on industrial and commercial activities.

Algeria's 1993 investment code offered foreign investment companies a three-year exemption from VAT, a property tax abatement, lower customs duties, and a two to five year exemption from corporate income taxes. The tax break was meant to stimulate investment in Algeria's export market. After 1993, foreign workers whose monthly salaries exceeded $1,333 per month paid a 20% income tax, instead of one up to 70%.

[37]CUSTOMS AND DUTIES

A customs union between Algeria and France allows regulations applicable in the metropole to apply also in Algeria, making Algeria a de facto adherent of GATT. By a special agreement with the European Union (EU), Algerian industrial products are granted duty-free entry into the EU market and agricultural products get seasonal tariff reductions, while Algeria gives reciprocal treatment to EU imports. Algeria has also concluded preferential customs agreements with Tunisia and Morocco and is a founding member of the Arab Maghreb Union (UMA), a trade union composed of Algeria, Libya, Mauritania, Morocco, and

Tunisia. The UMA intended to create a free trade zone, but this has not yet come to fruition.

Goods from France are admitted at a preferential rate; secondly, goods from other European Union countries; and thirdly, goods from countries that grant Algeria most-favored-nation treatment which are subject to a basic standard tariff. Tariffs on imports ranged from 3-40% in 1998, in addition to a value-added tax (VAT) of 7%, 14%, or 21%. Some imports are also eligible for the Taxe Spécifique Additionnelle, ranging from 20-110% and generally applied to luxury goods. As part of its application to join the World Trade Organization, Algeria lowered its rates to bring them within acceptable WTO levels. The government has further abolished the required import licenses. The only imports subject to restriction are firearms, explosives, narcotics, and pork products. Pharmaceuticals marketed in their country of origin may be freely imported.

[38]FOREIGN INVESTMENT

Under investment codes issued in 1983 and 1986, Algeria's foreign investment regime was quite restrictive. Foreign investment was permitted only in joint ventures with state-owned companies, although repatriation of profits was guaranteed. The economy's main hydrocarbon sector and many others were off limits.

The money and credit law of March 1990 allowed majority foreign-owned joint ventures in almost all sectors except the hydrocarbon sector, electricity production, railroad transport, and telecommunications. The law provided for the safe transfer of capital and terms for international arbitration. The hydrocarbon law of November 1991 allowed foreign firms to exploit existing oil fields in partnership with the state oil firm. The Investment Code of October 1993 did not distinguish between investments made by foreigners or Algerians and granted new investors limited tax exemptions and reductions in duty on imported goods.

In 1995, the Algerian government set up the National Agency of Investment Development (Agence de Promotion, de Soutien, et de Suivi des Investissements—APSI) and regional investment promotion agencies to serve as a network of regional one-stop shops to eliminate layers of bureaucracy for investors. In 1996, APSI approved 50 foreign investment projects, including American (2), French (16), Italian (11), Spanish (8), and German (4) investors. As of 2002, 20 foreign-owned businesses had been established and the government has set a goal (as of 2003) to double this number.

In 1997, foreign direct investment (FDI) was $260 million and from 1998 to 2000 averaged $482 million. In 2000, the German firm Henkel acquired 60% of the state detergent and cleaning products firm, ENAD, and an Egyptian company bought a second GSM mobile phone license. In 2001, FDI more than doubled to $1,196 million thanks mainly to the privatization and sale of one major state enterprise, the El Hadjar steel complex, SIDER, to the Indian steel firm ISPAT, which acquired 70% ownership. In August 2001, the government reorganized the public sector companies to facilitate investment. The 11 sectoral holding companies into which state economic enterprises (EPEs) had been organized in 1996 were replaced with 28 shareholding management companies and the National Privatization Council was renamed the State Shareholding Council. All sectors were opened to foreign investment in 2001, including the hydrocarbon sector, in which the government put exploratory contracts for particular blocks up for auction.

By 2003, 30 foreign oil and gas companies were working in exploration in Algeria. A plan proposed by the government to have the state oil company, Sonatrach, compete on a nearly equal footing with foreign oil companies through the creation of two independent agencies—a national agency to handle the awarding of contracts (ALNAFT) and a regulatory agency for the oil and gas industry— had still not been passed by the parliament in mid-2003.

Algeria's stock exchange, established in 1999, remains rudimentary, handling only three stocks and one bond (for Sonatrach) as of 2003,

The main obstacles to direct foreign investment in Algeria are Islamic fundamentalist terrorism, aggressive labor unions, and widespread distrust of both foreigners and privatization.

[39]ECONOMIC DEVELOPMENT

Following independence, Algeria adopted an economic policy favoring a socialist organization of society. Under the Charter of Algiers, the basis of Algerian policy was that the workers themselves were responsible for management, while ownership of the property was maintained by the state. The first stage of development, covering 1967–69, set up a basis for expansion of industry, improvement of agriculture, and training of personnel.

The second four-year plan (1974–77) established a heavy industrial base for the economy and largely completed agricultural reforms. The period 1978–79 was used to consolidate economic gains. In 1979, the government decided to limit oil and gas exports and to decentralize industry away from Algiers in order to build up the country's less developed regions. The new five-year plan for 1980–84 switched the emphasis from heavy to light industry and to neglected social areas, especially housing. The second five-year plan (1985–89) emphasized agriculture and water supply in order to reduce the chronic food deficit, but industry (32%) and social infrastructure (27%) were allotted the largest shares of the proposed total investment. By 1999, the government defined broader national economic policy objectives for diversification and development.

In the early 1980s, Algeria said it would allocate 1% of its gross domestic product (GDP) to aid Third World countries, with about 80% going to other African countries, but Algeria has been chiefly a recipient of aid. Algeria's debt burden has increased steadily since the 1970s due to the world financial crisis and lower oil prices in the late 1990s.

In 1995, Algeria signed a three-year program for debt rescheduling with the International Monetary Fund (IMF), and rescheduled $13 billion of debt with the Paris Club. These programs resulted in an improved balance of trade, lowered government expenditures, and a government surplus. The government did not renew its programs with the IMF in 1998, saddling the economy with a total debt in 1998 that amounted to $31 million, and capital expenditures reaching almost 10% of the GDP.

Trade surpluses in the early 2000s led to improvements in Algeria's level of foreign debt. The stock of debt was reduced to $22.5 billion, or 43% of GDP, by the end of 2001. However, a reduction in oil revenues and increased domestic spending in 2001–02 led to a budget deficit in 2002. The government adopted a fiscal stimulus plan covering the period 2001–04. In 2002, Algeria entered into an Association Agreement with the European Union (EU). Continuing privatization and economic and trade liberalization have been key structural reforms. Terrorism has hindered foreign investment in recent years.

[40]SOCIAL DEVELOPMENT

A social insurance system for old age, disability, sickness and death cover all employees and self-employed persons. The program is financed with contributions from employees and employers. Retirement is set at age 60 for men and age 55 for women and veterans, with early retirement available for those in arduous work, mothers, and the disabled. Work injury benefits are available to all employed individuals including technical students, voluntary social security administrators, those undergoing rehabilitation, students, and certain prisoners. Only salaried workers are entitled to unemployment benefits. The law

also provides for an employment related family allowance funded by the government and the employer.

The Family Code, based on Islamic principles, effectively treats women as legal minors for life, under the authority of the father, husband, or other male head of the family. The code permits polygamy and proscribes marriage between a Muslim woman and a non-Muslim man while allowing a Muslim man to marry outside the faith. In a court of law, a woman's testimony is not considered as equal to a man's, and women do not have full legal guardianship of their children, requiring the father to sign all official documents.

Women are allowed to work but constitute only 10% of the work force. Traditional Islamic views of the role of women still dominate keeping most women from seeking jobs outside the home. The labor laws prohibit sexual discrimination in the workplace, but this is not enforced. Spousal abuse is a common problem especially in rural areas.

Ethnic tensions between the Arabs and the Berbers, who were the original inhabitants of Algeria, continue to exist. The government created the High Commission for Berber Affairs, which protects and promotes Berber language and culture. A national charter recognizes the language and cultural identity of the Amazigh ethnic minority, which is concentrated in the Kabylie region. The human rights record remains poor and includes extrajudicial killings, torture, and failure to control abuses by security personnel, including massacres of suspected Islamic militants.

[41] HEALTH

The Ministry of Health has overall responsibility for the health sector, although the Ministry of Defense runs some military hospitals. In 1990, Algeria had 284 hospitals with 60,124 beds (2.4 per 1,000 people; as of 1999 this ratio had declined to an estimated 2.1). There were also 1,309 health centers, 510 polyclinics, and 475 maternity hospitals (64 privately owned) in 1990. Medical personnel included 23,550 doctors, 2,134 pharmacists, and 7,199 dentists. As of 1999, there was an estimated 1 physician per 1,000 people and total health care expenditure was estimated at 3.6% of GDP.

Free medical care was introduced in 1974 under a Social Security system that reimburses 80% of private consultations and prescription drugs.

The principal health problems have been tuberculosis, malaria, trachoma, and malnutrition. By 1999, the incidence of tuberculosis was 45 in 100,000. In 2000, the average life expectancy was 71 years, with a death rate of 5.2 per 1,000 people. Infant mortality in 2000 was 33 per 1,000 live births and the estimated maternal mortality rate as of 1998 was 220 per 100,000 live births. The government is interested in creating public awareness of birth control. As of 2000 an estimated 51% of women ages 15 to 49 were using some form of contraceptive. The total fertility rate decreased to 3.2 in 2000 from 5.0 in 1987. Malnutrition was present in an estimated 18% of all children under the age of five according to the most recent figures available as of 2000. The HIV prevalence among adults in 2000 was only 0.7 per 100 adults. As of early 1995, only 214 AIDS cases were reported.

Algeria's immunization rates as of 1999 for one-year-old children were: diphtheria, pertussis, and tetanus, 83%; and measles, 83%. In 2000, 94% of the population had access to adequate sanitation.

Algeria's government has developed plans to boost domestic production of pharmaceuticals as well as to remedy a serious shortage of dentists and pharmacists.

[42] HOUSING

The need for adequate housing has been a pressing problem for Algeria for several decades. In 1964, the Ministry for Housing and Construction was created to aid in reconstruction and upgrading of damaged and substandard dwellings. The government's 1965 financial reform provided for regularization of ownership and collection of rents from some 500,000 nationalized or sequestered apartments and houses in the major cities. Migration to the coastal cities during the 1960s and 1970s aggravated the housing problem, and in the 1974–77 development plan the government took steps to curb the flow.

The 1980–84 plan called for the construction of 450,000 new housing units; the building effort failed to meet the target because of shortages of construction materials. In 1982, the government committed more than $1.5 billion to prefabricated housing, some of it as part of a program to build "model villages" for workers on state farms or in state-owned enterprises. In 1998, the World Bank offered the nation a loan of US$150 million for a 10-year program to improve and create low-income urban housing, thus eliminating urbans slums.

Private housing construction is also permitted and is subsidized at the local level.

About half of all housing units are individual houses, with the remaining housing falling into three categories: traditional houses called "haouches;" flats or apartments; and shacks or other marginal arrangements. In 2000, About 94% of the population had access to improved water sources; 73% had access to improved sanitation systems.

[43] EDUCATION

Education in Algeria largely continues to follow the pattern laid down during the French administration, but its scope has been greatly extended. Public primary and secondary schools were unified in 1976 and private schools were abolished. Expenditure on education was estimated at 6% of GDP in 1999. The government has given priority to teacher training, technical and scientific programs, as well as adult literary classes.

Education is officially compulsory for children between the ages of 6 and 15. The public schools are regulated jointly by the Ministry of Education and the Ministry of Religious Affairs and the study of Islam is a required part of the curriculum. Arabic is the official language although French and Berber are also in widespread usage. The adult illiteracy rate for the year 2000 stood at 34% (males, 24% and females, 43%). In 1997 there were a total of 170,956 teachers and 4,674,947 students in primary schools. Secondary schools employed 151,948 teachers and enrolled 2,618,242 students in the same year. In 1998, the primary pupil-teacher ratio was 28 to 1.

In 1999 there were 10 universities along with five centers, seven colleges, and five institutes for higher learning. The University of Algiers (founded in 1909), its affiliated institutes, and other regional universities enrolled 267,142 students in 1996. The universities provide a varied program of instruction that stresses development-related subjects. Many technical colleges also are in operation.

[44] LIBRARIES AND MUSEUMS

The largest libraries in Algeria are those of the University of Algiers (800,000 volumes) and the National Library (over 950,000 volumes) with a specialized collection of Northern African Archaeology. There also exist several sizeable university collections, including the University of Constantine (208,000 volumes), the University de Mentouri (240,000 volumes), and the University d'Oran Es-Senia (200,000 volumes). Other collections of size are the Municipal Library in Constantine (25,000 volumes) and the Aubert Library in Oran (26,000 volumes). The Pasteur Institute in Algiers has a special library of over 47,000 volumes, and the Institute of National Studies in Tiaret has a library of 25,000 volumes.

Museums of importance in Algiers include the Bardo National Museum of Prehistory and Ethnography (1928), the National

Museum of Fine Arts of Algiers (1930), the National Museum of Antiquities and Islamic Art (1897), and the Museum of the Revolution (1968) with a collection of memorabilia celebrating Algeria's long-fought war of independence against France. Various regional museums are located at Constantine, El Biar (west of Algiers), Oran, Sétif, and Skikda. There is a fine antiquities museum in Cherchell, a decorative arts museum in Ghardaia Oasis, and a botanical garden in Beni-Abbes. The situation of many of Algeria's cultural treasures has been in doubt because of ongoing anti-Western civil terrorism.

[45]MEDIA

On 30 September 1964, the Algerian Press Service (established in 1961) was given a monopoly over the distribution of news items within Algeria. Until then, foreign press agencies were permitted to distribute information directly to their Algerian clients. As of 1999, President Bouteflika has maintained that the media should ultimately be at the service of the state. As such, radio and television remain under government control. Though there are independent newspapers, it is difficult for them to operate, since the government controls imports of paper and other equipment needed for printing.

As of 2002, there were five daily newspapers, published in Algiers, Oran, and Constantine:

	LANGUAGES	CIRCULATION
Al-Moudjahid (Algiers)	French and Arabic	392,000
An-Nasr (The Victory) (Algiers)	Arabic	340,000
Ach-Chaab (Algiers)	Arabic	80,000
Al-Joumhouria (Oran)	Arabic	20,000
Le Jeune Independent (Algiers)	French	NA

Algeria had Arabic and French radio networks with an estimated total of 25 AM, 1 FM, and 8 shortwave radio stations in 1999 and a total of 46 television stations in 1995, all operated by the national television network. As of 2000, there were about 244 radios and 110 television sets for every 1,000 people. Two Internet service providers served about 180,000 customers in 2001. Telephones numbered 2.3 million main lines in 1998, with an additional 33,500 cellular subscribers recorded in 1999. Satellite, cable, and radiotelephone services link Algeria with most other parts of the world.

Though the Constitution ensures freedom of speech and press, a 1990 law restricts such speech in the name of national and domestic security. The government has broad powers to restrict information and take legal action against perceived threats to the state or public order.

[46]ORGANIZATIONS

There are foreign and domestic chambers of commerce, industry, and agriculture in the major cities. Red Cross and Red Crescent societies, including one for youth, are active. There is an organization of Amnesty International represented within the country

The African Federation of Mines, Energy, Chemical and Allied Trade Unions is an organization of labor unions, seeking to advance the trade union movement by facilitating communication and cooperation among members and representing the interests of members before business organizations and government agencies. The leading trade union, Union Générale des Travailleurs Algériens (UGTA), sponsors many organizations in Algeria. The "professional trade sectors" affiliated with the UGTA include food, agriculture, construction, teachers, energy, finance, information sciences, light and heavy industry, health social security, and telecommunications.

The National Union of Algerian Youth (UNJA) was originally established by the National Liberation Front (FLN) in 1969 as the youth wing of the FLN. Since then UNJA has broadened its youth representation and the Algerian National Youth Forum (FNJA) was established to represent other political tendencies. The National Union of Algerian Students (UNEA) and the National League of Algerian Students (LNEA) are active groups of university students. The Government's Ministry of Youth and Sports was established in 1998. Other youth NGOs in Algeria include the Federation of Algerian Youth Hostels and the Union of Youth of Seguia El Hamra Rio Oro. A scouting movement (Scouts Muslmans Algériens) is also present.

Learned societies are active in such fields as anthropology, archaeology, geography, history, and various branches of medicine.

[47]TOURISM, TRAVEL, AND RECREATION

Visitors need a valid passport and a visa. Smallpox vaccinations are required. Vaccination against yellow fever is required of those coming from an infected area; inoculations against typhoid, tetanus, and cholera are recommended.

Among popular tourist attractions are the Casbah and Court of the Great Mosque in Algiers, as well as the excellent Mediterranean beaches, Atlas Mountains resorts, and tours of the Sahara Desert. The government has encouraged tourism as an increasingly important source of foreign exchange. In 2000, there were 865,984 visitor arrivals. The majority of foreign tourists were from France and Tunisia, with over 97,000 visitor arrivals from those countries. In 1997, hotel rooms numbered 32,837 with 65,704 beds and a 40.2% occupancy rate. Receipts from tourism came to $24 million in 1998. The US Department of State estimated the cost of staying in Algiers at about $206 per day in 2001.

The most popular Algerian sport is soccer, which is played throughout the country by professionals and amateurs alike. Tennis is widely played as well.

[48]FAMOUS ALGERIANS

The most famous Algerian of antiquity was St. Augustine (Aurelius Augustinus, 354–430), a Church father and theologian who was born in eastern Numidia. An important 19th-century figure was Abd-el-Kader ('Abd al-Kadir bin-Muhyi ad-Din al-Hasani, 1808–73), emir of Mascara, who led the resistance against the French invaders from 1830 to 1847. Two early figures in the drive for Algerian independence were Messali Hadj (1898?–1974), who organized several political movements, and Ferhat Abbas (1900–86), who led the first provisional government and was elected first speaker of the National Assembly in 1962. Other important nationalist leaders include Ahmed Ben Bella (b. 1916), a founder of the FLN and the first premier of independent Algeria, who, after becoming president in 1963, was overthrown and imprisoned for 15 years (until 1980); Belkacem Krim (1922–70), political leader in Kabilia; Benyoussef Ben Khedda (1922–67), head of the provisional government in 1961–62; and Houari Boumedienne (Muhammad Boukharrouba, 1927–78), who overthrew Ben Bella in 1965 and became president in 1976. Boumedienne's successor as president and FLN leader was Col. Chadli Bendjedid (b. 1929).

Two renowned French Algerian writers are playwright Jules Roy (1907–2000) and novelist, playwright, and essayist Albert Camus (1913–60), winner of the Nobel Prize for literature in 1957. Frantz Fanon (b. Martinique, 1925–61), a psychiatrist, writer, and revolutionary, was a leading analyst of colonialism.

[49]DEPENDENCIES

Algeria has no territories or colonies.

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ANGOLA

Republic of Angola
República de Angola

CAPITAL: Luanda

FLAG: The upper half is red, the lower half black; in the center, a five-pointed yellow star and half a yellow cogwheel are crossed by a yellow machete.

ANTHEM: *Angola Avanti.*

MONETARY UNIT: The Angolan escudo (AE) was the national currency until 1977, when the kwanza (Kw) of 100 lwei replaced it. There are coins of 50 lwei and 1, 2, 5, 10, and 20 kwanza, and notes of 20, 50, 100, 500, and 1,000 kwanza. Kw1 = $0.0141 (or $1 = Kw70.77) as of May 2003.

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: New Year's Day, 1 January; Anniversary of Outbreak of Anti-Portuguese Struggle, 4 February; Victory Day, 27 March; Youth Day, 14 April; Workers' Day, 1 May; Armed Forces Day, 1 August; National Heroes' Day, 17 September; Independence Day, 11 November; Pioneers' Day, 1 December; Anniversary of the Foundation of the MPLA, 10 December; Family Day, 25 December.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Angola is located on the west coast of Africa, south of the equator. Angola is slightly less than twice the size of Texas, with a total area of 1,246,700 sq km (481,353 sq mi), including the exclave of Cabinda (7,270 sq km/2,810 sq mi), which is surrounded by the Democratic Republic of the Congo (DROC—formerly Zaire) and the Republic of the Congo (ROC). Angola proper extends 1,758 km (1,092 mi) SE-NW and 1,491 km (926 mi) NE–SW; Cabinda extends 166 km (103 mi) NNE–SSW and 62 km (39 mi) ESE–WNW. Angola proper is bounded on the N and NE by the DROC, on the SE by Zambia, on the S by Namibia (South West Africa), and on the W by the Atlantic Ocean. Its total boundary length, including Cabinda's, is 5,198 km (3,233 mi).

[2]TOPOGRAPHY

Topographically, Angola consists mainly of broad tablelands above 1,000 m (3,300 ft) in altitude; a high plateau (planalto) in the center and south ranges up to 2,400 m (7,900 ft). The highest point in Angola is Mt. Moco, at 2,620 m (8,596 ft), in the Huambo region; other major peaks are Mt. Mejo (2,583 m/8,474 ft), in the Benguela region, and Mt. Vavéle (2,479 m/8,133 ft), in Cuanza Sul.

Rivers are numerous, but few are navigable. There are three types of rivers in Angola: constantly fed rivers (such as the Zaire River), seasonally fed rivers, and temporary rivers and streams. Only the Cuanza, in central Angola, and the Zaire, in the north, are navigable by boats of significant size.

[3]CLIMATE

Angola's climate varies considerably from the coast to the central plateau and even between the north coast and the south coast. The north, from Cabinda to Ambriz, has a damp, tropical climate. The zone that begins a little to the north of Luanda and extends to Namibe, the Malanje region, and the eastern strip have a moderate tropical climate. Damp conditions prevail south of Namibe, dry conditions in the central plateau zone, and a desert climate in the southern strip between the plateau and the frontier with Namibia. There are two seasons: a dry, cool season from June to late September, and a rainy, hot season from October to April or May. The average temperature is 20°C (68°F); temperatures are warmer along the coast and cooler on the central plateau. The Benguela Current makes the coastal regions arid or semiarid. The annual rainfall is only 5 cm (2 in) at Namibe, 34 cm (13 in) at Luanda, and as high as 150 cm (59 in) in the northeast.

[4]FLORA AND FAUNA

Thick forests (especially in Cabinda and in the Uíge area in the north) cover the wet regions, and in the drier areas there is a thinner savanna vegetation. Fauna includes the lion, impala, hyena, hippopotamus, rhinoceros, and elephant. There are thousands of types of birds and a wide variety of insects.

[5]ENVIRONMENT

Long-standing environmental problems in Angola have been aggravated by a 30-year war. The main problems are land abuse, desertification, loss of forests, and impure water. The productivity of the land is continually threatened by drought and soil erosion, which contributes to water pollution and deposits silt in rivers and dams. The cutting of tropical rain forests for international timber sale and domestic use as fuel contributes to the destruction of the land. Angola's forests and woodland declined 3.1% between 1983 and 1993. Safe drinking water is available to 46% of the urban population and only 22% of rural dwellers.

Endangered species in Angola include the black-faced impala, three species of turtle (green, olive ridley, and leatherback), the giant sable antelope, the African slender-snouted (or long-snouted) crocodile, the African elephant, Vernay's climbing monkey, and the black rhinoceros. As of the late 1990s, threatened species in Angola include: 17 of the 276 species of mammals; 13 of the 765 species of birds; and 20 of the 5,185 species of plants.

[6]POPULATION

The population of Angola in 2003 was estimated by the United Nations at 13,625,000, which placed it as number 63 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 48% of the population under 15 years of age. There were 97 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 3.20%, with the projected population for the year 2015 at 19,268,000. The population density in 2002 was 10 per sq km (26 per sq mi).

It was estimated by the Population Reference Bureau that 34% of the population lived in urban areas in 2001. The capital city, Luanda, is also the largest with a population of 2,555,000 in 2002. Other principal cities are Huambo (about 400,000), Benguela, Lobito, Cabinda, Malanje, and Lubango. According to the United Nations, the urban population growth rate for 2000–2005 was 4.9%.

The prevalence of AIDS/HIV has had a significant impact on the population of Angola. The United Nations estimated that 5.5% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. In addition, years of civil conflict have had significant impact on the populace, including the creation of one million internally displaced persons and refugees. Life expectancy in Angola is an average of 41 years.

[7]MIGRATION

The past three decades in Angola have been characterized by war, with terrible effects on the Angolan population and social structure. Although fighting stopped in 1994, at the beginning of 1997 there were still an estimated 200,000 Angolan refugees in the DROC; 96,000 Angolan refugees in Zambia; 12,000 refugees in the Republic of the Congo; 1,000 refugees in Namibia; and 15,000 Angolan refugees in 15 other countries. As of May 1997, there were still 1.2 million Angolans displaced within their country as a result of the civil war. By June 1996, 74,000 Angolan refugees had returned to their country. However, with an upsurge in the fighting between May 1998 and June 1999, some 100,000 refugees fled the country once again. UNHCR's Angolan repatriation operation was suspended in September 1998. Despite internal conflict, Angola still hosted some 12,000 refugees, most from DROC, as of 2000. In that year, the net migration rate was -1.4 migrants per 1,000 population. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The overwhelming majority of the population is Bantu, divided into a number of ethnolinguistic groupings. The main ones are the Ovimbundu, constituting some 37% of the population in 1998, the Kimbundu, totaling 25% of the population, and the Bakongo with 13%.

The mestiço (mixed European and Native African) make up about 2% of the population. Since the mestiços are generally better educated than the black population, they exercise influence in government disproportionate to their numbers. Europeans, mostly of Portuguese extraction, constitute 1% of the population; other varied groups account for the remaining 22%.

[9]LANGUAGES

Portuguese remains the official language, although Bantu and other African languages (and their dialects) are used at the local level.

[10]RELIGIONS

Christianity is the religion of the majority, with Roman Catholicism claiming the largest numbers of the population. About 5 million people, or 38% of the population, are Roman Catholic as of 1998. About 15% of the population are of Protestant denominations; the largest include Methodist, Baptist, Congregationalists (United Church of Christ), and Assemblies of God. The largest syncretic religious group is the Kimbanguist Church, whose followers believe that the mid-20th century Congolese pastor Joseph Kimbangu was a prophet. Almost half the population (47%) follow African traditional beliefs either exclusively or in conjunction with other faiths. Communities in rural areas of the country practice animism and other indigenous religions. There is also a small Islamic community.

Though a colonial-era law banning non-Christian religions still exists, it has not been generally enforced.

[11]TRANSPORTATION

According to Portuguese estimates, there were 72,323 km (44,939 mi) of roads at the time of independence (1975), of which only 8,371 km (5,201 mi) were paved, all-weather highways. In the mid-1980s, these figures had increased to perhaps 80,000 km (50,000 mi), but by 2002 had fallen back to 76,626 km (47,615 mi), of which 19,156 km (11,904 mi) were paved. The government estimated that the renovation of the road system will take until early in the twenty-first century to complete. In 2000, there were 117,200 passenger cars and 118,300 commercial vehicles.

The rail network had a total extension in 2002 of 2,771 km (1,722 mi), of which 2,648 km (1,645 mi) were 1.067-m-gauge track. There was limited trackage in use because land mines were still in place from the civil war. There are three main railway lines, the Luando, Namibe, and Benguela railways, all of which experienced service disruptions as a result of the civil war. The Luanda railway connects the national capital with the provincial capital of Malanje in the north. The Namibe railway, which theoretically runs from Angola's port of Namibe to the provincial capital of Menongue in the south, formerly hauled an average of 6 million tons of iron ore a year from the Kassinga mines. The Benguela railway was formerly the main exit route for Zairian and Zambian copper, extending through the country from the port of Benguela to the border with the DROC. As of 1991, service had resumed between Lobito and Huambo. By mid-1992, normal passenger traffic resumed from Lobito to Ganda. East of Ganda, however, the route was still severely damaged, with at least 75 bridges in serious disrepair. The Southern African Development Coordination Conference could not obtain the estimated $600 million in funds needed to repair the entire line, so a modest partial repair of the section from Lobito to Kuito was approved, for an estimated cost of $17 million. As of 1999, rail traffic for both passengers and cargo was limited to the 35 km (22 mi) of line between Lobito and Benguela. The merchant marine had 9 ships of 1,000 GRT or over in 2002, totaling 39,305 GRT.

Angola had a total of 244 airports in 2001, 32 of which had paved runways. There is an international airport at Luanda. International and domestic services are maintained by Transportes Aéreos de Angola (TAAG), Air France, Air Namibe, Sabena, South African Airways, TAP (Portugal) and several regional carriers. In 2001, 193,300 passengers were carried by domestic and international carriers. There are airstrips for domestic transport at Benguela, Cabinda, Huambo, Namibe, and Catumbela (near Lobito).

[12]HISTORY

Originally inhabited by people of the Khoisan group (Bushmen), Angola was occupied by various Bantu peoples from farther north and east between 1300 and 1600. By the 15th century, several African kingdoms had developed; the most notable were the kingdoms of the Kongo and Mbundu peoples. The Portuguese arrived on the coast in the late 15th century, and Luanda was founded as a trading settlement in 1575. The Portuguese

LOCATION: Angola proper: 5°49′ to 18°3′ S; 11°40′ to 24°5′ E. Cabinda: 4°21′ to 5°46′ S; 12°2′ to 13°5′ E. BOUNDARY LENGTHS: Democratic Rep. of the Congo, 2,291 kilometers (1,423 miles); Zambia, 1,110 kilometers (690 miles); Namibia, 1,376 kilometers (855 miles); Atlantic coastline, 1,600 kilometers (995 miles). Cabinda: Democratic Rep. of the Congo, 220 kilometers (136 miles); Republic of the Congo, 201 kilometers (125 miles). TERRITORIAL SEA LIMIT: 20 miles.

developed trade with African nations, particularly with the Mbundu, whose ruler was called the ngola (from which the name of Angola comes). The slave trade assumed paramount importance during the 17th century, when slaves were carried to Portuguese plantations in Brazil. From the late 16th through the mid-19th century, Angola may have provided the New World with as many as two million slaves.

Slavery was formally abolished (with a 20-year grace period) in 1836, although under Portuguese rule forced labor was common until the early 1950s. Trade in other commodities was needed to

replace the slave trade, and between 1870 and 1903 the Portuguese claimed control over more and more of the interior of the country. To strengthen their control, the Portuguese began building the Benguela railway in 1902. European domination continued until, in 1951, Angola was made an overseas province of Portugal. Increasing numbers of Portuguese settlers came to Angola, and by 1960 there were about 160,000 Europeans in the country.

Organized armed resistance to Portuguese rule began on 4 February 1961, when urban partisans of the Popular Movement for the Liberation of Angola (MPLA) attacked the São Paulo fortress and police headquarters in Luanda. Within six weeks, the war had been spread throughout the north by the rural guerrillas of another organization, the Union of Angolan Peoples, which later became the National Front for the Liberation of Angola (FNLA). The FNLA, headed by Holden Roberto, set up a revolutionary government-in-exile in Zaire on 3 April 1962. A third movement, the National Union for the Total Independence of Angola (UNITA), headed by Jonas Savimbi, came into being as the consequence of a split in the government-in-exile, of which Savimbi had been foreign minister. The three movements, which were divided by ideology, ethnic considerations, and personal rivalries, were all active militarily when the Portuguese decided to end their African empire after the coup in Portugal on 25 April 1974. After negotiations with FNLA, MPLA, and UNITA leaders, the Portuguese agreed on 15 January 1975 to grant complete independence to Angola on 11 November 1975. The agreement also established a coalition government headed by a three-man presidential council including MPLA leader António Agostinho Neto, Roberto, and Savimbi. As independence day approached, however, the coalition government fell apart; mediation attempts by other African countries failed.

Thus, when Angola became independent, each of three rival organizations had its own army and sphere of influence. Based in Zaire, the FNLA, which primarily represented the Kongo people, received financial support mainly from China and the US. UNITA and the FNLA together established the Popular Democratic Republic of Angola (with its capital at Huambo), supported by US funds, South African troops, and some white mercenaries (mostly former commandos in the Portuguese armed forces). UNITA had the support of the Ovimbundu, the largest ethnic group in Angola. The MPLA, a Marxist-oriented party, drew its supporters from mestiços in Luanda and other urban areas and from the Mbundu people. It received military as well as financial assistance from the USSR and from some 15,000 Cuban soldiers. The MPLA and Cuban forces soon seized the initiative, and by mid-February 1976 the FNLA and UNITA strongholds had fallen. On 11 February, the OAU formally recognized the MPLA government in Luanda as the legitimate government of Angola. South African troops subsequently withdrew, but the Cuban forces remained to consolidate the MPLA's control over the country and provide technical assistance. By 1982 there were 18,000 Cuban troops in Angola, with the number reportedly rising to 25,000 during the first half of 1983 and to 30,000 in late 1986.

A coup attempt on 27 May 1977 by an MPLA faction opposed to the Cuban involvement was suppressed and followed by a massive purge of the party. Activist groups were reined in, and the organization became more centralized. Meanwhile, UNITA, which had never been rooted out of southern Angola, began to regroup. Despite the Cuban troops and Soviet-bloc military assistance, the MPLA government remained vulnerable to the UNITA insurgency, operating from the southern Angolan countryside and from Namibia. Implicated in this conflict was the government of South Africa, whose continual incursions into southern Angola in the late 1970s and early 1980s were aimed chiefly at the forces of the South West Africa People's Organization (SWAPO), who were using Angola as a base in their bid to force South Africa to give up Namibia. By 1983, South African soldiers were said to be permanently stationed in southern Angola; in December, South Africa launched a major offensive in the region. In addition to harassing SWAPO, South Africa was continuing to provide supplies to UNITA. The Angolan government resisted efforts by the United States to secure the withdrawal of Cuban troops in return for Namibian independence and a South African pullback.

Under an agreement brokered by the United States, South African troops withdrew from southern Angola in 1985 but continued to raid SWAPO bases there and to supply military aid to UNITA, including air support. In 1986, the United States sent about $15 million in military aid to UNITA, reportedly through Zaire.

Fighting escalated in 1987 and 1988 even as negotiations for a settlement progressed. An Angolan settlement became entangled with the resolution of civil war in and the independence of Namibia. A controversial battle at Cuito Cuanavale in 1988, at which South African and Angolan/Cuban forces were stalemated, led to a South African willingness to agree to end its involvement in Angola and eventually to withdraw from Namibia. Included in the settlement was the Cuban commitment to a phased withdrawal of its military forces from Angola by mid-1991.

Those two agreements, signed on 22 December 1988 in New York by Angola, South Africa, and Cuba, also included a pledge that the signatories would not permit their territories to be used "by any state, organization, or person in connection with any acts of war, aggression, or violence against the territorial integrity...of any state of southwestern Africa." This meant that South Africa would be prohibited from aiding UNITA and Angola would remove the ANC's training bases.

All the major parties had been brought to the conclusion that a settlement was better than a prolongation of the fighting. The Soviet Union wanted to disentangle itself from Angola. The administration of US president Ronald Reagan wanted to take the lead in a successful resolution, and its Assistant Secretary of State for African Affairs, Chester A. Crocker, took the lead in the negotiations.

But as settlement in Namibia was moving forward, it proved much harder to bring the Angolan government and UNITA to terms. At a summit at Gbadolite involving 19 African leaders, MPLA Leader José Edvardo dos Santos and Savimbi shook hands publicly and endorsed the "Gbadolite Declaration" (cease-fire and reconciliation plan) on 22 June 1989. But from the start, the terms were disputed and swiftly unraveled. The parties returned to the battlefield.

Yet, the powers began to scale back their support. The relaxation of cold war tensions provided the basis for contacts between the warring parties. Progress moved in fits and starts and in April 1991, Savimbi and dos Santos initialed an agreement that led to the establishment of a UN-supervised cease-fire and a process of national reconciliation.

Tension increased when UNITA took de facto control of several provinces, and its generals were withdrawn from the officially "merged" national army. Fighting broke out in Luanda in October and more than 1,000 were killed in a week. UNITA gained control of 75% of the country. Its refusal to accept UN-brokered cease-fire terms agreed to by the government in May led to a Security Council resolution on 1 June 1993, condemning unanimously UNITA for endangering the peace process and to US recognition of the Angolan government on 19 May. In 1994, it was estimated that 1,000 were dying every day in the fighting.

On 20 November 1994, the Lusaka Protocol was signed, promising a new, if tenuous, era of peace in Angola. The third peace effort between the opposing groups, it was the first to guarantee a share of power to UNITA and the first to be supported by over 6,000 armed UN peacekeepers. Demobilizations of fighters were suspended and renewed as new

offensives broke out and were halted. In 1995, the international community imposed sanctions against UNITA, though several governments have violated them, including African countries serving as arms transshipment points. In September 1995, the United States pledged $190 million to support Angolan reconstruction and development at the Brussels Roundtable.

In June 1997, the government and UNITA found themselves involved on opposite sides of the Zaire civil war (now the Democratic Republic of the Congo—DROC). UNITA supported its ally, President Mobutu Sese Seko, while the government backed Laurent Kabila. Following Kabila's victory in May 1997, and subsequent to the 1998 invasion of DROC by Rwanda and Uganda, dos Santos joined other SADC leaders in providing military support to the Kabila government. By July 1999, all sides at war had signed the Lusaka Accords leading to an eventual withdrawal of most foreign troops by 2003.

In Angola, full-scale war resumed as the government launched offensives in December 1998, and again in March 1999. In February 1999, the UN Security Council voted to end its peacekeeping operations after Secretary-General Kofi Annan declared there was no longer any hope of carrying out the 1994 Lusaka peace agreement. In August 1999, the Office for Coordination of Human Affairs estimated 2.6 million persons were internally displaced in Angola. The following month, Human Rights Watch released a 200-page report detailing how the UN deliberately overlooked evidence showing rearmament and retraining of soldiers by both sides in breach of the 1994 accords. In October 1999, UNITA's main headquarters at Bailundo and Andulo had fallen, and in February 2000, the Fowler report was issued on strengthening UN sanctions against UNITA.

In February 2002, prospects for peace changed dramatically when the army announced that it had killed Savimbi in an attack in southeastern Angola. In addition, the death from illness of Savimbi's second-in-command, General Antonio, further weakened UNITA's military capacity. In March 2002 UNITA commanders issued a joint communiqué with the Angolan army (FAA) confirming a cessation of hostilities and reiterating unequivocal support for a political settlement based on the 1994 Lusaka Peace Accord. A peace accord between the government and UNITA followed in April.

As disarmament, demobilization and reintegration of the armed forces, the repatriation of refugees, and the arduous task of rebuilding the country got underway, dos Santos said he would not seek re-election in the next elections scheduled for late 2003—early 2004. However, his departure depends on a successor who can be trusted not to prosecute him for human rights abuses and large-scale diversion of state funds. He may choose a hardliner to succeed him, who will permit dos Santos to run a shadow government.

13 GOVERNMENT

The constitution of 1975, amended in 1976 and 1980, was promulgated and revised by the MPLA. The president of the republic is both chief of state and head of government. He appoints and leads the council of ministers. The Council of Ministers, chaired by the president of Angola, formed the executive. In 1980, a 223-member National People's Assembly, indirectly elected, replaced the Council of the Revolution as the supreme organ of the State. In January 1987, the Assembly was enlarged to 289 members, and by 1997, reduced to 229. Presently the 220-member body is elected by proportional vote to four-year terms.

A transitional government was established in December 1992 dominated by the MPLA. UNITA held six cabinet posts, and four other parties were also represented. In 1997, the MPLA and UNITA reached an agreement that allowed UNITA to participate in a Government of National Unity and Reconciliation. With the ruling party's approval, UNITA would nominate candidates for four ministerial positions: Trade, Geology and Mines, Health, and Hotels and Tourism. UNITA members would also occupy a number of deputy ministerial, governor, deputy governor, and ambassadorial posts. In early 1997, 70 elected UNITA deputies assumed their seats in the National Assembly, and Jonas Savimbi assumed the role of special advisor to President José Eduardo dos Santos.

The resumption of war in 1998 all but doomed this arrangement, and rendered the National Assembly nominally functional. In reality, it has little independence and does not have oversight over presidential appointments or the ability to initiate legislation. In 1999, dos Santos abolished the post of prime minister, vesting these powers in the director of his own office. He also created a parallel ministry of defense within the presidency.

14 POLITICAL PARTIES

Until 1974, the Portuguese suppressed movements and political parties that stood for self-determination and independence. The three leading political organizations at independence were the Popular Movement for the Liberation of Angola (Movimento Popular de Libertação de Angola— MPLA), founded in 1956; the National Front for the Liberation of Angola (Frente Nacional de Libertação de Angola—FNLA), founded in 1962; and the National Union for the Total Independence of Angola (União Nacional para a Indepêndencia Total de Angola—UNITA), founded in 1966. The victory of the MPLA and Cuban forces brought recognition to the MPLA government by the OAU and by most non-African countries. The MPLA-Workers' Party (MPLA–Partido de Trabalho, or MPLA–PT), a Marxist-Leninist vanguard party, was created in December 1977. UNITA remained in de facto control of part of the country, while the remnants of the FNLA continued low-level guerrilla activity in the northwest, as did the Front for the Liberation of the Cabinda Enclave.

Some 18 parties and 11 presidential candidates contested the 1992 elections. In the presidential contest, the MPLA's Dos Santos won 49.6% of the presidential vote and UNITA's Savimbi got 40.1%, requiring a runoff. Though international observers considered the elections reasonably free and fair, Savimbi repudiated the results and refused to participate in a second round. In a generally free and fair contest, the MPLA took 53.7% of the vote (129 seats) to UNITA's 34.1% (70 seats). Also represented were the Angolan Democratic Forum (FDA), the Democratic Renewal Party (PRD), and the Angola Youth Worker, Peasant Alliance Party (PAJOCA). Separatist groups in Cabinda, such as the Frente Nacional de Libertação do Enclave de Cabinda (FLEC) and the National Union for the Liberation of Cabinda (UNLC) did not take part in the national elections. They continue to wage a low-level armed struggle for the independence of oil-rich Cabinda province.

Opposition parties are extremely weak and fractured, and some have formed working relationships with the MPLA. UNITA Renovada is a splinter group having such a relationship with the ruling party.

15 LOCAL GOVERNMENT

Angola consists of 18 provinces. Cabinda is separated from the others. The provinces are divided into districts and communes. The communes are led by commissioners who are appointed by the President on the recommendation of the MPLA-PT. They used to report directly to the Prime Minister.

Provincial legislatures consisting of 55–85 members were created in 1980. In 1986, these legislatures were expanded up to 100 members each. In the 1992 elections, MPLA carried 14 of the provinces to UNITA's four. The civil war severely disrupted the performance of local government, and for many years, severed ties between Luanda and the outlying provinces.

[16]JUDICIAL SYSTEM

The legal system is based on Portuguese civil law system and customary law, recently modified to accommodate political pluralism and increased use of free markets. Prior to independence, Portuguese civil and military law was applied by municipal courts, labor courts, ordinary courts, and administrative tribunals; final appeal was to the Metropolitan High Court in Lisbon. A 1978 law declared that people's courts with working class representatives would be courts of first instance. It also made provisions for criminal, police, and labor courts with lay judges whose voices would be equal to those of professional judges.

The judicial system includes municipal and provincial courts at the trial level and a Supreme Court at the appellate level. Municipal court judges are usually laymen. In theory, the Ministry of Justice administers provincial courts located in each of the 18 provincial capitals. The Supreme Court nominates provincial court judges. The judge of the provincial court, along with two laymen, acts as a jury.

In 1991, the constitution was amended to guarantee an independent judiciary. In practice, however, the president appoints the 16 Supreme Court judges for life upon recommendation of an association of magistrates, and he appoints the attorney general. Confirmation by the General Assembly is not required.

Several issues confront the legal system. Many of the seats on the Supreme Court remain vacant, and a Constitutional Court, authorized by law in 1992, has not yet been established. In addition, the courts were crippled by the war and are perceived ineffective and untrustworthy by the few who have access to it. The system lacks the resources and independence to play an effective role and the legal framework is obsolete; much of the criminal and commercial code reflects the colonial era with modifications from the Marxist era.

[17]ARMED FORCES

Defense responsibilities are vested in the Armed Popular Forces for the Liberation of Angola (Forças Amadas Populares de Libertação de Angola—FAPLA), now divided into an army, navy, air and air defense force, and territorial troops (a militia). In 2002, the army had a total of 90,000 active personnel armed with 400 main battle tanks; the navy had 4,000 personnel and 7 vessels; and the air defense forces had 6,000 personnel and 104 combat aircraft and 40 armed helicopters. The defense budget for 1997, the last year reported, was $1.2 billion, or 22% of GDP. The UNITA (Union for the Total Independence of Angola) opposition forces leader was killed in February 2002, ending a 40 year conflict.

[18]INTERNATIONAL COOPERATION

Angola, a UN member since 1 December 1976, participates in ECA and all the non-regional specialized agencies except IAEA, IDA, IFAD, and IFC; the nation is a member of the WTO and a signatory to the Law of the Sea. Angola also participates in the African Development Bank, G-77, and AU.

During the struggle against Portuguese rule, economic and political support was provided to the revolutionary groups by the OAU and its member states; organizations such as the World Council of Churches; and some Western nations, including Sweden. The MPLA had strong ties with Cuba, from which it received financial and military aid. As a result of off-shore oil discoveries in the Gulf of Guinea, Angola has recently strengthened cooperation with Equatorial Guinea and São Tomé and Principe.

[19]ECONOMY

Angola is a potentially rich country of abundant natural resources, a surplus-producing agricultural sector and a sizable manufacturing potential. This promise has remained unfulfilled due to the effects of the war for independence and a 27-year-long civil war that only ended in April 2002 when the army signed a peace agreement with the UNITA rebels.

Having both temperate and tropical zones, Angola had the potential for producing a wide variety of agricultural products. Prior to the outbreak of hostilities, Angola produced major surpluses of coffee, sisal, cotton, and maize. Cassava was the staple food crop and the leader, though consumed almost entirely domestically, in terms of volume of agricultural output. The civil war resulted in famine conditions in many parts of Angola, especially during the 1990s. Although the civil war ended in 2002, farmers have been reluctant to return to their farms, and the country is littered with land mines. As such, food must be imported.

Petroleum production and diamond mining have led Angola's industrial sector. Economists estimated that Angola's alluvial reserves of diamonds totaled between 40 and 130 million carats. In addition, there were untapped diamond reserves in volcanic pipes called kimberlites. Angola's six known kimberlite pipes, among the ten largest on earth, held an estimated 180 million carats worth several billion dollars. Diamond production (official and unofficial) was estimated to be worth $1 billion per year in 2002.

The petroleum sector benefited from major investments, totaling over $2 billion since 1987, and from a relative immunity from the civil war. Producing around 950,000 barrels a day, in 2002 Angola was the second largest oil producer in sub-Saharan Africa. Crude oil accounted for 90% of total exports, more than 80% of government revenues, and 45% of the country's GDP. Known recoverable reserves were estimated to total several billion barrels, but Angola was not a member of OPEC at the time. In 2000, Angola was one of three countries to receive the largest amount of global and US foreign investment to the sub-Saharan region (the other two were Nigeria and South Africa). Inflation, always a problem, ran at approximately 150% in 2001. The IMF has recommended a slate of reforms, such as increasing foreign exchange reserves and encouraging a more transparent accounting of government spending.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Angola's gross domestic product (GDP) was estimated at $13.3 billion. The per capita GDP was estimated at $1,330. The annual growth rate of GDP was estimated at 5.4%. The average inflation rate in 2001 was 110%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 6% of GDP, industry 70%, and services 24%. Foreign aid receipts amounted to about $20 per capita and accounted for approximately 3% of the gross national income (GNI).

[21]LABOR

Until 1975, the great bulk of the Angolan-African population consisted of traditional subsistence farmers or wage workers on expatriates' plantations. With the boom the country experienced during the 1960s and early 1970s, especially in mineral-related industries, a number of Africans were training in mining and in road, railway, and housing construction. In 1997, around 85% of the workforce was still engaged in agriculture. The estimated labor force in that year was five million. More recent employment figures are not currently available. In 2001, it was

estimated that more than half of the population was unemployed or underemployed.

Wage policy was made the prerogative of the state in 1976, when penalties of two to eight years were established for unauthorized strikes and slowdowns. The official national labor federation, the União Nacional de Trabalhadores Angolanos, is controlled by the Popular Movement for the Liberation of Angola (MPLA), and is still the primary workers' organization in the country. However, the National Confederation of Free Trade Unions of Angola, with some 51,000 members, is independent. Reversing earlier policy, the 1991 constitution recognizes the right for Angolans to form unions, bargain collectively, and to strike. However, these rights are not respected in practice. Strikes are permitted by law.

The government has established a 37-hour workweek and minimum health and safety standards. However, inadequate resources have prevented the government from enforcing these standards. The minimum working age is 14, but the government has been unable to enforce this standard. Although the legal minimum wage in 2002 was $30 per month, average earnings were considerably less.

[22]AGRICULTURE

Agriculture has long been the backbone of the Angolan economy. Even though an abundance of arable land is available, less than 3% is cultivated. Agriculture engages over 70% of the population but accounts for 8% of GDP. Diverse climatic conditions favor a wide variety of crops, and there is also considerable irrigation potential. Coffee, primarily of the robust variety, at one time made Angola the world's fourth-largest producer, but during the civil war almost all the main plantations were abandoned, and crop disease set in. Moreover, the widespread use of landmines has discouraged farmers from venturing into their fields.

Marketed cash crops in 1998 included 6,000 tons of coffee (down from 225,000 tons in 1972), 1,000 tons of cotton (48,000 in 1972), and 1,000 tons of sisal. The principal food crops are cassava, with an estimated 3,130,000 tons in 1999, corn, 428,000 tons, and sweet potatoes, 182,000 tons. Other 1999 estimated yields included bananas, 290,000 tons; citrus fruits, 75,000 tons; millet, 102,000 tons; dry beans, 68,000 tons; palm oil, 50,000 tons; potatoes, 19,000 tons; raw sugar, 32,000 tons; rice, 16,000 tons; and peanuts (in shell), 11,000 tons.

[23]ANIMAL HUSBANDRY

Lack of a pastoral tradition among northern Angolans, abundance of the tsetse fly in many regions, and the poor quality of natural pastures are some of the factors most frequently cited to explain the lag in animal husbandry in Portuguese Angola. What little there was of the livestock industry was virtually destroyed in the 1975–76 civil war.

Estimated livestock in 1999 included cattle, 3,900,000 head; goats, 2,000,000; hogs, 800,000; and sheep, 336,000. There were seven million chickens. Livestock products included an estimated 85,000 tons of beef and veal and 191,000 tons of milk in 1999. Honey production totaled 22,000 tons in 1999, the fourth highest in Africa.

[24]FISHING

Fresh fish, fish meal, dried fish, and fish oil are produced for the domestic market and for export. During 1975–76, some of the processing plants were destroyed, and most of the modern fishing boats departed with refugees. In 2000, the Angolan catch was 238,351 tons (up from 122,781 tons in 1995), 97% from marine fishing. Exports of fish products in 2000 totaled $10.8 million. Some of the Spanish, Japanese, and Italian vessels fishing under license also pay in kind. About 22% of the 2000 catch consisted of cunene horse mackerel.

[25]FORESTRY

About 18.4% of the country is classified as forest and woodland. Angola's large timber resources include the great Maiombe tropical rain forest in Cabinda. In addition, eucalyptus, pine, and cypress plantations cover 140,000 hectares (346,000 acres). In 2000, roundwood production was estimated at 4,279,000 cu m, and exports amounted to 6,000 cu m.

[26]MINING

Diamonds accounted for 8.7% of the country's nominal gross domestic product of $5.6 billion in 1999 (second to petroleum, which accounted for 61.4%), and for 1.2% ($629 million) of the value of exports in 1999. Official reported diamond production in 2000 was 4.35 million carats, up from 1.23 million in 1997, despite the ongoing civil war and United Nations sanctions against illegally mined "conflict diamonds." The 1994 Law on Diamonds granted exclusive mineral rights for diamonds to Empressa Nacional de Diamantes de Angola (Endiama), the state-owned diamond mining company. Sixty-nine percent of the diamonds under government control in 2000 came from nine official mines; 31% were attributed to artisanal miners. The value of production was reported to be $398.5 million for the official sector and $347.6 million for the unofficial sector. In the early 1980s, about 30% of the diamond output was smuggled out of the country, primarily to Portugal. Diamond smuggling increased to $250 million in 2000.

Large iron ore deposits have been discovered in many areas. The deposits at Kassinga, with an estimated reserve of 1 billion tons of high-grade hematite iron ore, annually yielded millions of tons of ore exports before the civil war halted mining in 1975. Ferrangol, the state iron ore mining company, produced a slight quantity of ore in 1988; it has shown no output since.The largest diamond producer remained Sociedade Mineira de Catoca Ltda. (SMC, an Endiama-Russian-Brazilian-Israeli venture), with output of approximately 1.5 million carats in 2000 from its Catoca kimberlite pipe, south of Saurimo. Reserves in the Catoca kimberlite were estimated to be at least 40 million carats. The mines in Lunda Norte and Lunda Sul provinces, previously controlled by UNITA rebel forces, were opened to foreign companies for exploration and development in 1996, and an Endiama-De Beers venture announced the discovery of 17 new kimberlites there in 2000. These areas contributed about $400 million to the annual $1.1 billion value of diamond production. SDM, an Endiama-Australian-Odebrecht venture formed in 1995 to mine alluvial diamonds in the Cuango River Valley, near Luzamba, produced 210,000 carats of high-quality diamonds in 2000 and 185,000 carats in 1999. Other such ventures saw their operations frequently suspended because of security problems. A feasibility study of the proposed Camafuca kimberlite estimated 23.24 million carats of diamonds valued at $109 per carat.

Salt production has remained steady at 30,000 metric tons for several years. Clay, granite, marble, and crushed stone were also reportedly mined throughout the country. The country is also rich in nickel, platinum-group metals, magnetite, copper, phosphates, gypsum, uranium, gold, asphalt, and feldspar, but areas have been off-limits to exploration during the civil war.

[27]ENERGY AND POWER

Angola has extensive hydroelectric power resources that far exceed its present needs. The Cambambe Dam, on the Cuanza River, provides Luanda's industries with cheap power. Two dams on the Catumbela River produce power for the Lobito and Benguela areas. Matala Dam in southern Cunene provides power to Lubango and Namibe. The Ruacaná Falls Dam, near the Namibian border, was completed in the late 1970s, but the power station is in Namibia. A 52 million kW hydroelectric station on the Cuanza River at Kapanda was tentatively scheduled to begin

production in early 2003. As of late 2002, only three of the country's six dams (Cambambe, Biopo, and Matala) were operational; $200 million has been allocated to repair the remaining dams, which suffered major damage in the civil war. In 2000, net electricity generation was 1.4 billion kWh, of which 40% came from fossil fuels and 60% from hydropower. In the same year, consumption of electricity totaled 1.1 billion kWh. Total installed capacity at the beginning of 2001was 586 MW.

Crude oil, in the production of which Angola ranks second in sub-Saharan Africa, has been Angola's chief export since 1973; it is also the leading source of government revenue, accounting for $2.9 billion in exports in 1994, or 95% of the total. At the start of 1999, Angola had proven oil reserves of 5.4 billion barrels, or 700 million tons. Oil reserves are along the Atlantic coast, mostly offshore Cabinda and the northern border area between Quinzau and Soyo. In 1999, several oil companies were engaged in production, of which the largest was a subsidiary of Chevron, Cabinda Gulf Oil Company. This firm has a 49/51% participation agreement with Sonangol, the state oil company. Other firms included Fina Petróleos de Angola (a Belgian subsidiary), Elf Aquitaine, and Texaco. In 2001, crude oil production was estimated at 742,000 barrels per day. It was expected to exceed 1 million barrels per day in 2003. ExxonMobil subsidiary Esso began development of a section of the Xikomba offshore oilfield in August 2002. Development was planned for a new 200,000 barrel per day refinery in the city of Lobito, on the coast.

About 569 million cu m (20.1 billion cu ft) of natural gas were produced in 1997. Total natural gas reserves were estimated at 45 billion cu m as of 2002 (1.6 trillion cu ft). Domestic demand for refined petroleum products is expected to increase as the economy gradually rebuilds following the end of the civil war. As of 2002, Sonangol and Chevron Texaco had joined forces in a $2 billion project to develop liquefied natural gas from natural gas in Angola's offshore fields. Production was slated to begin in 2007.

[28]INDUSTRY

In its pre-1975 prime, the Angolan industrial sector centered on petroleum refining and machinery, construction inputs, food processing, electrical products, chemicals, steel, and vehicle assembly. As a consequence of the civil war, Angola's industrial sector started operating at a fraction of prewar levels.

Industrial production during the 1990s included food processing and the production of textiles, soap, shoes, matches, paint, plastic bottles, and glues. In 1993, industrial production also included 9,000 tons of crude steel, 250,000 tons of cement, and 9 million barrels of refined petroleum products. Heavy industry for that year (cement, steel, oil refining, vehicle assembly, and tire production) accounted for about 15% of Angola's manufacturing output. Angola is now an importer of machinery, vehicles, and spare parts.

Angola is the second largest oil producer in sub-Saharan Africa, behind Nigeria. In 2002, the petroleum industry accounted for about half of the GDP and over 90 percent of export revenues. Sonangol is the state-owned oil company, which controls exploration and production, although foreign companies participate in joint ventures and production sharing agreements. Oil production was expected to surpass 1 million barrels per day in 2003. Angola has one oil refinery in Luanda, with a crude oil processing capacity of 39,000 barrels per day, but is planning to build a 200,000-barrels per day refinery in Lobito. Angolan oil exports to Asia are growing, and China's oil imports from Angola grew by more than 400% in 2001. The government stated in 2003 that foreign oil companies would invest $25 billion in Angola over a five year period, by building offshore production ships and a liquefied natural gas plant, among other projects.

The diamond mining industry also plays an important role in Angola's economy, but during the 27-year-old civil war, many of the gemstones had been sold on the black market and are referred to as "conflict diamonds" because the parties in the civil war used the sale of them to fund their military campaigns. Since the civil war ended in 2002, Angola began to restructure its diamond sector. The government in 2003 ended the four-year-old monopoly of the state-controlled diamond marketing company, Ascorp, which was controlled by the state diamond company Endiama. Ascorp now competes with other private companies to buy diamonds from miners and small producers. The government also planned to build a new diamond cutting factory, to create an industry of diamond cutting in Angola.

[29]SCIENCE AND TECHNOLOGY

Security considerations and a severe shortage of skilled personnel have limited Angola's development of its extensive mineral reserves and abundant fertile land. Angola's research institutes include the Cotton Scientific Research Center in Catete, the Agronomic Research Institute in Huambo (founded in 1962), the Institute for Veterinary Research in Lubango (founded in 1965), the Angola Medical Research Institute in Luanda (Founded in 1955), and the Angolan Directorate of Geological and Mining Services in Luanda (founded in 1914). The University Agostinho Neto (founded in 1963) has faculties of sciences, agriculture, medicine, and engineering, and the National Center of Scientific Investigation. In 1987–97, science and engineering students accounted for 24% of college and university enrollments. The National Museum of Natural History and the National Anthropology Museum are located in Luanda.

[30]DOMESTIC TRADE

Practically all domestic trade was in Portuguese hands before independence, when state people's stores and consumer cooperatives were established in the cities. Over half of Angolan consumer goods were still imported from Portugal in 1998. The Angolan domestic economy faced sporadic fighting during the late 1990s despite the 1994 peace accord, inhibiting domestic commerce. The rural population was displaced—first by the war for independence that started in 1961, and then by the civil war that started after independence was gained in 1975—and has not been able to fully return to agricultural production. Imports were strictly controlled due to a lack of foreign exchange, and barter was common. Though a privatization program has been in effect, there are very few groups or individuals in the private sector with the finances and/or administrative abilities to purchase and effectively run larger public corporations.

[31]FOREIGN TRADE

Crude petroleum and products top the commodities export list for Angola (89%), while only accounting for a small percentage of the world's exportation. Diamonds and other precious and semiprecious stones are the second-largest export, and shellfish exports follow. A small amount of natural and manufactured gas is also exported from Angola.

As of 1999, the US was buying up to 75% of Angola's crude oil production.

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
United States	2,228	390	1,838
Belgium	317	106	211
Taiwan	287	5	282
China (inc. Hong Kong)	140	69	71
France	102	129	-27
Italy	60	82	-22
South Africa	51	238	-187
Spain	28	108	-80
Portugal	22	451	-429
Brazil	22	132	-110

[32]BALANCE OF PAYMENTS

Oil exports produced substantial trade surpluses during the late 1970s and early 1980s. Despite this positive cash flow, Angola in 1979 began to request lines of credit in order to finance its reconstruction projects. By 1991 the government's economic policies encouraged neither private investment nor non-oil exports. Furthermore, poor monetary policy created price distortions which exacerbated a trade deficit and rapidly diminished agricultural exports. The results of the end of the 27-year-old civil war in 2002 on trade had yet to be assessed as of 2003.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Angola's exports was $7 billion while imports totaled $2.7 billion resulting in a trade surplus of $4.3 billion.

The International Monetary Fund (IMF) reports that in 2000 Angola had exports of goods totaling $7.92 billion and imports totaling $3.04 billion. The services credit totaled $267 million and debit $2.70 billion. The following table summarizes Angola's balance of payments as reported by the IMF for 2000 in millions of US dollars.

Current Account	**796**
Balance on goods	4,881
Balance on services	-2,432
Balance on income	-1,681
Current transfers	28
Capital Account	**18**
Financial Account	**-494**
Direct investment abroad	...
Direct investment in Angola	879
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	-702
Other investment liabilities	-671
Net Errors and Omissions	**51**
Reserves and Related Items	**-270**

[33]BANKING AND SECURITIES

In 1976, the government nationalized the two major banks, the Bank of Angola and the Commercial Bank of Angola (renamed the People's Bank of Angola). The Bank of Angola became the central bank, renamed the National Bank of Angola (Banco National de Angola-BNA). In 1996, this bank transferred its commercial accounts to the Caixa de Credito Agro-Pecuaria e Pescas (CAP) in order to function more as a regulatory organization for other state-owned banks. CAP, established in 1991, was owned by the Ministry of Finance and used to finance government activities. It has had liquidity problems in recent years, making it unable to clear checks at times, so some businesses refuse to accept CAP checks.

Banco de Comercio e Industria (The Bank of Commercial and Industrial Commerce-BCI) was a semiprivate bank, but was occasionally restricted to government financing. The government owns about 40% of the BCI's shares. The opening in mid-November 1996 of the Banco Africano de Investimento (BAI) was Angola's first private bank launched since it gained independence in 1975, and Angola's only investment bank. Other major banks included Banco de Poupanca e Credito (BPC), serving primarily the trade sector and construction; and Banco Fomento Exterior and Banco Totta e Azores, both Portuguese commercial banks.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $648.2 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $1.9 billion. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 150%.

There were no securities exchanges in 2000.

[34]INSURANCE

The conflicts that began in the mid-1970s greatly shook the insurance industry, which was nationalized in 1978. At that time, the National Insurance and Reinsurance Co. of Angola was created. All private company policies were declared null and void except for life insurance.

[35]PUBLIC FINANCE

Liberal monetary policies financed large public sector deficits, which led to high inflation and price distortions. Military expenditures consumed an enormous portion of the national budget. Since the 1970s, Angola has relied heavily on oil exports for revenue. However, revenues from oil sales went down as the result of a fall in the international price of oil in the late 1990s. Until 1991, Angola had a Soviet-style, centrally planned economy. The government planned privatization for the 1990s, but most companies remain state-run as of 2000, including the major energy companies and the diamond distributor.

The US Central Intelligence Agency (CIA) estimates that in 2000 Angola's central government took in revenues of approximately $928 million and had expenditures of $2.5 billion including capital expenditures of $963 million. Overall, the government registered a deficit of approximately $1.6 billion. External debt totaled $10.4 billion.

[36]TAXATION

The ordinary corporate tax is 35%, with a reduced rate of 20% for agricultural and forestry enterprises. Various corporate tax exemptions and reductions, and exemptions from real estate taxes on land and buildings are offered by the government as investment incentives.

Income tax for individuals ranges from 1-40% for employees, and 3-60% for self-employed professionals. Also levied are inheritance and gift taxes, and a payroll tax for social security.

The main indirect tax is a manufacturer's sales tax with rates ranging from 5% to 50% on 100 listed products.

[37]CUSTOMS AND DUTIES

Both specific and ad valorem duties are levied; but, as a member of the World Trade Organization, Angola is reviewing the need for reductions in tariffs and non-tariff barriers. Specific duties are assessed by weight. Additional taxes are levied on luxury items and preferential treatment is accorded to goods from Portugal, Mozambique, Guinea-Bissau, Cape Verde, and São Tomé and Princípe. All imports require a license and are handled by one of several state companies. Most exports are similarly handled by state agencies.

[38]FOREIGN INVESTMENT

In spite of the civil war and the socialist legacy, sizable investments in the petroleum sector were made during the 1990s. In 1994, Texaco announced plans for a five-year, $600 million investment in its Angolan oil exploration and production efforts aimed at increasing the company's Angolan oil output by 50%. Approximately 15 foreign companies, including Chevron, Texaco, Exxon, and Occidental, had invested more than $8 billion in Angola as of 1997. Elf Oil and Chevron both had major investments underway. In 1999, the Angolan government issued three new licenses to oil drilling companies in order to conduct exploration in ultra-deep water.

Countering the illegal trade in diamonds, De Beers, in a 1991 agreement with the government diamond company Endiama, invested in new diamond exploration. A UN sanction on the purchase of black market diamonds has been hard to enforce.

In spite of a 27-year civil war (1975 to 2002), an investment climate characterized by corruption, ineffective governance, arbitrary decision making, a deteriorating infrastructure, kidnappings for ransom targeted at foreigners in the Cabinda enclave, socialist suspicions about free markets, openly solicited bribes, no capital market or stock exchange, scarce skilled labor, and scarcer foreign exchange, Angola ranked second in the world in 2000 (after Lesotho) in foreign investment as a percent of GDP. The statistic is a result of both Angola's small economy and substantial investments in its oil sector that continued despite the civil war.

On the basis of joint ventures (JVs) or production sharing contracts (PSCs), at least $8 billion ($1 billion a year average) was invested by foreign oil companies from 1990 to 1997 with the state oil company, Sonangol, which dominates both upstream and downstream operations. The main foreign operators upstream were Energy Africa (South Africa), Agip (Italy; now ENI-Agip), Elf (France; now TotalFinaElf), Chevron and Texaco (United States; now ChevronTexaco). About 30 other foreign companies have substantial interests in upstream enterprises. Petrofina of Belgium is both a major producer and a major downstream partner with Sonangol. Downstream operations are hampered by poor infrastructure and a small domestic market.

From 1998 to 2001, reported foreign direct investment (FDI) totaled about $5.6 billion, averaging about $1.2 billion a year from 1997 to 2001. This performance was driven by giant class offshore discoveries, particularly in 1999 when FDI peaked at close to $2.5 billion. In 1999, the Angolan government issued three new licenses to oil drilling companies in order to conduct exploration in deep-water, including ExxonMobile, the major investor in the offshore Xikomba field that began operations in August 2002. The only substantial FDI outside the oil sector before 2002 was a $36 million Coca-Cola bottling plant in 2000, 45% of which was bought in 2001 by SAB Miller of South Africa, which in 2003 was considering adding a brewery.

Before the peace accords of April 2002, there had been three other peace agreements, starting with the Lusaka Protocol of 1994, which had had virtually no effect. However, with the death of UNITA leader, Jonas Savimbi, in February 2002, Angola finally seemed to be able to move past the civil war. In September 2002, IDAS Resources, a subsidiary of London-based American Mineral Fields, Ltd., was granted the first clearance for diamond mining in 27 years. Under the contract, IDAS holds 51%; the state diamond company Endiama, 36%; and private investors 13%.

A 1991 agreement between Endiama and De Beers for diamond exploration was moribund because the territory was under the control of UNITA, which used smuggled diamonds to finance its operations. In 1998 the UN Security Council imposed an embargo on diamonds from areas controlled by UNITA. A report in 2000 implicated De Beers in the purchase of "blood diamonds," prompting the company to alter its policy of buying up diamonds to uphold the world price to a world certification system. In 2000, Angola set up ASCORP, a state-controlled company in partnership with Lev Leviev (Russian/Israeli diamond manufacturer), and established a monopoly on certified diamond buying. De Beers' plans to build a $30 million diamond processing facility in Luanda did not come to fruition, but in April 2003 the newly established National Private Investment Agency (ANIP) announced it was seeking funding for a diamond cutting and polishing factory in Luanda.

Before peace in 2002, the foreign investment regime as laid out in the foreign investment law of 1994 and administered by the Foreign Investment Institute (IIE) stood little chance of implementation. In February 2003, a new law on private investment and a companion law on tax incentives for private capital were passed, forming a new agency, the National Private Investment Agency (ANIP), for their implementation. As under the old regime, foreign companies are guaranteed national treatment, the right to repatriate profits, and the right to indemnification for property nationalized or expropriated. Added are incentives for private investment and provisions for streamlining the approval process. New investments receive up to 15 years exemption from industrial taxes and smaller investments, $50,000 to $250,00, are exempted from all customs duties. By law, approval requests for investments less than $5 million must be processed in 15 days and requests for larger investments, in 30 days. Despite the reforms, serious obstacles remain: poor infrastructure, a small market, single-entry visas, and registration costs that range from $20,000 to $60,000 for foreign corporations.

[39]ECONOMIC DEVELOPMENT

In March 2003, the South Africa-Angola Chamber of Commerce (SAACC) was established with the potential of channeling considerable investment from South Africa. In 2003, major South African investors included the construction company Grinaker-LTA, Investec Bank, Securicor Gray and the Shoprite Supermarket chain. In May 2003, TotalFinaElf announced a major offshore oil discovery and awarded contracts totaling $780 million to the French oil services company, Technip, for its development.

With the exception of the petroleum industry and possibly the fishing industry, economic development in Angola depended upon a political settlement of the civil war, which came in 2002. The diamond industry was no exception to this rule. In 1997, the Angolan state diamond enterprise, Endiama, provided for the establishment of a UNITA-backed mining company, SGM. Although the government initially granted SGM the right to prospect, UNITA claimed that the government was attempting to gain control over its mining operations. The continuation of the Angolan civil war began shortly thereafter (1998), with diamonds acting as the UNITA rebels' main source of income. The termination of the UN mission to Angola in early 1999 spelled disaster for any form of economic growth during the following years.

In 2000, Angola entered into a Staff-Monitored Program (SMP) with the International Monetary Fund (IMF). Although the program lapsed in 2001, the IMF remained engaged in the country. The World Bank prepared a Transitional Support Strategy (TSS) as a short- to medium-term plan for involvement in Angola. In 2002, the IMF reported that $900 million had disappeared from government finances in 2001. That amount was greater than the value of humanitarian assistance sent to Angola in 2002. In all, over $4 billion was unaccounted for from 1997–2002.

[40]SOCIAL DEVELOPMENT

Until recently, social services for Africans were almost entirely the responsibility of the various tribal groups. The Roman Catholic Church also played an integral part in the administration of welfare, health, and educational programs. A number of international nongovernmental organizations have also gotten involved, particularly in the provision of health care.

Although women's rights are protected in the constitution, in practice there is discrimination in the workplace and in the home, and most women hold low-paid jobs. Spousal abuse against women is widespread. Women and children are also at high risk for mutilation from land mines, as a result of their work foraging in the fields for food and firewood. Children have been recruited to fight in both the government and UNITA forces. There were an estimated 5,000 children living on the street in Luanda, including 500–1,000 underage prostitutes. Angola's government has a poor human rights record. Security forces have reportedly been responsible for torture, beatings, rapes, and disappearances and prison conditions are life-threatening.

[41]HEALTH

Angola lies in the yellow fever endemic zone. Cholera incidence is high. In 1995, there were 3,295 cases and 248 related deaths from cholera. Only a small fraction of the population receives even rudimentary medical attention (an estimated 30% from 1985 to 1995). As of 1999, the ratio of physicians per population was estimated at 1.3 per 1,000 people. In 2000, average life expectancy was estimated at only 41 years and infant mortality was estimated at 128 per 1,000 live births. The incidence of tuberculosis in 1999 was 271 per 100,000 people. Immunization rates for one-year-old children in 1999 were estimated at 22% for diphtheria, pertussis, and tetanus and 46% for measles. Malnutrition affected an estimated 53% of children under five years of age as of 1999. From 1975 to 1992, there were 300,000 civil war-related deaths. The overall death rate was estimated at 24 per 1,000 in 2002. The HIV prevalence was 2.78 per 100 adults in 2000. As of 2001, there were an estimated 350,000 adults and children living with HIV/AIDS and the disease affected 5.5% of the adult population. There were an estimated 24,000 deaths from AIDS in 2001.

In 2000, 38% of the population had access to safe drinking water and 44% had adequate sanitation.

[42]HOUSING

Decades of war and lack of appropriate economic and legal reforms have posed a serious housing problem in Angola. During the war for independence, a majority of the Portuguese residents abandoned homes that were then confiscated by the government. In fact, all urban land is considered to be property of the State. But management and adminsitration of dwellings is under the control of provincial governments and leasing or other housing and property regulations are ambiguos or nonexistent. As a result, a recent UN report indicates that about 90% of urban residents live in settlements without a clearly defined legal status. Most live in multi-family dwellings that were constructed in the 1960s and have since deteriorated to the point that basic utilities are limited or unavailable.

Over the years, the government has made some efforts to ease the situation. The most recent has included government sponsored housing construction projects. In April 2003, 331 houses were completed in Kilamba-Kiaxi. At least 65 of them were given to government employees and other civil servants. It is estimated that a total of 800 houses and 1,664 flats will be completed by December 2003. The government may soon be receiving support from UN-Habitat, the United Nations Centre for Human Settlements.

[43]EDUCATION

In 1999 the adult illiteracy rate was estimated at 42%. Education for children between the ages of seven and 15 years is compulsory and free. Primary education is for four years and secondary for seven years. While Portuguese was the language of instruction in earlier times, the vernacular is more commonly used now. Angolan primary schools had 989,443 pupils in 1992 and 31,062 teachers in 1991, the latest years for which statistics were available as of early 2003. Secondary schools had 218,987 pupils in 1992. An estimated 2.6% of GDP was allocated to education in 1999.

The University Agostinho Neto in Luanda was established in 1963 and has a faculty for science, engineering, law, medicine, economics, and agriculture. In 1991 all higher-level institutions had 6,331 students and 787 teaching staff.

[44]LIBRARIES AND MUSEUMS

The National Library of Angola, founded in Luanda in 1969, had 84,000 volumes in 2002 and the library of the University of Luanda (1963) had 75,000 volumes. The Municipal Library in Luanda has more than 30,000 volumes. Additional libraries of note are the Geological and Mining Services Directorate Library (1914) in Luanda (40,000 volumes) and the National Historical Center Library (1982) with 12,000 volumes located in Luanda.

The Angola Museum (which contains Angola's historical archives), the Coffee Museum, Museum of Geology, National Museum of Natural History, National Museum of Archaeology, Central Museum of the Armed Forces, and National Museum of Anthropology are all located in Luanda. There are regional museums in Namibe, Huambo, Lobito, Lumbango, and Uíge. The Museum of Chitato, located in Dundo, houses a distinctive ethnographic collection featuring the art of the local Chokue people, recordings of local folk music, and a photographic collection dating to the 1880s. The Municipal Museum of New Lisbon houses a collection of traditional and modern African sculpture.

[45]MEDIA

There were 69,700 telephones in 1997, with telephone service being limited to government and business use. There were 25,800 mobile cellular phones in the country in 2000. Most of the media is controlled by the state. In 2000, there were 36 AM and 7 FM radio stations and 7 television stations. Rádio Nacional de Angola broadcasts in Portuguese, English, French, Spanish, and major local languages. In 2000, there were about 74 radios and 19 television sets for every 1,000 people. There is one Internet Service Provider which served about 30,000 subscribers in 2001.

There were five daily newspapers as of 2002: *Jornal de Angola,* with a circulation of 41,000; *Provincia de Angola,* 35,000; *Diario da Luanda*, 18,000; *ABC Diario de Angola,* 8,500; and *Diario da Republica,* circulation unknown. All were published in Portuguese in Luanda. The official government organ is the *Diario da Republica.*

Though a constitution provides for basic freedom of speech and press, the government is said to restrict these freedoms in practice. Journalists are intimidated into practicing self-censorship, and the government tightly restricts the main newspapers, television stations, and radio broadcasts.

[46]ORGANIZATIONS

Organizations established by the MPLA include the Organization of Angolan Women, the Medical Assistance Service, and the Centers for Revolutionary Instruction. There are branches of the YMCA and YWCA present.

The Angolan National Youth Council, founded in 1991, serves as a major non-governmental organization representing the opinions and concerns of the nation's youth. The Association of Students of Higher Education (AEES: Associazao dos Estudiantes de Educacao Superior) and the National Union of Angolan Students (UNEA) have been major student movements. A scouting organization (Associação de Escuteros de Angola) is also present.

Angolan Action For Development (A.A.D.), the Angolan Women's Organization, and the League Of Angolan Women (LIMA) are groups focusing on the political, social, and developmental issues and concerns of women.

[47]TOURISM, TRAVEL, AND RECREATION

Tourism was an important activity until 1972, when the guerrilla war and the subsequent civil war led to a precipitous drop in the number of tourists and hence of tourist revenues. Throughout the late 1990s, a yo-yo effect seemed to hit the tourist industry. In 1996, only about 21,000 visitors came to the country. In 1997, the number jumped to 45,000 and increased to 52,000 the following year. In 2000, however, only 50,765 tourists arrived in Angola. Tourism receipts totaled approximately $18 million. The US Department of State estimated the daily cost of staying in

Luanda at about $326 per day in 2002. Staying in rural areas would cost much less.

48 FAMOUS ANGOLANS

António Agostinho Neto (1922–79), a poet and physician who served as the president of MPLA (1962–79) and president of Angola (1975–79), was Angola's dominant political figure. José Eduardo dos Santos (b.1942) succeeded Neto in both these posts. Jonas Malheiro Savimbi (1934–2002), the son of a pastor, founded UNITA in 1966.

49 DEPENDENCIES

Angola has no territories or colonies.

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BENIN

Republic of Benin
République du Bénin

CAPITAL: Porto-Novo

FLAG: Two equal horizontal bands of yellow (top) and red with a vertical green band on the hoist side.

ANTHEM: *L'Aube Nouvelle (The New Dawn).*

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr), which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. The CFA franc has coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs, and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Anniversary of Mercenary Attack on Cotonou, 16 January; Labor Day, 1 May; Independence Day, 1 August; Armed Forces Day, 26 October; National Day, 30 November; Harvest Day, 31 December. Most religious holidays have been abolished, but Good Friday, Easter Monday, Christmas, 'Id al-Fitr, and Id al-'Adha' remain public holidays.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

The People's Republic of Benin (formerly Dahomey) is situated in West Africa on the northern coast of the Gulf of Guinea, and has an area of 112,620 sq km (43,483 sq mi), extending 665 km (413 mi) N–S and 333 km (207 mi) E–W. Comparatively, the area occupied by Benin is slightly smaller than the state of Pennsylvania. Roughly wedge-shaped, Benin is bounded on the N by Niger, on the E by Nigeria, on the S by the Gulf of Guinea (Atlantic Ocean), on the W by Togo, and on the NW by Burkina Faso, with a total boundary length of 1,989 (1,233 mi). The capital city of Benin, Porto-Novo, is located in the southeastern corner of the country.

[2]TOPOGRAPHY

Difficult to access because of sandbanks, the coast has no natural harbors, river mouths, or islands. Behind the coastline is a network of lagoons, from that of Grand Popo on the Togo border (navigable at all seasons) and joined to Lake Ahémé, to that of Porto-Novo on the east, into which flows Benin's longest river, the Ouémé, navigable for some 200 km (125 mi) of its total of 459 km (285 mi). Besides the Ouémé, the only other major river in the south is the Kouffo, which flows into Lake Ahémé. The Mono, serving from Parahoué to Grand Popo as the boundary with Togo, is navigable for 100 km (62 mi) but subject to torrential floods in the rainy season. Benin's northern rivers, the Mékrou, Alibori, and Sota, which are tributaries of the Niger, and the Pandjari, a tributary of the Volta, are torrential and broken by rocks.

North of the narrow belt of coastal sand is a region of lateritic clay, the main oil palm area, intersected by a marshy depression between Allada and Abomey that stretches east to the Nigerian frontier. North of the hills of Dassa, the height ranges from 60 to 150 m (200–500 ft), broken only by the Atakora Mountains (*Chaine de L'Atakoria*), stretching in a southwesterly direction into Togo.

[3]CLIMATE

South of Savalou, especially in the west, the climate is typically equatorial—hot and humid, with a long dry season from December to March, in which the dry harmattan blows in a northeasterly to southwesterly direction. Temperatures range between 22°C (72°F) and 35°C (95°F), with the average 27°C (81°F). The great rains fall from March to July; there is a short dry season from July to September and a short wet season from mid-September to mid-November. In the southwest, average rainfall is considerably lower and the dry season longer: at Grand Popo, for example, average rainfall is about 82 cm (32 in) as compared with about 127 cm (50 in) in Porto-Novo and Cotonou. Northern Benin has only one wet season (May to September, with most rain in August) and a hot dry season in which the harmattan blows for three or four months. Temperatures range from a maximum of 40°C (104°F) in January to a minimum of 13°C (56°F) in June. Although rainfall, which is highest in central Benin (135 cm/53 in), decreases as one moves northward, it remains high (97 cm/38 in) in most of northern Benin.

[4]FLORA AND FAUNA

Apart from small isolated patches, little true forest remains. The coconut plantations of the coastal strip give way to oil palms and ronier palms growing as far north as Abomey; these are in turn succeeded by savanna woodland, in which the vegetation of the Guinea forest and the vegetation of the southern Sudan are intermingled, and then by characteristic Sudanic savanna. Trees include coconut, oil palm, ronier palm, ebony, shea nut, kapok, fromager, and Senegal mahogany. Among the mammals in Benin are the elephant, lion, panther, monkey, and wild pig, as well as many kinds of antelope. Crocodiles and many species of snakes (including python, puff adder, and mamba) are widely distributed. Partridge, guinea fowl, and wild duck, as well as many kinds of tropical birds, are common. Insects include varieties of tsetse fly and other vectors of epidemic disease.

[5]ENVIRONMENT

Benin has two national parks and several game reserves. In addition, the government has set aside 5,900 hectares (14,580 acres) for nurseries to foster reforestation. As of 2000, 6.9% of Benin's natural areas were protected. Among the government organizations with responsibility for the environment are the National Commission for Combating Pollution and for the Protection and Improvement of the Environment, which is under the Ministry of Public Health, and the Ministry of Rural Development and Cooperative Action. The main environmental issues facing the people of Benin are desertification, deforestation, wildlife endangerment, and water pollution. The spread of the desert into agricultural lands in the north is accelerated by regular droughts. Benin has also lost 59% of its forests from uncontrolled agricultural practices and fires. Between 1983 and 1993 alone, forest and woodland was reduced by 12%. For the period between 1990-1995, deforestation occurred at an average rate of 1.25% per year. Benin has 10.3 cubic kilometers of renewable water resources. About 74% of the city dwellers and 55% of rural residents have access to safe drinking water. Factors which contribute to the endangerment of the wildlife in Benin are the same as those which threaten the forests. As of 2000, threatened species included: 9 of the 188 species of mammals; one of 307 bird species; and 2 of the 2,000 plant species. As of l994, the chimpanzee was extinct.

[6]POPULATION

The population of Benin in 2003 was estimated by the United Nations at 6,736,000, which placed it as number 96 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 46% of the population under 15 years of age. There were 97 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.65%, with the projected population for the year 2015 at 9,093,000. The population density in 2002 was 59 per sq km (152 per sq mi). Almost three-fourths of the population are clustered in the southern half of the country, where the density reaches more than 120 per sq km (290 per sq mi).

It was estimated by the Population Reference Bureau that 42% of the population lived in urban areas in 2001, up from 27% in 1980. The capital city, Porto- Novo, had a population of 213,000 in that year. Cotonou, the administrative and economic center and port, had a population of about 400,000. Other important towns are Abomey, Ouidah, and Parakou. According to the United Nations, the urban population growth rate for 2000–2005 was 4.4%.

[7]MIGRATION

Seasonal labor migration, to both Nigeria and Ghana, is considerable and of long duration, but estimates of its extent are not available. Thousands of Beninese were expelled from Nigeria in early 1983, and thousands were expelled from Gabon in 1977–78. In 1995, there were 70,000 refugees from Togo in Benin. In June 1998, Benin and Burkina Faso became the first African countries to take in refugees approved by UNHCR for resettlement.

The total number of migrants living in Benin in 2000 was 101,000, which included the 4,300 refugees. The net migration rate for 2000 was -3.2 per 1,000 population, amounting to a loss of approximately 19,000 individuals. Worker remittances totaled $70 million that year.

[8]ETHNIC GROUPS

The population of Benin is 99% African. However, although several of the larger groups in southern Benin are culturally and socially closely related, Benin is not ethnically or linguistically homogeneous, and there is a particularly marked division between the peoples of the south and those of the north. The largest ethnic group is that of the Fon or Dahomeyans (about 25%), the closely related Adja (about 6%), and the Aizo (about 5%), who live in the south of the country and are predominantly farmers. The Goun (about 11%), who are related to the Adja, are concentrated around Porto-Novo. The Bariba (about 12%) are the dominant people in northern Benin. The Yoruba (more than 12%), essentially a farming people, came from Nigeria and are settled along the eastern boundary of the country. In the northeast, the Somba (more than 4%) subdivide into a number of distinct groups. The Fulani (about 6%), traditionally nomadic herders, gradually are becoming sedentary. Other groups include the Holli, the Dendi, and the Pilapila (or Yowa). The remaining 1% of the population is largely European, numbering about 5,500 in 1998.

[9]LANGUAGES

The official language is French. However, many African languages are spoken. Fon and Yoruba are the most important in southern Benin. In the north there are at least six major tribal languages, including Bariba (a subgroup of the Voltaic group in which the Mossi language is most important) and Fulani.

[10]RELIGIONS

An estimated 60% of the population follow traditional African religions. Even some who identify themselves as Christian or Muslim are likely to observe some traditional indigenous customs as well. The most common indigenous religion is Vodoun. Vodoun spread to the Americas with slavery and later became a source for African-inspired religions such as Santeria (in the Spanish-speaking Caribbean), voodoo (in Haiti), and Candomble (in Brazil). The Vodoun religion is based on a belief in one supreme being who rules over a number of lesser deities, spirits, and saints.

About 30% of the population are nominally Christian, with a majority belonging to the Roman Catholic church. Other denominations include Methodists, Baptist, Assembly of God, Jehovah's Witnesses, The Church of Jesus Christ of the Latter Day Saints, Celestial Christians, Seventh-Day Adventists, Rosicrucians, the Unification Church, Eckanka, and the Baha'i faith. About 20% of the population are Sunni Muslim. Certain Christian and Muslim holidays are officially observed, along with one traditional indigenous holiday.

[11]TRANSPORTATION

In 2002, Benin had 578 km (359 mi) of narrow-gauge railroad. The Benin-Niger Joint Railway and Transport Organization, a public corporation, operates the passenger and freight railroad. The main line runs north from Cotonou to Parakou, with a branch to Segboroué in the west. The eastern line runs from Cotonou to Porto-Novo and Pobé.

Of Benin's 6,787 km (4,217 mi) of roads (excluding tracks), in 2002 only about 1,357 km (843 mi) are paved. The major roads are the coastal highway linking Benin with Lagos in Nigeria and Lomé in Togo; the road from Cotonou to Parakou (terminus of the railroad) and its extension via Kandi to Malanville on the Niger River; and the road north from Tchaourou that links Benin with Burkina Faso. In 2000, Benin had about 103,400 passenger cars and 96,600 commercial vehicles.

Regular transportation services from Parakou to Malanville and thence to Niamey (in Niger), either by road or, in the season when the Niger River is navigable, by river steamer, are important for the movement of produce to and from Niger via Cotonou, Benin's one port. Until 1965, the port was serviced by a wharf built in 1891. In 1965, a new deepwater port, constructed with French and European Development Fund assistance and capable of handling 1 million tons annually, was opened. In the

mid-1980s, the port was expanded to handle 3 million tons a year. Landlocked Niger has a free zone in the port area of Cotonou. Because of overcrowded conditions at the port of Lagos, Cotonou has served as a relief channel for goods destined for Nigeria. It also serves as the chief port for Niger. There is boat traffic on the lagoons between Porto-Novo and Lagos, Nigeria, as well as on the rivers. Benin has no merchant marine.

In 2001, there were five airports, one of which has a paved runway, Cadjehoun Airport. Located at Cotonou, Cadjehoun Airport, has direct international jet service to Accra, Niamey, Monrovia, Lagos, Ouagadougou, Lomé, and Douala, as well as connections to other West African cities. Direct services also link Cotonou to Paris. International airlines include UTA and Air Afrique. There is a major airport at Parakou, and airfields of lesser importance at Natitingou, Kandi, and Abomey. Transports Aériens du Bénin (TAB), offering domestic services to Parakou, Natitingou, Djougou, Savé, and Kandi, and abroad to Lagos, Lomé, Ouagadougou, and Niamey, was founded in 1978. Benin also has a share in Air Afrique. In 2001, 46,400 passengers flew on domestic and international flights.

12 HISTORY

Benin (formerly Dahomey) has no geographical or historical unity and owes its frontiers to Anglo-French rivalry in the late-19th-century partition of Africa. This is especially marked in northern Benin, whose affinities are rather with the neighboring countries of West Africa than with the peoples of the south. Southern Benin has some historical unity, owing to the existence there of several kingdoms, all traditionally related and peopled by Fon and Adja (related to the Ewe of southern Togo and southeastern Ghana). Traditionally, the kingdoms of Allada, Abomey (or Dahomey), and Adjatché (later Porto-Novo) were founded when two brothers of the king of Allada created new states, respectively, north and southeast of Allada. Abomey conquered Allada in 1724, seized the port of Ouidah in 1727, and became a famous slave-trading kingdom. At this time, women soldiers ("Amazons") were recruited by Abomey for regular service.

The Portuguese—the first Europeans to establish trading posts on the West African coast—founded the trading post of Porto-Novo on what is now the Benin coast. They were followed by English, Dutch, Spanish, and French traders as the slave trade developed. The French established posts at Ouidah and Savé in the middle of the 17th century, and the English and Portuguese also built forts nearby in the early 18th century. The Portuguese fort at Ouidah, which remained Portuguese territory until 1961, was built in 1727. French, English, and Portuguese coastal trade continued, and as Yoruba power weakened, Abomey continually raided the Yoruba and westward toward the Ashanti. Prisoners seized in these campaigns were sacrificed or exported as slaves until the latter half of the 19th century. European traders were closely controlled by the yevogan of Ouidah, the Abomey functionary stationed there, and subjected to substantial levies. It was not until the mid-19th century, with the gradual replacement of the slave trade by trade in palm oil, that European activity brought forth new developments. In 1857, the French established themselves in Grand Popo. In 1868, the French made a treaty with the king of Abomey by which they were permitted to establish a trading post at Cotonou. The British meanwhile established themselves in Lagos, which they annexed in 1861 in order to eliminate the slave trade. Anglo-French rivalry in Porto-Novo, in which successive local kings took different sides, eventually ended with a French protectorate there (1882) and British posts at various points farther west, which were abandoned by the Anglo-French agreements of 1888–89. But Abomey remained outside French control, and its levies on European trade became increasingly irksome. War between Abomey and Porto-Novo broke out in 1889 over France's rights of sovereignty to Cotonou, and Béhanzin, who succeeded to the throne of Abomey in that year, attacked the French posts there. His forces included some 2,000 Amazons. Béhanzin next attacked Porto-Novo and Grand Popo in 1891. In 1893, a French expeditionary force commanded by Dodds took Abomey, and a French protectorate was declared. Renewed hostilities were followed by Béhanzin's surrender to the French in 1894. (He died in exile in Martinique in 1906.) His successor, his brother Agoli Agbo, was exiled in 1899 for misadministration, and the kingdom of Abomey finally came to an end.

From 1892 to 1898, the territory took its modern shape with the exploration and extension of French control in the north. The construction of the railroad to the north was begun in 1900. Dahomey became a component colony of the federation of French West Africa in 1904. In 1946, under the new French constitution, it was given a deputy and two senators in the French parliament, and an elected Territorial Assembly with substantial control of the budget. Under the reforms of 1956–57, the powers of the Territorial Assembly were extended, and a Council of Government elected by the Assembly was given executive control of most territorial matters. Universal adult suffrage and a single electorate were established at the same time. In September 1958, the territory accepted the French constitution proposed by Gen. de Gaulle's government and opted for the status of an autonomous republic within the French Community, as provided by the new constitution.

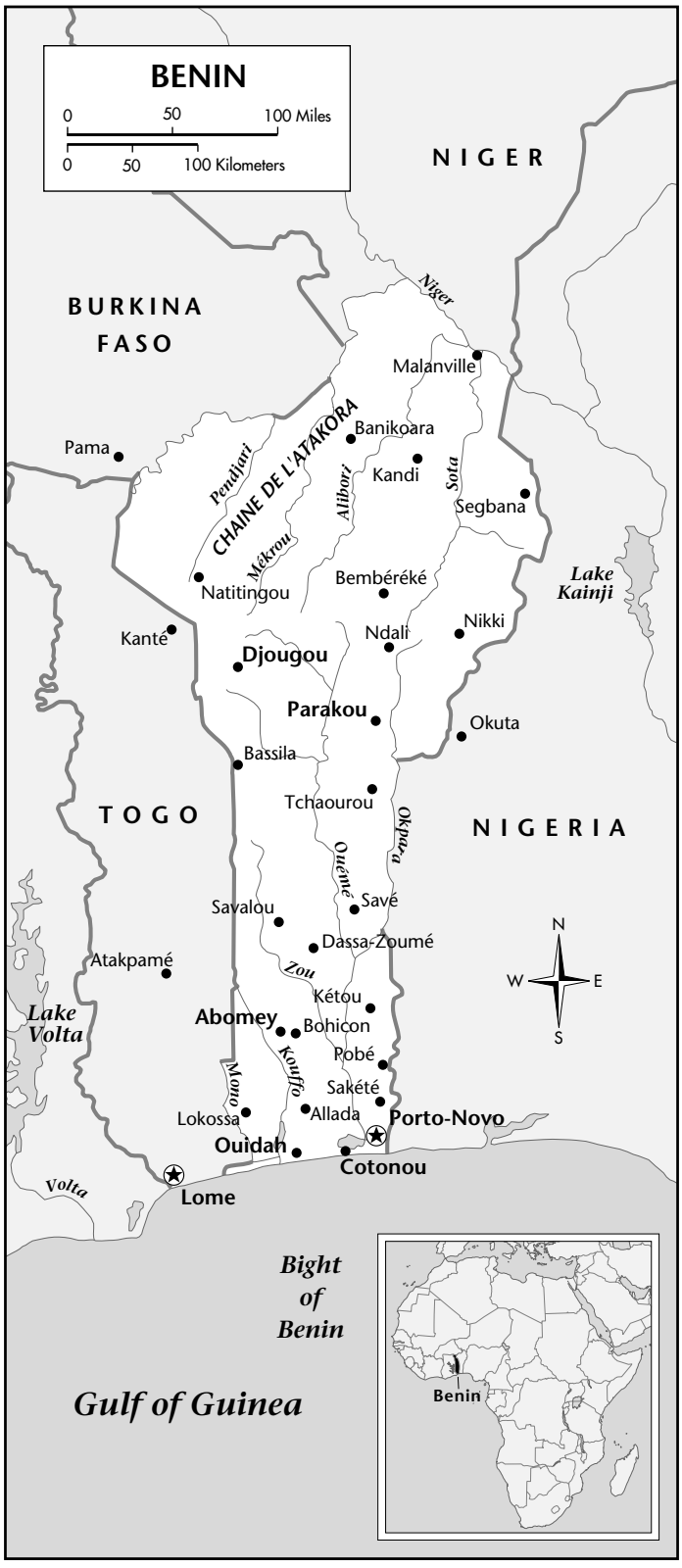
On 4 December 1958, the Territorial Assembly became a national constituent assembly and the Republic of Dahomey was proclaimed a member of the French Community. On 14 February 1959, a constitution was adopted; the first Legislative Assembly was elected on 3 April. Hubert Maga, chairman of the Dahomeyan Democratic Rally, was named prime minister on 18 May 1959. On 1 August 1960, Dahomey proclaimed its complete independence, and on 25 November a new constitution, calling for a strong unitary state, was adopted. Other constitutions were adopted in 1963, 1965, and 1968.

After independence, the country suffered from extreme political instability, with military coups in 1963, 1965 (twice), 1967, 1969, and 1972. The numerous and often ingenious efforts at constitutional government, including, from 1970–72, a three-man presidential council with a rotating chairman, failed for a number of reasons. The major ones were regionalism, especially the north–south differences, and the country's poor economy; unemployment was high for the relatively large number of educated Beninese, and economic growth minimal.

The coup on 26 October 1972 established Maj. Mathieu Kérékou as the leader of a military regime. It represented a clear break with all earlier Dahomeyan administrations, introducing revolutionary changes in the political and economic life of the country. In late 1974, President Kérékou said that the national revolution would follow a Marxist-Leninist course, and the state sector was rapidly expanded by nationalization. As of 1 December 1975, the country's name was changed to the People's Republic of Benin by presidential proclamation.

On 16 January 1977, about 100 persons, including 27 Africans and 62 European mercenaries, made a poorly organized assault on Cotonou. After directing small-arms fire on the presidential palace, they departed three hours later on the DC-8 jet on which they had arrived. The government blamed "international imperialism" in general and France, Morocco, and Gabon in particular.

Through the years, hundreds of government opponents have been incarcerated, often without trial. Opposition centered in the banned Communist Party (Parti Communiste du Dahomey—PCT) and among student protesters. Since 1990, however, arbitrary arrest and detention are no longer routinely practiced by the government. In 1979, a National Revolutionary Assembly was elected from the single list of candidates offered by the Party



LOCATION: 0°47′ to 3°47′ E; 6°15′ to 12°25′ N. BOUNDARY LENGTHS: Niger, 190 kilometers (118 miles); Nigeria, 750 kilometers (466 miles); Atlantic coastline, 125 kilometers (78 miles); Togo, 620 kilometers (385 miles); Burkina Faso, 270 kilometers (168 miles). TERRITORIAL SEA LIMIT: 200 miles.

of the People's Revolution of Benin, the only legal political organization. This body elected Kérékou to a new term as president in 1980. In that year, in the course of an official visit to Libya, he converted to the Islamic faith in the presence of the Libyan leader, Col. Mu'ammar al-Qadhafi, and accordingly took the first name Ahmed. During the visit the two countries signed a major bilateral cooperation agreement.

In February 1990, after weeks of unrest and economic disorder, Kérékou convened a National Conference of Active Forces of the Nation to discuss Benin's future. It became a public critique of Kérékou's 17 years of rule. On 2 December 1990, a new constitution was adopted by popular referendum. The National Conference forced Kérékou to turn over effective power to a transitional government, which held presidential and parliamentary elections on 10 March 1991, and runoffs on 24 March. It has been called a "civilian coup." The conference also changed the name of the country to the Republic of Benin.

Prime Minister Nicephore Soglo won 68% of the votes versus Kérékou's 32%. In the elections to the 64-seat National Assembly, no party or coalition of parties gained more than 12 seats and 11 parties or coalitions of parties were represented. The new government took office on 4 April 1991. Following some civil unrest in late 1991 and 1992, prompted by the government's slowness in paying salaries and issuing grants to students, there were reports of an attempted coup, but the Soglo administration managed to thwart it.

In late 1993, the working coalition of approximately 34 parties, referred to as the "presidential majority," dissolved. Since then, there have been tensions between the executive branch and legislature. These were highlighted when Soglo, who previously had not allied himself with any political party, was made head of the Party for the Renaissance of Benin (PRB). Later that year, amid a worsening economy brought on by currency devaluation, labor and student groups began a series of protests over wages and student grants, causing considerable social stress. In January 1994, a National Convention of Forces of Change met and adopted a report on the organization of the next elections. It urged the creation of a national electoral commission.

The government also planned to increase the size of the National Assembly from 64 to 83 seats. After some delay, elections were held on 28 March 1995 and were considered to be generally free and fair, although the Constitutional Court heard complaints of irregularities in April and invalidated 13 seats. New elections for those seats were scheduled for May, amid opposition complaints that Soglo's dominance of the PRB would again lead to irregularities. After the squabbling, the PRB did in fact emerge with a plurality, holding 20 seats along with 13 held by parties aligned with Soglo and the PRB.

Since the 1995 elections, Soglo concerned himself primarily with Benin's economic prospects and its relations with France, the country's principal benefactor. In June 1995, Soglo visited France and met with its newly elected president, Jacques Chirac. Presidential elections were held in 1996, the first round taking place on 3 March. Soglo was challenged by several rivals, but his main opponent was his old rival Kérékou, whom he had soundly defeated in 1991. This time, however, the contest was closer, as people had largely forgiven Kérékou his excesses following his coup and, at the same time, were tired of Soglo's economic mismanagement. A runoff election was held on 4 April and Kérékou was returned to the office of president, winning 52.49% of the vote to Soglo's 47.51%.

Kérékou's key challenges came from the opposition-dominated National Assembly, union militancy, deteriorating security in cities and rural communities, and a fragile economy.

Despite difficulties of stability, the 1990s were a remarkable decade of political progress for Benin. In 1990, Benin held Francophone Africa's first National Conference, and twice transferred presidential and legislative power freely and fairly at the ballot box. It has established an independent electoral commission, introduced the single ballot for legislative elections, enjoys a lively independent press, has a Constitutional Court and a High Court of Justice (to hear cases against the president and

senior-level officials), and has kept the armed forces under control.

Presidential elections were held on 4 and 22 March 2001. In the first round of voting, Kérékou received 45.4% of the vote to Soglo's 27.1. Adrien Houngbedji, president of the National Assembly, won 12.6%, and Bruno Amoussou, who was minister of state to Kérékou, received 8.6% of the vote. Following the first round, Soglo and Houngbedji withdrew from the second round, charging electoral fraud. Nine members of the National Autonomous Electoral Commission (CENA) and the Constitutional Court resigned after severe criticism that the election results they authorized were false. In the second round of voting, Kérékou won a landslide victory, taking 84.1% of the vote to Amoussou's 15.9%. Kérékou's election to his second 5-year term as president will be his last.

On 30 March 2001, an unseaworthy ship left Benin headed for Gabon with a cargo of 43 children sold by their parents as slave workers. Gabon refused the illegal cargo, as did Cameroon, but it eventually returned to dock in Benin. The United Nations Children's Fund (UNICEF) reports that at least 200,000 children annually are victims of traffickers in the west and central African slave trade. Benin officially bans slavery, although human rights advocates say it is still common in the country.

In May 2002, Niger and Benin submitted a boundary dispute between them to the International Court of Justice in the Hague. At issue are sectors of the Niger and Mékrou Rivers and islands in them, in particular Lété Island.

In December 2002, three million people went to the polls in Benin to elect mayors and municipal councilors, who were previously appointed by the government. They were the first municipal and communal elections since the end of one-party rule in 1990. Soglo was elected mayor of Cotonou by its council in February 2003, and Houngbedji was elected mayor of Porto Novo.

13 GOVERNMENT

Maj. Mathieu Kérékou assumed the presidency after the military coup of October 1972 and ruled essentially by decree. In 1973, the National Council of the Revolution, headed by President Kérékou, became the ruling authority. The country's name was changed to the People's Republic of Benin in December 1975. The council disbanded itself in 1979 in accordance with a fundamental law it issued in 1977. The supreme authority of the state became the 336-member National Revolutionary Assembly (NRA), elected from a single list in November 1979 and June 1984. In 1984, this body was reduced to 196 members. The NRA elected the incumbent president, Mathieu Kérékou, as president on 5 February 1980 and reelected him on 31 July 1984. On 29 July 1988, the cabinet was restructured. cabinet ministers, as well as six prefects (provincial governors) made up the National Executive Council.

The 1990 constitution enshrined multiparty elections, a unitary republic, and changed the country's name to The Republic of Benin. The president is elected by popular vote for a five-year term, re-electable only once. A directly elected National Assembly of 83 seats elected by direct universal suffrage (at age 18) has a maximum life of four years. Soglo was elected president in March 1991 with 68% of the vote; Kérékou defeated him in the 1996 elections, winning 52.49% of the vote. Kérékou won the March 2001 presidential elections with 84.1% of the vote, after Soglo and National Assembly president Adrien Houngbedji boycotted the second round of voting, charging fraud. Bruno Amoussou, the fourth-place finisher in the first round of voting, took 15.9% of the vote in the second round. Legislative elections are scheduled for 30 March 2003.

14 POLITICAL PARTIES

The political evolution of Benin since the end of World War II (1939–45) has been largely outside the main currents of French West African politics and determined mainly by local factors. The leading political figures in the 1950s and 1960s were Sourou Apithy and Justin Ahomadegbé in the south and Hubert Maga in the north.

As a result of the first Legislative Assembly elections in April 1959, Apithy's Dahomeyan Republican Party (Parti Républicain du Dahomey— PRD) obtained 28 seats; Maga's Dahomeyan Democratic Rally (Rassemblement Démocratique Dahoméen—RDD), 22; and Ahomadegbé's Dahomey Democratic Union (Union Démocratique Dahoméenne—UDD), 20. A coalition of the three parties took office, with Maga as prime minister. In November 1960, after losing a vote of confidence, the UDD ministers resigned, and the PRD and RDD united first in the Dahomeyan Nationalist Party (Parti des Nationalistes de Dahomey) and then in the Dahomeyan Unity Party (Parti Dahoméen de l'Unité—PDU), again under Maga as prime minister. At the end of 1960, the PDU's single list of candidates won overwhelmingly over the UDD and thereby gained complete control of the executive and the legislature. In 1961, the UDD was banned, and Dahomey became a one-party state.

After the fall of the Maga government in October 1963, the PDU was disbanded and replaced by the Dahomeyan Democratic Party (Parti Démocratique Dahoméen), which was in turn dissolved following the 1965 military coup. The Union for Dahomeyan Renewal (Union pour le Renouveau du Dahomey) was later formed, but it was dissolved after the military coup of December 1969.

The Kérékou regime, which took power in 1972, appeared at first to be unwilling to return to party government, but following the adoption of a Marxist-Leninist policy in 1974, the government formed a political organization as the basis of a one-party state. This organization, which became known as the Party of the People's Revolution of Benin (Parti de la Révolution Populaire du Benin—PRPB), was the sole legal party until 1990. An illegal opposition group, the Front for the Liberation and Rehabilitation of Dahomey, was reportedly responsible for the 1977 coup attempt. The three major political and regional leaders—Maga, Apithy, and Ahomadegbé—remained under house arrest in Benin until 1981, when they were allowed to leave the country.

In 1986, President Kérékou began to modify his Marxism-Leninism and, by December 1989, the ideology was officially abandoned.

Partisan politics are characterized by frequent splits and mergers. Party allegiances in the National Assembly are fluid. The 1990 multiparty general elections produced a National Assembly in which the largest bloc of votes (12 of 64) were held by a Coalition of Democratic Forces (RFD), made up of The Forces of Progress (UDFP), the Movement for Democracy and Social Progress (MDPS), and the Union for Liberty and Development (ULD). This group was renamed the Union Pour le Triomphe du Renouveau Democratique (UTRD-Union for the Triumph of Democratic Renewal) in March 1992. At its peak, it could count on 34 deputy votes. It was replaced on 30 October 1993 by the African Assembly for Progress (RAP) and was composed of 11 parties and associations. The second largest bloc, with nine seats, was the Alliance of the National Party for Democracy and Development (PNDD) and the Démocratic Renewal Party (PRD). Kérékou's PRPB had been reduced to one of a number of opposition groups, although it was popular in the armed forces.

The National Convention for the Forces of Change, formed in February 1993, was an alliance of opposition groups. The Communist Party of Benin was registered in October 1993. In 1994 the Party for the Renaissance of Benin (PRB) was founded

by then-President Soglo's wife. Soglo, who had previously aligned himself with no party, was quickly elected head of the party. In the 1995 legislative elections, the PRB emerged with the largest bloc of seats (20) in the newly expanded National Assembly—now made up of 84 seats. Parties closely allied with the PRB won an additional 13 seats. The remainder was split among 25 smaller parties, with the largest opposition bloc being the PRD, which won 19 seats. Kérékou's newly formed Action for Renewal and Development (FARD-ALAFIA) took 10 seats; PSD, 7; Our Common Cause, 3; Liberal Democrats, 3; Communist Party, 2; Alliance Chameleon, 1; RDP, 1; Alliance for Democracy and Progress, 1; and others, 16.

The March 1999 elections produced 70% turnover in the National Assembly where opposition party candidates held a slim majority. Overall, they took 42 of 83 seats, leaving 41 seats to be shared among pro-Kérékou parties. Adrien Houngbedji (PRD) became president of the National Assembly. In November 1999, the Ministry of the Interior registered Benin's 118th party, the PRD-Arc-en-ciel, which was led by Kamarou Fassassi, formerly campaign director for Houngbedji. Soglo made his comeback as the PRB presidential candidate in 2001. His party won 27 seats in the March 1999 elections. Also winning seats were the PRD, 11; FARD, 10; PSD, 9; African Movement for Democracy and Progress (MADEP), 6; and 11 other parties took the remaining seats.

[15]LOCAL GOVERNMENT

The country is divided into 12 provinces for administrative purposes, and these in turn are divided into districts. There are elected provincial, district, commune, town, and village councils. Benin must place greater emphasis on local government capacity, including more collaboration among the local governments and civil society to formulate, implement, and enforce policy decisions, and to help education and health providers involve communities and their residents in decision-making. In December 2002, the first municipal and communal elections since the end of one-party rule in 1990 were held.

[16]JUDICIAL SYSTEM

The legal system in Benin was formerly based on French and customary law. However, on 4 September 1981, Kérékou announced the creation of people's courts presided over by a Central People's Court which would control all judicial activities under the supervision of the executive and legislature. Each district has a court with the power to try cases, and each province has a court that acts as an appeals and assizes court. At the lowest level, each commune, village, and city ward has its own court.

The 1990 constitution provided for establishment of a new Constitutional Court responsible for judicial review of the constitutionality of legislation and for deciding disputes between the president and the National Assembly. This court began functioning in 1993. The constitution also established a High Court of Justice to be responsible for hearing charges of crimes against the nation committed by the president or other government officials. The highest court for nonconstitutional judicial review under the new constitution is the Supreme Court. Under the constitution, detainees must be brought before a magistrate within 48 hours of arrest. The judiciary is independent and the government generally respects this constitutional provision in practice. The constitution provides for the right to a fair public trial. Criminal defendants enjoy the presumption of innocence, the right to counsel, and the rights to confront witnesses and have access to government-held evidence. The members of the military may be tried in case of minor offenses at military disciplinary councils. These councils have no power to try civilians. The constitution prohibits arbitrary interference with privacy, family, home, and correspondence. The government respects these provisions. Police need a judicial warrant before entering a private home. Although these basic procedural rights are respected, the judiciary in Benin is curtailed by executive powers, inefficient, and susceptible to corruption at all levels.

[17]ARMED FORCES

In 2002, the armed forces had some 4,550 personnel. The army of 4,300 included 3 infantry battalions. There were 150 personnel in the air force, which had no combat aircraft. The navy numbered an estimated 100 personnel with one patrol boat. A paramilitary gendarmerie totaled 2,500. Military expenditures in 1996 were $27 million, or 1.2% of GDP.

[18]INTERNATIONAL COOPERATION

Benin was admitted to UN membership on 20 September 1960, and is a member of ECA and all the nonregional specialized agencies. It is a signatory of the Law of the Sea, and a member of the African Development Bank, ECOWAS, G-77, and the African Union. Relations with France, strained following the January 1977 attempted coup, improved markedly after 1981.

Benin has joined with Côte d'Ivoire, Niger, Burkina Faso, and Togo in the Conseil d'Entente, a loose grouping of likeminded states with a common loan guarantee fund. Benin, as a member of the Niger Basin Authority, cooperates with other riparian states of the Niger River in planning the further use and development of the river for fishing, transportation, flood control, and hydroelectricity. The Organization Commune Bénin-Niger regulates common problems of transportation and communications. Benin became a member of the Association of African Petroleum Producers in 1987. Benin is a signatory to the Lomé Convention.

[19]ECONOMY

Benin's economy is recovering from the economic problems that led to the collapse of the socialist government in power between 1974 and 1989. Privatization of previously nationalized companies was current policy in 2001, and was expected to continue in telecommunications, water, electricity, and agriculture. However, recovery efforts are complicated by the fact that Benin's economy is strongly influenced by economic trends, especially fuel prices, in Nigeria. Over the past decade, this effect has caused Benin's GDP to fluctuate between recovery and decline. Benin's debt situation has been eased due to measures undertaken by the Paris Club and other creditors.

Agriculture is the most important sector in the Benin economy, accounting for some 36% of GDP (2001). About 90% of this output is produced on family farms using low-technology inputs and focusing primarily on domestically consumed crops, such as maize, sorghum, millet, paddy rice, cassava, yams, and beans. Typically, Benin is self-sufficient in food. Cotton, palm oil, and groundnuts are grown and exchanged for cash.

Benin's livestock population increased an estimated 40% during the late 1980s and early 1990s, though it still does not satisfy local demand. Wood production for local fuel consumption also falls behind national demand. The fishing sector, made up of artisanal fishers, has overfished the stock and is in decline.

Benin's mineral resources are limited. Limestone, marble, and petroleum reserves are exploited commercially. Gold is produced at the artisanal level. Phosphates, chromium, rutile, and iron ore have been located in the north but remain undeveloped resources.

In January 1994 France devalued the CFA franc, causing its value to drop in half overnight. The devaluation was designed to encourage new investment, particularly in the export sectors of the economy, and discourage the use of hard currency reserves to buy products that could be grown domestically. In the short term, the move left the economy reeling and provoked anger and confusion among the population. Price-gouging by local merchants and a sharp rise in inflation to 55% led the

government to impose temporary price controls on existing stocks of imports. By 2001, however, inflation was back down to 3% and growth was estimated at between 5–6%. The government was pursuing liberal economic policies, but rapid population growth, inefficient state-owned enterprises, and high civil service salaries continue to offset economic growth. Corruption remains a major obstacle to economic development.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Benin's gross domestic product (GDP) was estimated at $6.8 billion. The per capita GDP was estimated at $1,040. The annual growth rate of GDP was estimated at 5.4%. The average inflation rate in 2001 was 3%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 36% of GDP, industry 14%, and services 50%.

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $340. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 2%. Approximately 52% of household consumption was spent on food, 15% on fuel, 5% on health care, and 3% on education. It was estimated that in 2001 about 37% of the population had incomes below the poverty line.According to the United Nations, in 2000 remittances from citizens working abroad totaled $80 million or about $11 per capita and accounted for approximately 3.0% of GDP. Worker remittances in 2001 totaled $83.15 million. Foreign aid receipts amounted to about $42 per capita and accounted for approximately 12% of the gross national income (GNI).

[21]LABOR

The total labor force was about two million in 1999, of which 56% were primarily engaged in agriculture. Less than 2% of the labor force is salaried. There is a great disparity between the income of the wage earner and that of the uneducated traditional laborer, whose yearly income is less than the average monthly income of the salaried worker.

Trade union activity is concentrated in urban areas and particularly in the south, where most wage and salaried workers are employed. The Kérékou regime consolidated all previous trade union organizations into the National Union of Syndicates and Workers of Benin in 1973. The Confederation of Autonomous Unions is a separate and larger federation primarily representing unions in the public sector. The constitution gives workers the right to organize, join unions, meet, and strike. As of 2002, around 75% of wage earners were unionized, but the percentage is much smaller in the private sector.

The fundamental labor legislation provides for collective agreements between employers and workers, for the fixing of minimum wages by the government on the advice of advisory committees, and for a 40- to 46-hour basic workweek. Domestic and agricultural workers generally work more than 70 hours per week. The legislation also provides for paid annual leave and for family allowances for children. These arrangements affect only the small proportion of the total labor force that is in wage-paid employment. The minimum wage was $34 per month in 2000, but was only enough to provide rudimentary food and shelter for a family. Most workers earn more than the minimum wage by engaging in subsistence farming or informal sector trade. Although the labor code prohibits employment for children under age 14, child labor remains a huge problem. A 2000 study shows that an estimated 75% of apprentices working as seamstresses, hairdressers, carpenters, and mechanics were under the legal employment age.

[22]AGRICULTURE

Benin is predominantly an agricultural country. About 55% of the economically active population was engaged in the agricultural sector in 2000, which accounted for 38% of GDP that year. Small, independent farmers produce 90% of agricultural output, but only about 17% of the total area is cultivated, much of it in the form of collective farms since 1975. The agricultural sector is plagued by a lack of infrastructure, poor utilization of rural credit, and inefficient and insufficient use of fertilizer, insecticides, and seeds. Smuggling of crops for export or the domestic black market results in understating of crop figures. An estimated 20% of output is informally traded with Nigeria. The main food crops are manioc, yams, corn, sorghum, beans, rice, sweet potatoes, pawpaws, guavas, bananas, and coconuts. Production estimates for the main food crops for 1999 were yams, 1,771,000 tons; manioc, 2,377,000 tons; corn, 823,000 tons; sorghum, 154,000 tons; rice, 36,000 tons; dry beans, 94,000 tons; sweet potatoes, 67,000 tons; and millet, 34,000 tons. Benin is self-sufficient in food crops, given favorable weather conditions.

Palm products were long Benin's principal export crop, but in recent years cotton has increased in importance, with production increasing tenfold since 1981. Despite improved production, however, cotton storage and ginning capacity are still insufficient. Production of most cash crops fell between the 1970s and 1980s because of drought and state mismanagement. Cotton is grown on some 175,000 hectares (432,400 acres), and the crop is managed by the National Agricultural Society for Cotton. Cotton production was 175,000 tons in 1999, up from 76,000 tons in 1991. Peanut production has also recently become important; in 1999, 121,000 tons of shelled groundnuts were produced from 145,000 hectares (359,000 acres). These statistics are distorted by the smuggling of cash crops to and from Nigeria, depending on which country's prices are more attractive. Some 400,000 hectares (990,000 acres) of natural palms are exploited, and there are 30,000 hectares (74,000 acres) of palm plantations, the largest of which is managed by SOBEPALH, a government enterprise producing palm oil and cottonseed oil. Palm oil production was 10,000 tons in 1999 and palm kernel output was 14,000 tons. Other crops with their 1999 production figures were cashews, 10,000 tons; bananas, 13,000 tons; mangoes, 12,000 tons; and coconuts, 20,000 tons.

[23]ANIMAL HUSBANDRY

In 1999 there were an estimated 1,345,000 head of cattle; 634,000 sheep; 1,087,000 goats; 470,000 hogs; and 29 million chickens. Most of Benin's cattle are in the north beyond the main trypanosomiasis (sleeping sickness) zone inhabited by the tsetse fly, but there is also a small hardy type in the lagoon area. Horses are rare owing to the ravages of trypanosomiasis. Poultry are mainly confined to the south of the country.

Estimated output of livestock products in 1999 included 23,000 tons of beef and veal; 6,000 tons of sheep and goat meat; and 6,000 tons of pork. Although the livestock population had increased by 40% in the 1990s, Benin still imported substantial amounts of meat and poultry to meet local demand.

[24]FISHING

Ocean fishing, which had been carried on largely by Ghanaian fishermen, is gaining importance at Cotonou (where a fishing port was opened in 1971) and other coastal centers. Under an agreement with the Senegal government, Senegalese fishermen introduced deep-sea-fishing methods to the Beninese, and a national fishing company was established as a joint venture with Libya. Exports of fish commodities amounted to nearly $2.6

million in 2000. Lagoon and river fishing remain of primary importance; of an estimated catch of 32,324 tons in 2000, 26,400 tons were from inland waters. The production of fish steadily declined during the 1980s due to overfishing and ecological degradation, but started increasing by the mid-1990s.

[25]FORESTRY

There are about 3.4 million hectares (nearly 8.4 million acres) classified as forest and woodland, about 31% of the total land area. Most forests are in northern Benin, and exploitation is subject to public control. Timber production is small. Firewood, charcoal, and building wood for local use are the most important forest products. In 2000, an estimated 6.2 million cu m (218 million cu ft) of roundwood were produced. A project to increase wood production and processing is underway with substantial assistance from Germany. American Peace Corps volunteers are also assisting with the development of the forestry sector, with special attention on the dilemma between ecological balance and fuelwood production.

[26]MINING

With the exception of oil, Benin was relatively poor in mineral resources, all of which belonged to the government. Sedimentary phosphate deposits were located along the Mekrou River in the north. There was low-grade iron ore at Loumbou-Loumbou and Madekali, in the Borgou district, where surveys discovered resources of more than 500 million tons. Development of the hydroelectric power station was seen as a key factor in the future potential development of the iron ore and phosphate deposits. Limestone was quarried for use in cement plants. There was potential for small-scale gold mining in the Atacora gold zone, in the northwest. Other mineral resources included chromium, rutile, and diamonds; small quantities of industrial diamonds were exported. In 2000, the country produced 450,000 tons of hydraulic cement, and 500 kg of gold.

[27]ENERGY AND POWER

Production from the Sémé offshore oil field began in October 1982 by Saga Petroleum, a Norwegian firm working under a service contract. The field yielded 1.35 million barrels of oil in 1991. In 1990, Benin exported an estimated 1.27 million barrels of crude oil. In 1986, the contract was transferred to Pan Ocean Oil (Panoco), a Swiss-based US firm, but loans to Benin from international development agencies were frozen because the company could not furnish satisfactory financial and capability statements; it withdrew, forcing Benin to take over oil production. Reserves, which were estimated at 44 million barrels, were considered sufficient to meet domestic needs, but there is currently no refinery in Benin; consequently, refined petroleum products have to be reimported. In 1991, imports of refined petroleum products amounted to $55 million, or 11% of total imports.

Installed capacity in 2001 was an estimated 94,000 kW. Total domestic power output in 2000 was 240 million kWh, of which hydropower accounted for 83.3% and fossil fuels for the rest. Electricity consumption in 2000 was 523.2 million kWh. An agreement was signed with Togo and Ghana in 1967 under which Benin receives low-cost electric power from the Akosombo Dam on the Volta River in Ghana. Electricity imports in 1998 were estimated at 270 million kWh. Togo and Benin are constructing a dam on the Mono River, along the Togo border, that will feed a power station to supply the southern regions of both countries.

[28]INDUSTRY

Benin's industrial sector accounted for about 14% of GDP in 2001, centering primarily on construction materials, chemical production, textiles, and the processing of agricultural products. Enterprises such as the Onigbolo cement factory and the Savé sugar refinery have characterized Benin's industrial sector. Production of crude steel ceased in 1993, while production of crude oil tapered off from 8,000 barrels per day during the 1980s, to 5,000 barrels per day during the 1990s. The Sémé oil field near Cotonou was shut down in 1998, but there were plans to redevelop it. The Sémé gas reserves total 80 billion cubic feet. Refined petroleum is imported from neighboring Nigeria. Benin is one of the countries involved in the planned $500 million, 620 km (385 mile) West African natural gas pipeline to run from Nigeria to Côte d'Ivoire. Gas delivery from the pipeline is expected to begin in 2005. A textile factory at Parakout was revitalized with financing from the West African Development Bank. Benin's industrial electricity needs are met by hydroelectric power from Akosombo dam in Ghana and the Nangbeto dam on the Mono River in Togo. The Société Beninoise d'Electricité et d'Eau (SBEE) controls most electrical production within Benin (which is minimal), and the Communauté Electrique du Benin (CEB) imports the electricity from Ghana through Togo.

Together with other countries belonging to the West African Economic and Monetary Union (WAEMU), Benin adopted the common external tariff in 2000, which was designed to encourage domestic production. Sonapra is the state-owned cotton enterprise, and revenues from the cotton sector are substantial. There are no plans to privatize Sonapra. The state-owned oil company, Sonacop, was privatized in 1999. Cement, textile, tobacco, and public transportation enterprises have been privatized in recent years, in addition to breweries.

[29]SCIENCE AND TECHNOLOGY

Much of the scientific and technical research conducted in Benin is directed toward agriculture and is supported by France. The Benin Office of Mines, which is attached to the Ministry of Industry, Trade, and Tourism, is located at Cotonou; the Institute of Applied Research, founded in 1942, is at Porto-Novo. The National University of Benin in Cotonou has faculties of scientific and technical studies, health sciences, and agriculture. In 1987–97, science and engineering students accounted for 18% of college and university enrollments. In the early 1990s, over 50 technicians and nearly 200 scientists and engineers per million population were engaged in research and development.

[30]DOMESTIC TRADE

The economy is based primarily on agriculture; however, Benin is an important West African trading center as well. Except in Cotonou and Porto-Novo, retailers deal in a wide variety of goods rather than specializing in a few products. In the two larger towns, some shops specialize in such lines as dry goods, foodstuffs, and hardware. In the smaller towns, bazaars and individual merchants and peddlers deal in locally grown products and a few imported items. Domestic trade is generally on a cash basis, but in the countryside barter is common. Advertising is not widely used.

Many small business are privately owned by Beninese residents, but a number of enterprises are held by foreigners, particularly French nationals. Since 2001, there has been a somewhat reluctant effort on behalf of the government for greater privatization of industries such as telecommunications, utilities, and agriculture.

Business hours are from 9:30 AM to 1 PM and from 4 to 7 PM Monday through Friday, from 3 to 7 PM on Saturday, and from 9 to 11 AM on Sunday. Banks are open on weekdays from 8 to 11 AM and 3 to 5 PM Monday through Friday.

[31]FOREIGN TRADE

Benin consistently runs a trade deficit. The leading exports are cotton, uranium and thorium ores, cottonseeds, and cigarettes. Leading imports are foodstuffs, petroleum products, beverages, tobacco, capital goods, and light consumer products.

Principal trading partners in 1999 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Brazil	41	5	36
India	32	16	16
Indonesia	21	8	13
Thailand	11	23	-12
Bangladesh	10	n.a.	
United States	9	43	-34
Pakistan	9	6	3
Spain	7	32	-25
France	3	185	-182
China (inc. Hong Kong)	3	43	-40
Germany	2	28	-26
United Kingdom	2	33	-31
Côte d'Ivoire	2	88	-86

32BALANCE OF PAYMENTS

Large annual transfers from the French government and other sources are necessary for Benin to offset its chronic trade deficit. As producer prices declined in the late 1980s, Benin's export revenues fell sharply. By 1989 and 1990, foreign aid matched export earnings. Benin's current account deteriorated sharply from the years of high prices for crude oil exports, and since oil production slowed down in the 1990s. A growing dependence on imports also increased the deficit, but official statistics do not include substantial amounts of informal trade flows to neighboring countries. The total percentage of debt service over exports in 1998 was 9.6%.

Benin accepted an IMF structural adjustment program in the early 1990s. The IMF formula called for modest real GDP growth, reducing public sector employment, improving tax collection and privatizing of public-sector enterprises. In addition, Benin's government initiated tariff reforms and lifted price controls. While debt cancellations by the US and France helped bring the debt-service ratio down to 7.0%, Benin still has a serious debt problem that has only partially been resolved.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Benin's exports was $353 million while imports totaled $437.6 million resulting in a trade deficit of $84.6 million.

The International Monetary Fund (IMF) reports that in 2000 Benin had exports of goods totaling $392 million and imports totaling $516 million. The services credit totaled $136 million and debit $192 million. The following table summarizes Benin's balance of payments as reported by the IMF for 2000 in millions of US dollars.

Current Account	**-111**
Balance on goods	-124
Balance on services	-56
Balance on income	-12
Current transfers	81
Capital Account	**73**
Financial Account	**11**
Direct investment abroad	-8
Direct investment in Benin	64
Portfolio investment assets	6
Portfolio investment liabilities	1
Other investment assets	25
Other investment liabilities	-76
Net Errors and Omissions	7
Reserves and Related Items	-87

33BANKING AND SECURITIES

In 1959, the Central Bank of the West African States (Banque Centrale des États de l'Afrique de l'Ouest-BCEAO) succeeded the Currency Board of French West Africa and Togo as the bank of issue for the former French West African territories. In 1962, it was reorganized as the joint note-issue bank, and in 2000 included Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. BCEAO notes, known as CFA francs, are unreservedly guaranteed by France. Foreign exchange receipts of the member states go into the franc area's exchange pool, which in turn covers their foreign exchange requirements.

In December 1974, the government nationalized the banking sector, amalgamating the three main commercial banks into the Commercial Bank of Benin. There is also the Benin Development Bank. Other commercial banks include the Bank of Africa Benin, Banque Internationale du Benin, Ecobank-Benin, the Financial Bank, Equibail-Benin, Credit du Benin, Continental Bank Benin, and Credit Promotional Benin.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $548.1 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $734.7 million. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4.95%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

There is no securities market in Benin.

34INSURANCE

Insurance companies were nationalized in 1974, and the National Society of Insurance and Reinsurance (SONAR) is the state agency.

35PUBLIC FINANCE

Benin has both an ordinary and a development budget. High personnel costs have been a continuing problem in Benin, which has a surfeit of civil servants. Many government-backed enterprises are near bankruptcy and some are barely functioning. The fiscal year follows the calendar year.

Most investment expenditure is financed by foreign loans and grants. During the 1980s, the external debt nearly tripled, and stood at $909 million by 1988. In 1989, the government rescheduled its arrears through the Paris Club. Since 1991 Benin has been implementing a structural adjustment program supported by the World Bank. The program calls for reduced fiscal expenditures, deregulation of trade, and the privatization of money losing state-owned enterprises. Economic aid amounted to $265 million in 2003, although Benin was eligible to receive debt relief under the Heavily Indebted Poor Countries (HIPC) initiative.

The US Central Intelligence Agency (CIA) estimates that in 2001 Benin's central government took in revenues of approximately $337.4 million and had expenditures of $561.8 million. Overall, the government registered a deficit of approximately $224.4 million. External debt totaled $1.18 billion.

36TAXATION

Indirect taxes provide almost 60% of government revenues, and direct taxes, about 25%. The corporate tax rate had been reduced to 35% from 38% in 2003. The top marginal rate for personal income tax was reported to have increased to 60% in 2003, from 35%, although the marginal rate for the average taxpayer was 6%.

A value-added tax (VAT) with a standard rate of 18% was introduced in 1991. In 2003, an estimated three-fourths of VAT collected was collected on imports, despite the fact that most imports, including those pursuant to all government contracts and most investments, are exempt from VAT.

[37]CUSTOMS AND DUTIES

Benin recently enacted a common external tariff, which has eliminated most non-tariff trade barriers. However, the customs process is flawed and inefficient, making importation more difficult than it should be. Port security has been an issue of pressing concern in recent years, with theft a major problem. Bonded warehouses are available, but difficult to come by. A port police was established in 1999 to combat the crime problems, but it has yet to have an impact on the situation.

[38]FOREIGN INVESTMENT

With government privatization of the nationalized industrial sector well under way, the 1980s–90s were a period of considerable investment activity in Benin. In the financial sector, Rasmal Finance, a Swiss banking interest backed by American Express and Citicorp; Ecobank, based in Togo and correspondent for the Midland Bank; the Bank of Africa, a Malian financial interest; and the Banque Internationale de Bénin, a Nigerian consortium, have operated in Benin since 1989.

Rothmans-UK invested in the formerly state-run cigarette factory. An American private investor has entered the steel industry, manufacturing reinforcing bars and roofing materials. While current oil reserves are negligible, investments in further exploration possibilities offshore have been considerable. Formerly state-owned cement, auto parts, and stationery supply operations have also been privatized. La Beninoise (brewery) brought US$13.7 million; Sotraz (public transportation), brought US$73,752. In terms of legislation, Benin adopted an investment code in 1990 designed to attract private sector investment. The Beninese government requires that nationals partly own privatized companies.

Foreign direct investment (FDI) in Benin has been steadily increasing since 1997, rising from $26 million in 1997 to $131.2 million in 2001.

[39]ECONOMIC DEVELOPMENT

Benin's economic development program is conducted within the context of a 2000–2004 International Monetary Fund (IMF) Poverty Reduction and Growth Facility (PRGF), and the Heavily Indebted Poor Countries (HIPC) Initiative with the IMF and the World Bank, for which Benin reached the completion point in 2003. The devaluation of the CFA (Communauté Financière Africaine) franc, the local currency, in 1994, made imports more expensive and brought the CFA Fr closer in value to the Nigerian currency. This was meant to inhibit imports while stimulating local production and raw material exports, but little progress was made in these areas by 2003. A privatization policy was enacted in 2001, and there were hopes privatization would be carried out in the areas of telecommunications, water, electricity, and agriculture. As of 2003, a joint hydroelectric project was planned with Togo, which would reduce Benin's energy dependence upon Ghana.

[40]SOCIAL DEVELOPMENT

A social insurance system provides benefits to employed persons with a special system for public employees. It is funded by contributions from employees and employers. It provides pensions for old age, disability, and survivorship. Maternity benefits, worker's compensation, and a family allowance program, financed entirely by employers, are also offered. The majority of the population, however, are self-employed or work in the agricultural sector and fall outside the scope of these programs.

Although the law provides for equality for women, they are victims of discrimination in most areas of society. Domestic violence and spousal abuse are common and the police generally hesitate to interfere. Female circumcision, also known as female genital mutilation, remains legal and is still widely practiced in Benin. This practice is both physically and psychologically harmful to girls and women, and in some cases may cause death. Some traditional practices inflict hardship and violence on children, and child labor remains a serious problem.

Human rights are somewhat protected in Benin. Reports of killings and beatings by police, arbitrary arrests and detentions continue.

[41]HEALTH

Most serious epidemic diseases have been brought under control by mobile health units and other facilities. Yaws has been almost totally eradicated in the northern part of the country. Sleeping sickness (trypanosomiasis) has also been greatly reduced in the north and yellow fever has all but disappeared. Meningitis, once endemic in the north, now appears only sporadically and measures against tuberculosis have been intensified. In 1999, there were 266 cases of tuberculosis per 100,000 people. In 2002, 203 new cases of cholera were reported. As of 1999, malnutrition was prevalent in an estimated 25% of children under five years old. Access to safe water had improved to 63% by 2000 (between 1990 and 1995, only 20% had access to safe water), but only 23% of the population had adequate sanitation. Estimated average life expectancy in 2000 was 53 years, with an estimated death rate of 5 per 1,000 people in 2002.

As of 1999, there were an estimated 0.1 physician and 0.2 hospital beds per 1,000 people. As of 1999, total health care expenditure was estimated at 3.3% of GDP.

About 16% of married women (age 15 to 49) used contraception in 2000. The maternal mortality rate was estimated at 500 per 100,000 live births in 1998. The infant mortality rate in 1999 was 98 per 1,000 live births. The total fertility rate was 6.4 per woman in 1999. Nearly half of the women in Benin undergo female genital mutilation, which, as of 1996, no law prohibited.

At the end of 2001 the number of people living with HIV/AIDS was estimated at 120,000 (including 3.6% of the adult population). HIV prevalence in 1999 was 0.89 per 100 adults. The government of Benin has set goals of expanding its health care system, upgrading the quality of first referral care, promoting private sector care, and improving public sector care.

[42]HOUSING

Improvement in overall appearance and in sanitation facilities in towns and villages has been fostered by the government. Low-cost housing has been provided by a public corporation backed by French development funds.

Over the past decade, many residents have been looking to build more modern "western" style homes. However, most of the construction materials for such a structure need to be imported, making materials (and labor) too expensive for many residents to consider this an option. In the rural areas, the typical dwelling of northern Benin is a round hut of beaten mud with a conical roof of thatch. In southern Benin, rectangular huts with sloping roofs of palm or straw thatch are more usual. Along the coastal lagoons, houses are often built on stilts.

[43]EDUCATION

During the French colonial period, Benin produced the educational elite of French West Africa. The percentage of primary-school attendance was higher than in any other French West African territory, largely because of intense missionary activity. The educational system is patterned on that of France, but changes have been introduced to modify the elitist system and to adapt the curriculum to local needs and traditions. The most significant change has been the takeover of mission schools following legislation in 1975, by which the state made all education free, public, secular, and compulsory from ages 6 to 11.

Six years of primary education are followed by six years at a general, vocational, or technical secondary school.

Adult illiteracy rates for 2000 are projected at 62.5% (47.8% for males and 76.4% for females). In 1997, primary schools enrolled 779,329 students and employed 13,957 teachers in 3,072 schools. In the general secondary schools, there were 146,135 pupils and 5,352 teachers in the same year. The pupil-teacher ratio for primary education was 53 to 1 in 1999.

The National University of Benin at Cotonou, founded in 1970, offers courses in agriculture, medicine, liberal arts, science, law, economics, and politics. As of 1999, public expenditure on education was estimated at 2.6% of GDP.

44 LIBRARIES AND MUSEUMS

The National Archives and National Library, which has around 35,000 volumes, are in Porto-Novo. Also in the capital are the Institute of Applied Research which maintains a research collection of 8,000 volumes and the Library of the National University of Benin with 40,000 volumes. The French Cultural Center in Cotonou maintains a library of 30,000 volumes. There are historical museums in Abomey and Ouidah, an ethnological museums in Porto-Novo, and Cotonou, and a museum of natural history and ethnography in Parakou. There are monuments and historical sites maintained by the government and three zoos and botanical gardens.

45 MEDIA

Virtually all media in Benin are controlled by the government. The state provides telegraph and telephone service and government-owned radio and television services broadcast in French, English, and 18 indigenous languages. In 2000, there were 51,000 main line phones and 55,500 mobile cellular phones. As of 2000, there were 2 AM and 9 FM radio stations. In 2001, there was only one television station. In 2000, there were 439 radios and 45 television sets for every 1,000 people. There were only two personal computers in use for every 1,000. In 2002, there were four Internet service providers serving about 50,000 users.

In 2002, there was only one daily newspaper. *Ehuzu* (also known as *La Nation*), is the primary government publication, with a daily circulation of about 12,000. Weeklies included *La Gazette du Golfe* (circulation 18,000) and *Le Forum de la Semaine*. Other publications included *L'Opinion* and *Tam-Tam Express* (8,000 every other week). All were published in Cotonou. There are also several general interest and a few special interest periodicals

The Constitution of Benin ensures freedom of expression, including speech and the press, and the government is said to respect this freedom.

46 ORGANIZATIONS

The Chamber of Commerce and Industry of Benin is in Cotonou. There are professional organizations for teachers and doctors. There are groups representing Amnesty International and Friends of the Earth.

The Organization of Revolutionary Youth of Benin, founded in 1983, has about 150,000 members from all parts of Benin. The organization has direct relations with all youth-serving ministries of the Government and is affiliated with the Pan African Youth Movement and the World Federation of Democratic Youth. The Scoutisme Béninois is a scouting organization sponsoring both Boy Scouts and Girl Guides. There are also organizations of the YWCA and the Special Olympics.

47 TOURISM, TRAVEL, AND RECREATION

Benin has great potential for tourism, and the government is striving to develop this sector of the economy. The country has a rich cultural heritage, varied scenery, and impressive national parks. However, except for hotels managed by the Sheraton and French PLM chains, the tourist industry remains underdeveloped. Cotonou has an international class hotel, the Benin Sheraton, opened in 1982. The Hotel Aledjo, run by the French-PLM chain, also is first class. Less expensive is the Hotel de la Plage. In the north, the PLM runs an excellent hotel in Natitingou—the Tata-Somba. There is a good hotel in Parakou (Les Routiers). For trips to the Pendjari game park, there is a small (21-room) hotel in Porga. Abomey also has an adequate hotel. In 1993, there were 2,255 hotel rooms, with 4,741 beds and a 32% occupancy rate. In 1998 there were 575,000 visitor arrivals, and tourism payments totaled $33 million.

Tourist attractions include the lake village of Ganvie, two game parks in the north, the ancient royal city of Alromey, several museums, and beaches. Hunting lodges have been built to foster safaris in the two national parks, where strenuous efforts have also been made to preserve wild game. In the south are picturesque villages built on stilts over the waters of the coastal lagoons. Visitors must have a passport, a visa, and proof of vaccination against yellow fever. In 2000, the US Department of State estimated the daily cost of staying in Cotonou about $139 per day, depending on the choice of hotel. In other regions, the cost can vary from as low as $50 to $90 per day.

48 FAMOUS BENINESE

Perhaps the most famous historical ruler in the area now known as Benin was Béhanzin (d.1906), who was king of Abomey from 1889 until he was defeated by the French in 1894. The best-known modern Beninese are the political leaders Hubert Maga (1916–2000); Sourou-Migan Apithy (1913–1989); Justin T. Ahomadegbé (b.1917); and Brig. Gen. Ahmed Mathieu Kérékou (b.1933). Nicephore Soglo (b.1935), a former World Bank economist, was elected president in 1991 in Benin's first multiparty presidential election. In 1996, he lost his bid for reelection to Kérékou in a runoff.

49 DEPENDENCIES

Benin has no territories or colonies.

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BOTSWANA

Republic of Botswana

CAPITAL: Gaborone

FLAG: The flag of Botswana consists of five horizontal stripes. The top and bottom stripes are light blue and wider than the middle stripe, which is black. The blue stripes are separated from the black by thin white stripes.

ANTHEM: *Fatshe La Rona (Blessed Country).*

MONETARY UNIT: On 23 August 1976, the pula (P) of 100 thebe replaced the South African rand (R) as Botswana's legal currency. There are coins of 1, 2, 5, 10, 25, 50 thebe and 1 pula, and notes of 2, 5, 10, 20, 50 and 100 pula. P1 = $0.2028 (or $1 = P4.93) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; President's Day, 15 July; Botswana Days, 30 September–1 October; Christmas, 25 December; Boxing Day, 26 December. Movable holidays include Good Friday, Easter Monday, and Ascension.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

A landlocked country in southern Africa, Botswana has a total area of 600,370 sq km (231,802 sq mi), extending 1,110 km (690 mi) NNE–SSW and 960 km (597 mi) EWE–WNW. Comparatively, the area occupied by Botswana is slightly smaller than the state of Texas. It meets Zambia at a point in the N and is bordered on the NE by Zimbabwe, on the SE and S by South Africa, and on the W and N by Namibia, with a total boundary length of 4,013 km (2,494 mi).

[2]TOPOGRAPHY

The country is a broad tableland with a mean altitude of 1,000 m (3,300 ft). A vast plateau about 1,200 m (4,000 ft) in height, extending from near Kanye north to the Zimbabwean border, divides the country into two distinct topographical regions. The eastern region is hilly bush country and grassland (veld). To the west lie the Okavango Swamps and the Kalahari Desert. The only sources of year-round surface water are the Chobe River in the north, the Limpopo in the southeast, and the Okavango in the northwest. In seasons of heavy rainfall, floodwaters flow into the Makgadikgadi Salt Pans, Lake Ngami, and Lake Xau.

[3]CLIMATE

Most of the country has a subtropical climate, with cooler temperatures prevailing in the higher altitudes. Winter days are warm and nights are cool, with heavy frost common in the desert. Temperatures range from average maximums of 33°C (91°F) in January and 22°C (72°F) in July to average minimums of 18°C (64°F) in January and 5°C (41°F) in July. In August begin the seasonal winds that blow from the west and carry sand and dust across the country. Rainfall normally averages 45 cm (18 in) but ranges from 69 cm (27 in) in the north to less than 25 cm (10 in) in the Kalahari; drought conditions prevailed in the early and mid-1980s.

[4]FLORA AND FAUNA

Although about 90% of Botswana is covered by some kind of savanna, even the Kalahari Desert contains adequate vegetation to support tens of thousands of wild animals. Common trees are the mopane, camel-thorn, motopi (shepherd's tree), and baobab. Botswana is a natural game reserve for most animals found in southern Africa, including lions, leopards, cheetahs, elephants, giraffes, zebras, hippopotamuses, rhinoceroses, African buffalo, hyenas, and 22 species of antelope. The duiker (a small, horned antelope), wildebeest (gnu), and springbok (gazelle) are familiar. Five of the country's 164 species of mammals were threatened as of 2000. Also indigenous to Botswana are an estimated 386 bird species, seven of which were threatened as of 2000.

[5]ENVIRONMENT

Overgrazing due to the rapid expansion of the cattle population is a continuing threat to the vegetation and wildlife of Botswana. There are five game reserves, three game sanctuaries, and 40 controlled hunting areas. About 18% of the land has been set aside as national parks and game reserves. Natural hazards to the environment include seasonal winds from the west that blow sand and dust across the country.

Botswana has a very limited water supply that is inadequate for its increasing population, and the nation's water shortage is exacerbated by periodic droughts. One major factor in Botswana's water supply problem is that 68% of the country is part of the Kalahari desert. The country has 2.9 cu km of renewable water resources, 46% of which is used for farming. Almost all of Botswana's urban dwellers and 90% of its rural people have access to safe water.

In a total of 164 species of mammals, five are endangered, including the black rhinoceros, the African hunting dog, and the African savannah elephant. Burchell's zebra has become extinct. Seven bird species of 386 are also endangered. Four plant species in a total of 2,800 are threatened with extinction.

6 POPULATION

The population of Botswana in 2003 was estimated by the United Nations at 1,785,000, which placed it as number 144 in population among the 193 nations of the world. In that year approximately 4% of the population was over 65 years of age, with another 41% of the population under 15 years of age. There were 96 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 0.85%, with the projected population for the year 2015 at 1,712,000. The population density in 2002 was 3 per sq km (7 per sq mi). Nearly 80% of the population lives on the better soils of the eastern strip of the country.

It was estimated by the Population Reference Bureau that 50% of the population lived in urban areas in 2001. The capital city, Gaborone, had a population of 254,000 in that year. Other cities and their populations are Mahalapye, 104,450; Serowe, 95,041; Tutume, 86,405; Bobonong, 55,060; Francistown, 52,725; Selebi-Phikwe, 49,542; Boteti, 32,711; and Lobatse, 26,841. According to the United Nations, the urban population growth rate for 2000–2005 was 2.2%.

The prevalence of AIDS/HIV has had a significant impact on the population of Botswana. The United Nations estimated that 38.5% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

7 MIGRATION

At least 50,000 Botswanans are working in South Africa at any particular time. In 1991, 21,468 South African residents were listed as born in Botswana. Botswana had some 500 refugees at the end of 1992, about 40% from South Africa. In 1998, the United Nations High Commisionerfor Refugees (UNHCR) had been planning to phase out its Botswana office by the end of the year. However, in October 1998 the influx of 2,500 asylum-seekers from the Caprivi region of Namibia provided them with an urgent new caseload. As of 1999, the repatriation plan to return the Namibian refugees had been temporarily halted, due to a deterioration of the situation in the Caprivi region. UNHCR was also working with the government to ensure that by the end of 1999 the naturalization of some 250 Angolan refugees would be completed. In 2000, the net migration rate was -0.6 per 1,000 population. There were 52,000 migrants living in Botswana in that year, including 3,600 refugees. The government views the immigration level as too high.

8 ETHNIC GROUPS

The population, predominantly of Tswana stock (79%), is distributed among eight tribes, Batswana being the largest. The others include Bamangwato, Bakwena, Bangwaketsi, Bakgatla, Barolong, Bamalete, and Batlokwa. The next largest single group of indigenous peoples is the Kalanga, which accounts for about 11% of the population. There are about 3% Basarwa (Bushmen). There are a small number of Kgalagadi. In 1998, non-Africans constituted only 1% of the population.

9 LANGUAGES

English is the official language. Setswana, however, is spoken by most Botswanans.

10 RELIGIONS

It is presently estimated that about one-half the population follows traditional African religions while most of the rest are nominally Christian. Anglicans, Methodists, and the United Congregational Church of Southern Africa—formerly the London Missionary Society—claim the largest numbers of Christian followers. There are also congregations of Lutherans, Roman Catholics, the Church of Jesus Christ of Latter-Day Saints, Seventh-Day Adventists, Jehovah's Witnesses, Baptists, the Dutch Reformed Church, Mennonites, and other Christian denominations. About 1% of the population is Muslim and about 1% is Hindu. Freedom of religion is constitutionally guaranteed. Certain Christian holidays are officially observed.

11 TRANSPORTATION

In 2002, Botswana had 10,217 km (6,349 mi) of roads, of which 5,620 km (3,492 mi) were paved. Bituminous roads have been extended to the Zambian and Zimbabwean borders, thereby reducing Botswana's economic dependence on South Africa. There were some 154,300 registered motor vehicles in 2000, of which 135,700 were passenger cars and 18,600 commercial vehicles.

The main railroad from Cape Town in South Africa to Bulawayo in Zimbabwe runs through Botswana for a distance of 641 km (398 mi), connecting Lobatse, Gaborone, and Francistown. Two branch lines totaling 71 km (44 mi) connect the coal field of Morupule and the copper-nickel complex at Selebi-Phikwe with the main line; these lines are owned by Botswana but operated by National Railways of Zimbabwe. In 1991, a new 165 km (103 mi) spur connecting Sua Pan to Francistown was completed, at a cost of $45 million. Botswana had a total of 888 km (552 mi) of railways in 2002.

In 2001 there were 92 airports, ten of which are paved. The government-owned Air Botswana operates scheduled flights to Francistown, Gaborone, Maun, and Selebi-Phikwe. There is international service to Johannesburg, South Africa; Mbabane, Swaziland; and Harare, Zimbabwe. A new international airport near Gaborone was opened in 1984. Air passengers arriving and departing Botswana during 2001 totaled 168,000.

12 HISTORY

According to tradition, the founder of the Batswana tribe was a 14th-century chief named Mogale. His great-great-grandson Malope had three sons, Kwena, Ngwaketse, and Ngwato, who became the chiefs of the major tribes that now inhabit Botswana.

The foundations of the modern state lie in the 1820–70 period, when the Batswana suffered many tribulations at the hands of the Matabele. In 1872, Khama III became chief of the Bamangwato. He was the son of Chief Sekgoma, the only Batswana chief who had succeeded in turning back the Matabele. Up to that time, the Batswana had no permanent contact with Europeans, except for the missionaries Robert and Mary Moffat and David Livingstone, who had established missions in the first half of the 19th century. But with increased exploration and the partition of southern Africa among the European powers, hostility developed between the Batswana and the Boer trekkers from the Transvaal. Khama III appealed to the UK for assistance, and in 1885 the whole of what was then known as Bechuanaland was proclaimed to be under the protection of Queen Victoria. The territory south of the Molopo River was constituted a crown colony called British Bechuanaland, and in 1895 it was incorporated into South Africa. The northern part of the territory, the Bechuanaland Protectorate, remained under the protection of the British crown, the powers of which, beginning in 1891, were exercised by the high commissioner in South Africa. The South African Act of Union of 1909, which created the Union (now Republic) of South Africa, provided for the eventual transfer to South Africa of Bechuanaland and the two other High Commission Territories, Basutoland and Swaziland, despite their requests to the contrary. The provision was dropped in 1961, after the withdrawal of South Africa from the Commonwealth.

The first significant political progress was made in 1921–22 with the creation of European and African advisory councils, added to which was a joint advisory council. In 1961, executive and legislative councils were created. A major step on the road to independence was taken in 1965 with the implementation of

Bechuanaland's self-government constitution under Seretse Khama, the former chief-designate of the Bamangwato, who had become prime minister after Bechuanaland's first general elections. Final constitutional talks were held in London in February 1966, and on 30 September 1966, under the leadership of President Khama, the newly named Republic of Botswana came into being.

On 18 October 1969, the Botswana Democratic Party (BDP), under the leadership of Sir Seretse Khama, was returned to power in the general elections, and he was sworn in for a second term as president on 22 October. Khama was reelected president after the BDP won 27 out of 32 regular elective seats in the National Assembly in national elections held on 26 October 1974. During this first decade of independence, Botswana refused to support UN sanctions against South Africa because, although officially opposed to apartheid, Botswana recognized its own economic dependence on South Africa. Following the 1969 elections, President Khama banned the import of goods from the white minority regime in Rhodesia (now Zimbabwe). Tensions were high in the 1970s as Botswana harbored 20,000 refugees from Rhodesia, and Rhodesian forces several times crossed into Botswana on "hot pursuit" raids against guerrillas.

In elections held in October 1979, the BDP won 29 of the 32 elective seats, and Khama was elected to a fourth presidential term. He died in 1980 and was succeeded by Vice President Quett Ketumile Joni Masire, who was elected to a full five-year term on 10 September 1984. Masire was reelected on 7 October 1989 and the BDP won 31 and the BNF 3 of the elected assembly seats.

South Africa repeatedly, but fruitlessly, pressed Botswana to sign a mutual-security agreement, and it accused Botswana of harboring insurgents opposed to the Pretoria regime and allowing them to mount acts of terrorism and sabotage against South Africa, a charge Botswana denied. An attack by South African commandos on 14 June 1985, aimed at South African refugees, killed at least 15 people in Gaborone. Further South African border violations and attacks on targets in Botswana took place during 1986, but such incursions had ended by 1988 and in 1992 the two countries established formal diplomatic relations.

Before the 1994 legislative elections, the assembly was expanded to 44 seats, 40 of which would be elected, with the majority party given the right to appoint the remaining 4 seats. The opposition maneuvered before the election, attempting to form a broad coalition to unseat the BDP, which had so dominated the country since independence. Many opposition politicians insisted on electoral reforms, specifically the introduction of absentee balloting (20% of the population is migrant workers) and the lowering of the voting age from 21 to 18. On 15 October the elections were held and, as expected, the BDP won a significant majority of seats in the assembly. The assembly named Masire president on 17 October. In November 1995, amidst worsening economic conditions and civil unrest, the government announced constitutional reforms, which limited the president to two terms, although a stipulation was added that the rule would not apply to the sitting president. The voting age was also lowered to 18, but no action was taken to introduce absentee balloting.

On 1 April 1998, Festus Mogae succeeded Quett Masire after the latter stepped down. Mogae was subsequently elected president in the 16 October 1999 polls with 54.3% of the National Assembly vote. He has faced a number of issues such as environmental degradation, the need to diversify the economy, and political power struggles within the ruling party. With the backing of Mogae, Vice-President Lt-Gen. Seretse Ian Khama was expected to challenge BDP national chairman, Ponatshego Kedikilwe, for the chairmanship of the party at the BDP's biannual congress in July 2003. Pundits ventured that if Kedikilwe won there would be a strong possibility that he would challenge and beat Mogae for the presidency in 2004. However, a Mogae victory in July would virtually assure him of serving a second and final term in office.

Political and economic challenges have taken a back seat to the HIV/AIDS pandemic. Approximately 38.5% of 15–49 year olds is infected—the highest adult prevalence rate in the world. The government's goal was to have no new infections by 2016, and Botswana has been commended for being the first country in Africa to widely distribute antiretroviral drugs through its public health system.

[13] GOVERNMENT

Under the 1965 constitution, as subsequently modified, Botswana is a republic. It is Africa's longest continuous multiparty democracy. The president is the chief of state, chief executive, and commander-in-chief of the armed forces. He is elected by a simple majority of the National Assembly. The president appoints a cabinet from among the National Assembly members, including the vice president, who also serves as a cabinet minister. The president also has the power to declare war, and he can summon or dissolve the National Assembly at any time. He can veto any bill, but if it is passed again within six months, he must either sign it or dissolve the Assembly.

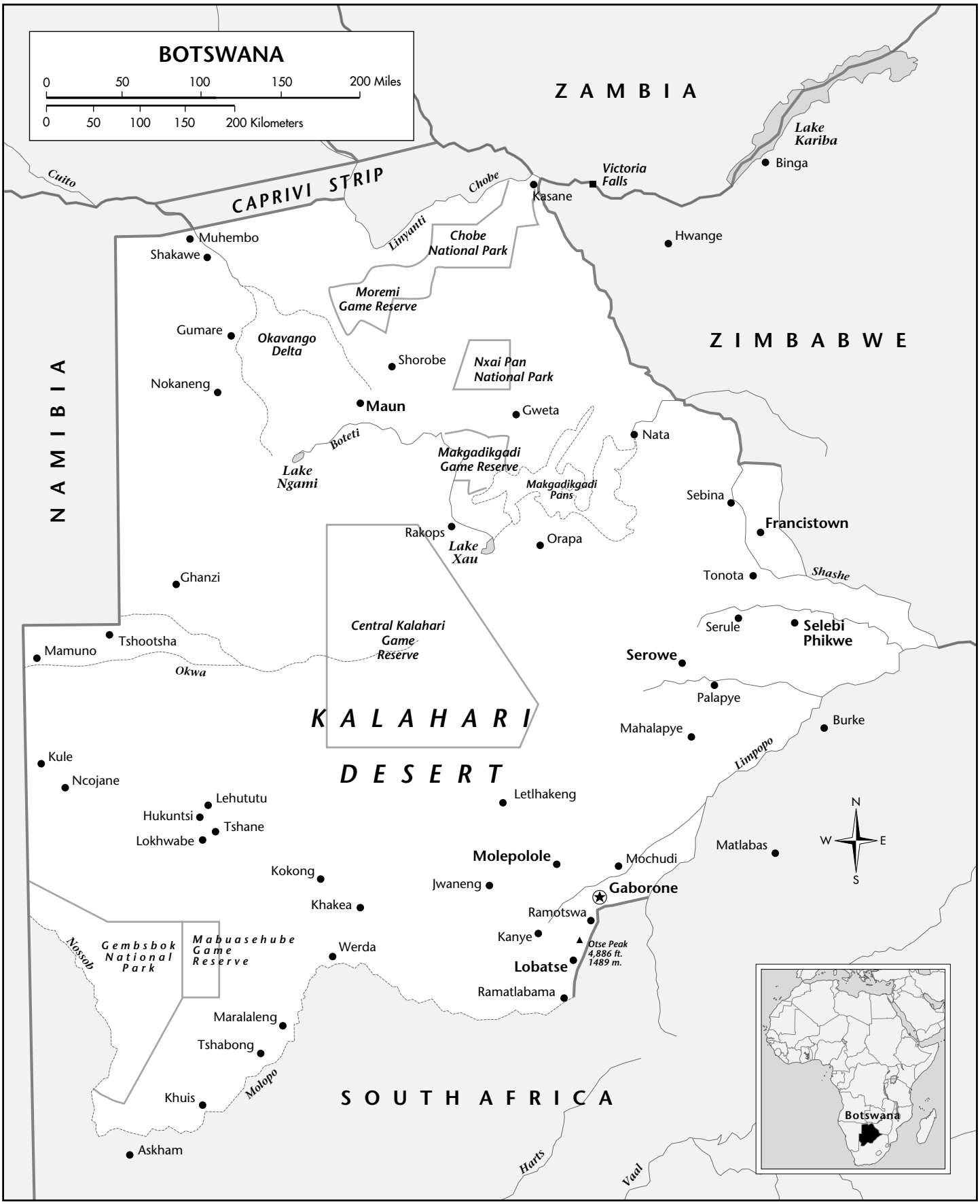
The bi-cameral parliament consists of a National Assembly and a House of Chiefs. The National Assembly comprises 44 seats—40 are directly elected members and 4 are appointed by the majority party. After a no-confidence vote, the Assembly must be dissolved, or the president must resign. The House of Chiefs is largely advisory and consists of the chiefs of the eight principal tribes, four chiefs elected from minority districts, and three others elected by the House. Any proposed bill relating to matters of tribal concern must be referred to the House of Chiefs before the Assembly can pass it. It was chaired by Chief Seepapitso IV as of 1997. All citizens of Botswana aged 18 and over are eligible to vote. Both the President and members of parliament are elected for five-year terms.

[14] POLITICAL PARTIES

Botswana has had multiparty competition since independence, although the Botswana Democratic Party (BDP) founded in late 1961 as the Bechuanaland Democratic Party by Seretse Khama, has won every election since 1966. The BDP gained prominence by advocating a gradual approach to independence through democracy, nonracialism, and a multiparty state. While maintaining opposition to apartheid, the BDP acknowledged Botswana's economic dependence on South Africa and the need to maintain friendly relations. Other parties included the Botswana People's Party (BPP), founded in 1960; the Botswana Independence Party (BIP), founded in 1964 under the leadership of Motsamai Mpho; and the Botswana National Front (BNF), which put up its first candidates in 1969.

In the March 1965 elections, the BDP won 28 of the 31 contested seats, and the BPP took the other 3. Seretse Khama became prime minister and appointed Quett Masire as deputy prime minister. Under the transitional constitutional provisions for the immediate postindependence period, they automatically acceded to the offices of president and vice president, respectively. The members elected to the Legislative Assembly in 1965 continued to hold office in the new National Assembly. The first postindependence elections were held on 18 October 1969; the BDP won 24 seats, the BPP 3 seats, the BNF 3 seats, and the BIP 1 seat (only 31 seats were contested).

In the elections of 26 October 1974, the ruling BDP raised its total of elective seats to 27, while the BNF won 2 seats, the BPP 2, and the BIP 1. In the elections of October 1979, the BDP won 29 seats, the BNF 2, and the BIP 1. In elections held in September 1984, the BDP won 29 seats, the BNF 4, and the BPP 1. The division in the October, 1989 elections was BDP 31 and BNF 3. Since then, the opposition parties, largely concentrated in urban



LOCATION: 17°47′ to 26°54′ S; 20° to 29°21′ E. BOUNDARY LENGTHS: Zimbabwe, 813 kilometers (505 miles); South Africa (including Bophuthatswana), 1,778 kilometers (1,105 miles); Namibia (South West Africa), 1,461 kilometers (908 miles). LOCATION: 17°47′ to 26°54′ S; 20° to 29°21′ E. BOUNDARY LENGTHS: Zimbabwe, 813 kilometers (505 miles); South Africa, 1,840 kilometers (1,141 miles); Namibia, 1,360 kilometers (843 miles).

areas, formed a common front and threatened to boycott the 1994 elections unless electoral reforms were enacted. Principal among these demands were that the voting age be lowered from 21 to 18 and absentee balloting be allowed—20% of the country's electorate is migrant workers. However, the coalition collapsed before the election and the BNF ran alone, winning 13 of the 40 contested seats, with the BDP taking the rest. The Assembly was enlarged to 44 seats prior to balloting with four seats appointed by the majority.

In the most recent parliamentary elections held on 16 October 1999, the BDP won 33 out of the 40 parliamentary seats. The remaining seats went to the Botswana National Front led by Otswoletse Moupo (six seats) and the Botswana Congress Party led by Mokgweetsi Kgosipula (one seat). A number of minor parties formed a coalition, but did not capture any seats. These were the United Action Party led by Ephraim Lepetu Setshwaelo, the Independence Freedom Party (IFP) led by Motsamai Mpho, and the Botswana Progressive Union (BPU) led by D. K. Kwele.

[15]LOCAL GOVERNMENT

Local government is carried out by 10 district councils and four town councils—Gaborone, Francistown, Lobatse, and Selebi-Pikwe. Executive authority in each district is vested in the district commissioner, who is appointed by the central government. The commissioner is assisted by the district council and the district development committee, which are partly appointed and partly elected. Botswana also has traditional village councils, called "kgotla", which serve as public forums at which villagers can express opinions.

[16]JUDICIAL SYSTEM

The 1965 constitution provides for a high court, a court of appeal, and subordinate first-, second-, and third-class courts. The chief justice, appointed by the president, is chairman of the Judicial Services Commission, which advises the president on the appointment of other judges and magistrates. The African Courts Proclamation of 1961 provides for courts with competence in matters of tribal law and custom, presided over by chiefs and headmen. A court of appeals for such cases was created in 1986. The customary courts handle marital and property disputes as well as minor offenses. The judiciary is independent of the executive and the legislative branches. The legal system is based on Roman-Dutch law and local customary law.

[17]ARMED FORCES

The armed forces of Botswana numbered 9,000 in 2002. The army consisted of 8,500 while the remaining 500 were in the Air Wing. There were also about 1,500 paramilitary police. Military spending in 2001–02 was $135 million, or 3.5% of GDP.

[18]INTERNATIONAL COOPERATION

Botswana became a member of the UN on 17 October 1966 and is a member of ECA and all the nonregional specialized agencies except IAEA and IMO. It is a member of the AU and the WTO, and is a signatory of the Law of the Sea. It belongs to the Southern African Customs Union (with South Africa, Lesotho, Namibia, and Swaziland), and the Preferential Trade Area for East and Southern Africa. Botswana also participates in the African Development Bank, the Commonwealth, G-77, and the Southern African Development Community (SADC), which maintains a secretariat at Gaborone.

[19]ECONOMY

Botswana is regarded by most economists as one of Africa's major success stories. The country's economy was dependent almost entirely on livestock production until the 1970s, when it became an important exporter of diamonds and other minerals. Then, the Botswana Development Corporation, adopting a conservative investment policy, actively sought foreign capital for investments in crop agriculture, tourism, and secondary industries. The rapid growth in diamond production helped Botswana achieve average high economic growth from independence through the early 2000s.

The diamond industry developed in 1971 in cooperation with De Beers Consolidated Mines. Botswana is the world's largest producer of gem diamonds in value terms. It is also the world's most diamond-dependent economy. Diamond production in 2001 stood at over 25 million carats. Botswana also produced copper-nickel matte production, and had significant coal deposits. Botswana had exploitable deposits in platinum, gold, and silver as well. Exploration for petroleum and natural gas deposits has been underway in western Botswana.

In spite of the gains recorded by the mining sector, agriculture employed more than 80% of the labor force in 1999. Provided with inadequate rainfall and poor soil, agriculture supplied only 50% of the country's food needs and accounted for only 4% of GDP. Commercial farms played a critical role in agricultural and livestock production. Of Botswana's total output of sorghum, maize, millet, beans and pulses, 37% was produced by 100 of the 360 commercial farms. Ownership of the national herd of cattle was highly concentrated: 5% of households owned over 50%.

Botswana had the highest rate of economic growth in the world from 1966–1997 (averaging at 9.2%), after which it was adversely affected by the Asian financial crisis. Economic growth was 7.7% in 2000; it had an inflation rate of about 10%. Although Botswana had an advanced infrastructure with good roads, communications, and dependable utilities, there was a general lack of technical and managerial skills among its workers. High rates of unemployment and poverty keep the country from fully sharing its economic success with all its citizens. HIV/AIDS rates are among the highest in the world, with 38.5% of the sexually active population (defined as those between the ages of 15 and 49) being HIV positive. This high prevalence rate is expected to force a greater percentage of the population into poverty.

Botswana was in the process of diversifying its economy in 2003, and was engaged in promoting sustainable development. It was encouraging foreign direct investment in non-mining sectors of the economy, including light manufacturing, tourism, financial services, and pharmaceuticals.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Botswana's gross domestic product (GDP) was estimated at $12.4 billion. The per capita GDP was estimated at $7,800. The annual growth rate of GDP was estimated at 4.7%. The average inflation rate in 2001 was 6.6%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 4% of GDP, industry 44%, and services 52%. Foreign aid receipts amounted to about $17 per capita and accounted for approximately 1% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $1,375. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 2%. Approximately 24% of household consumption was spent on food, 12% on fuel, 2% on health care, and 7% on education. It was estimated that in 2000 about 47% of the population had incomes below the poverty line.

[21]LABOR

The vast majority of the estimated labor force of about one million in 1998 was engaged in stock raising and subsistence agriculture. In 2000, there were 264,000 people in formal sector employment. In 2001, an estimated 40% of the working population was unemployed.

There are well-developed unions in mining, railways, banking, and among blue-collar government workers, all members of the Botswana Federation of Trade Unions. An employment act controls employment contracts, work by women and children, wage guarantees, conditions of work, and paid holidays. The law severely restricts the right to strike. There was a government-set minimum wage of $3.15 per day in 2002. This is well below the amount required to support even a single person, but most earn in excess of the minimum wage. There is a maximum 48-hour workweek and there are minimum safety and health standards but due to lack of resources they are not regularly enforced.

[22]AGRICULTURE

Only about 0.7% of total land area is arable. Crop production is hampered by traditional farming methods, recurrent drought, erosion, and disease. Most of the land under cultivation is in the eastern region. The principal crops for domestic use are sorghum, corn, and millet. Sorghum and corn production in 1999 were 13,000 tons and 5,000 tons, respectively. The sorghum and corn harvests comprise less than 10% of the annual requirement of 250,000 tons. In 2001, Botswana imported 174,198 tons of cereals, valued at almost $53 million. Grain is usually imported from Zimbabwe and South Africa. Smaller quantities of cowpeas, beans, and other pulses are also grown. The 1999 output of all these crops was about 20,000 tons; in addition, 16,000 tons of vegetables and 10,000 tons of fruit were grown.

Agricultural research has been devoted to soil conservation, grazing experiments, and developing and distributing improved strains of grain. The construction of dams and the drilling of boreholes to tap underground water are continuing government programs. In early 1990, the government changed its official agricultural policy to emphasize the production only of those foodstuffs which can be raised economically. The Arable Lands Development Program and the Tribal Grazing Land Policy are government programs designed to help farmers in communal areas.

[23]ANIMAL HUSBANDRY

In 1999, the cattle population was about 2,380,000. Other livestock included 1,835,000 goats; 250,000 sheep; 33,000 horses; 235,000 donkeys; and 4,000,000 poultry. Cattle are valued for wealth and prestige and are used in the payment of bride price, but there is little of the cultural prohibition against selling cattle found in some other parts of Africa. Herds are grazed in the open veld where water and grass are available; the borehole-drilling program is extending the available grazing land. A gradual upgrading of stock quality has been achieved through selective breeding, culling, and controlled grazing. A system of disease-control fences has been installed. A vaccine institute was opened in 1981 to deal with the threat of foot-and-mouth disease. In the mid-1980s, the Botswana Meat Commission's plant at Lobatse was the largest export abattoir in Africa. In 1999, meat production totaled 63,000 tons, with beef accounting for 41,000 tons. Much of Botswana's annual beef production is exported to South Africa and Western Europe. Beef and beef products are Botswana's second largest export earner (after minerals); about 215,000 cattle were slaughtered in 1999. In 2001, exports of live animals earned $1.6 million.

[24]FISHING

Botswana is landlocked, but some fishing for local consumption is carried out by the inhabitants of the Limpopo River Valley and the Okavango region. Landings were estimated at 166 tons in 2000.

[25]FORESTRY

About 47% of Botswana's land area is covered with forests and woodlands. The indigenous forests of northeast Ngamiland include the valuable mukwa, mukusi, and mopane woods. Some small-scale exploitation has taken place. Roundwood production was an estimated 740,000 cu m (26 million cu ft) in 2000.

[26]MINING

Botswana, home to the world's largest gem diamond mine, was the leading producer of diamonds by value. The diamond sector accounted for 33% of GDP in 2000, 45% of government revenues, and 75% of export earnings. Nickel, cobalt, and soda ash production also played significant roles in the economy. The mining and quarrying sector engaged 6% of the workforce in 1999. The northeast contains copper, nickel, and precious metals; the northwest has copper and silver; and the south holds base and precious metals. Other valuable minerals produced included agate, clay, coal, cobalt, gold, salt, sand, silver, soda ash, and construction stone. Major mines were situated in regions with few job opportunities. Diamonds were the most notable area of exploration in 1996, but Botswana's mineral resources were still largely unexplored. Mineral rights (separate from surface rights) were vested in the state. For significant mineral operations, the government usually exercised its legal right to acquire for free an equity interest of 15% to 25%. Royalties are collected on the sales of certain minerals, such as 3% on base metals, 5% on gold, and 10% on diamonds. The 1999 Mines and Minerals Act, designed to promote foreign investment, diversify the economy, and reduce reliance on the diamond industry, continued to vest all mineral rights in the state, but introduced a new "retention license." The government retained an option to acquire up to a 15% interest in new ventures on commercial terms, thus abolishing its previous free equity participation. Favorable geologic environment and mineral investment climate, political stability, and low tax rates should make Botswana a target for foreign mineral investment.

The value of mineral production in 2000 was approximately $2.42 billion, of which diamonds accounted for $2.13 billion, or 88%; copper-nickel-cobalt for $243 million; and soda ash for $26 million. For the major commodities, the value of production was approximately equal to the value of exports. Diamond production increased by 6% in 2000, because the Orapa mine came onstream in May 2000. Copper and nickel production were up by 2%, while heavy rains and flooding of the brine evaporation pans saw salt and soda ash production drop by 20% each. The United Nations sanctions against "conflict diamonds" from civil war zones in Angola, Congo, and Sierra Leone increased the market appeal of diamonds from Botswana.

The government maintained an equity position in most of the major mining companies, but the industry was operated, for the most part, on a privately owned free-market basis. In a 50–50 joint partnership with De Beers Centenary, the government owned Debswana Diamond, the country's largest mining company.

De Beers Botswana Mining (Debswana) and Botswana Concessions (BCL), both partly owned by the government, developed major mineral fields in the eastern and central regions in the 1970s. Starting in 1981, the Debswana diamond mine at Orapa had to stockpile diamonds to halt the decline in world prices. The world's largest gem diamond mine was opened at Jwaneng in 1982, and processing capacity was increased in 1996

by the addition of a fourth treatment line. Jwaneng, the richest diamond mine in Africa, treated 9.24 million tons of ore and recovered 11.52 million carats in 2000 at an average value of $108 per carat. Reserves and resources in Jwaneng's three main kimberlite pipes were reported to be 287.6 million tons at a grade of 143.6 carats per hundred tons. The Letlhakane Mine treated 3.51 million tons of ore and recovered 960,000 carats at an average value of $191 per carat. The Orapa Mine treated 14.68 million tons of ore and recovered 12.17 million carats at an average value of $47 per carat. Total reserves and resources at Orapa were reported to be 652.9 million tons at a grade of 49 carats per hundred tons. Debswana completed an expansion at Orapa in 2000 that was designed to double production to 12 million carats per year and treat an additional 8.9 million tons per year of ore. It was expected to allow production from the open pit for 30 years, with the potential of extending the mine life by another 20 or 30 years by shifting to underground mining. The expanded facilities included a completely automated recovery plant (CARP), a 15-story building in which only X-ray technology is used to recover diamonds and no human picking or sorting is done. Botswana's three most important diamond mines (with 1996 production in carats) were: Jwaneng, 11.2 million; Orapa, 5.6 million; and Letlhakane, 0.9 million. Botswana's diamond output for 2000 was 24.2 million carats, up from 17.4 million in 1996, and reserves were reportedly 300 million carats.

BCL developed a nickel-copper smelter at Selebi-Phikwe in the 1970s and owns the Phikwe, Selebi, and Selebi North mines. National output for mined copper in 2000 was 38,420 tons, up from 25,043 in 1998; for mined nickel, 34,465 tons, up from 21,700 in 1998; and for smelted cobalt, 319 tons, down from 408 in 1996. BCL's smelter produced 62,000 tons of matte that contained 20,977 tons of copper, 24,218 tons of nickel, and 319 tons of cobalt. Reserves were reported at 27 million tons for BCL at a grade of 0.86% copper and 0.84% nickel, and for Tati Nickel's Phoenix Mine, at 46 million tons at a grade of 0.32% copper and 0.56% nickel.

A brine mining and treatment facility at Sua Pan produced 191,043 tons of soda ash in 2000, down from 233,643 in 1999, and 184,755 tons of salt, from natural soda ash, down from 233,069 in 1999, both declines resulting from heavy rains in early 2000. The country produced an estimated 80,000 kg of other precious gemstones, principally agate, in 2000, up from 38,000 in 1998. Gold output declined to 4 kg in 2000, from 28 in 1997. Analysis of 103 holes drilled through 2000 by Gallery Gold identified inferred mineral resources of 5.84 million tons of mineralization at a grade of 3 grams per ton, equal to 17,300 kg.

[27]ENERGY AND POWER

Most electric power is generated thermally in installations run by the Botswana Power Corp., a public enterprise established in 1970. Electric generating capacity consists of the 132 MW Morupole coal-fired plant and the 60 MW coal-fired plant at Selebi-Phikwe. Total installed capacity at the beginning of 2001 was 0.217 million kW. Net production of electricity in 2000 was 0.5 billion kWh, about 15 times the 1972 output, all provided by fossil fuels. In the same year, consumption of electricity totaled 1.5 billion kWh. Coal production was 880,000 tons in 1998, and met nearly the entire national demand. Coal is mined solely at Morupole by Anglo American, mostly for the generation of electricity. The government is considering constructing a coal-fired power plant at the same coal field, which would be designed to export power to South Africa beginning next century.

Several companies are prospecting for oil, but none had been discovered as of 1999. Petrocanada has an exploratory well in the western Kalahari. Amoco has studied the possibility of extracting methane from coal beds.

[28]INDUSTRY

Botswana has a small, but dynamic, manufacturing sector, which contributed approximately 5% to GDP in 2001. Average growth in this sector during the 1990s was 3.8%, and it is seen in the early 2000s as having the most growth potential in the country. The sector has diversified into textiles, beverages, chemicals, metals, plastics, and electrical products. The government parastatal, the Botswana Development Corp., has declined in significance relative to private initiatives, but still is a major promoter of industrial development with interests in brewing, sugar, furniture, clothing, tourism, milling, and concrete. Though promising, industrial development is limited by a small domestic market, weak infrastructure, import dependence, and small skilled labor force.

Local coal supplies the fuel required for Botswana's energy sector. Peak requirements are generally supplied by the South African grid. In 1991, Botswana also linked to the Zambian and Zimbabwean grids. Botswana has no hydroelectric power resources, but solar power has potential as an energy source.

The construction industry was the fastest growing sector of the economy in the 1980s, and rapid urbanization created a need for low-income housing. This sector has decreased in importance, however, as there has been a shortage of building material and supplies. On the other hand, the chemicals industry has expanded; soda ash (for use in steel, glass, paper, and detergent manufacturing industries) is an important commodity, and Botswana Ash is the leading soda ash company operating in the country. The production of copper and nickel has contributed to an increase in the local production of electrical components. The motor industry is growing, with vehicle assembly, tire manufacturing, leather finishing, paint manufacturing, batteries, and the manufacture of spare parts being government priorities and opportunities for foreign investment.

Mining and livestock production remain the primary economic activities. Mining accounted for 34.2% of GDP and an estimated 79% of the value of Botswana's exports in 2000. Botswana has been referred to as the world's largest diamond producer in terms of the quality and grade of its diamonds. The country's growth is heavily dependent upon developments in the diamond industry, which in turn is affected by global economic conditions. The slowdown in the global economy that began in 2001 thus adversely impacted Botswana's diamond industry. Botswana's diamond reserves are estimated to last 30 years at 2003 production rates, and the government emphasizes the need to diversify the economy.

[29]SCIENCE AND TECHNOLOGY

The University of Botswana (founded in 1976), the Botswana Agricultural College (founded in 1967), and Botswana Polytechnic, all located in Gaborone, offer training in science, agriculture, and engineering. In 1987–97, science and engineering students accounted for 37% of college and university enrollments. The Geological Survey of Botswana, founded in 1948, publishes mineral resource reports and bulletins.

[30]DOMESTIC TRADE

Small general stores usually carry a variety of items, but food, fuel, and clothing staples make up most of their stock. There are also a few wholesalers, and some traders act as local agents for larger firms. To augment their incomes, other traders operate postal or transport services, restaurants, butcheries, and bakeries. The traders play an important role as middlemen between the local livestock and crop producers and the slaughterhouses, factories, and exporters. There are also a number of South African and US franchises in Botswana, including fast food, supermarkets and department stores. Major U.S. investors

include Owens Corning, H.J. Heinz, Coca-Cola, IBM, Xerox, and Kentucky Fried Chicken. Such private sector, foreign investments are encouraged by low corporate taxes and no prohibitions of foreign ownership. The government has eliminated all foreign exchange controls.

Business hours are 7:30 AM to 4:30 PM, Monday through Friday with a 45-minute lunch break, and most retail businesses are also open Saturdays and Sundays until midday.

[31] FOREIGN TRADE

Botswana's leading trade partners are the EU, other Southern African Customs Union nations (South Africa, Lesotho, Namibia, and Swaziland), and Zimbabwe. The government of Botswana has increased economic integration with the Southern African Development Community (SADC), ratifying a Trade Protocol to ease trade barriers, which was scheduled to come into effect eight years from it's completion. With recurrent drought and only 5% arable land, Botswana imports much of its food and other basic needs, primarily through South Africa. Indirectly, the US accounts for a sizeable portion of Botswana's imports (manufactured goods) and exports (diamonds).

Exports fell as a result of the 1997 East Asian financial recession, especially diamond exports, which dropped from $2.1 billion in 1997 to 1.7 billion in 1998. However, between 1999 and 2000 exports rebounded at a rate of 7.7%. Imports 1997 and 1998 were $1.6 billion both years. In 1997, diamonds accounted for 76% of exports; and copper and nickel, 4%. Leading imports included foodstuffs; vehicles and transport equipment; textiles; and petroleum products.

[32] BALANCE OF PAYMENTS

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Botswana's exports was $2.5 billion while imports totaled $2.1 billion resulting in a trade surplus of $400 million.

The International Monetary Fund (IMF) reports that in 1999 Botswana had exports of goods totaling $2.67 billion and imports totaling $2 billion. The services credit totaled $373 million and the debit totaled $516 million. The following table summarizes Botswana's balance of payments as reported by the IMF for 1999 in millions of US dollars.

Current Account	**517**
Balance on goods	675
Balance on services	-143
Balance on income	-266
Current transfers	252
Capital Account	**21**
Financial Account	**-175**
Direct investment abroad	-2
Direct investment in Botswana	37
Portfolio investment assets	-23
Portfolio investment liabilities	-8
Other investment assets	-206
Other investment liabilities	31
Net Errors and Omissions	**9**
Reserves and Related Items	**-371**

[33] BANKING AND SECURITIES

Prior to 1976, Botswana belonged to the South African Monetary Area. Its currency, like those of Lesotho and Swaziland, was issued by the South African Reserve Bank. On 23 August 1976, however, the central Bank of Botswana was established, and Botswana began issuing its own currency. The Bank of Botswana has responsibility for administering exchange control delegated for it by the Ministry of Finance and Development Planning. As of 1999, the major commercial banks were the following: First National Bank of Botswana, Ltd.; Barclays Bank of Botswana, Ltd.; Standard Chartered Bank of Botswana, Ltd.; and Stanbic Bank Botswana Ltd. Total assets of the four banks came to about $14 million in January 1999. Given a high level of reserves, there was little necessity for the Bank of Botswana to raise domestic interest rates to the real levels of South Africa in an attempt to attract portfolio capital.

The policy of the Bank of Botswana in 1999 was to maintain the relative international prices, and hence competitiveness, of non-diamond tradeables against its most important trading partners, notably South Africa. In 1999, the government launched a new loan guarantee scheme to support new, small businesses in non-diamond enterprises by providing partial security for loans.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $402.5 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $1.6 billion. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 14.25%.

In November 1996, the Bank of Botswana relaxed controls that prevented the dual listing of foreign companies on the Botswana Stock Exchange (BSE). Prior to this, any investment by a Botswanan-based entity in a foreign company was regarded as an external investment covered by the relevant rates and limits. There is now free transferability of shares between the BSE and any other stock exchanges listing the shares. Nine companies had dual listed by the end of 1998, and the BSE had recorded a growth rate of 14%. By the end of 2001, there were 16 companies listed on the BSE, and market capitalization was up 30% from 2000.

In 1998, an investment bank was licensed; Investec Bank Botswana was set up to provide merchant banking and investment advisory services. The Botswana Development Corporation (BDC) and the National Development Bank (NDB) offer specialized development assistance.

[34] INSURANCE

The South African insurance giant, Metropolitan Life, established First Health Medical Administrator in Botswana in mid-September of 1996. It launched Metropolitan Life of Botswana in 1997 in a joint venture with the Botswana Development Corporation (BDC), and had a 25% stake in the company. In a similar move several years ago, BDC established Botswana Insurance Holdings (BIHL) in conjunction with St. Paul (USA) and African Life. St. Paul Fire and Marine of Minnesota bought out Botswana General Insurance in November 1997.

[35] PUBLIC FINANCE

About half of the government's revenues in 1998 came from the diamond industry with another 20% from returns on foreign reserves. Tourism is becoming increasingly important, accounting for 12% of GDP in 2000. Government spending in 2001 accounted for almost 20% of GDP.

The US Central Intelligence Agency (CIA) estimates that in 2001/2002 Botswana's central government took in revenues of approximately $2.3 billion and had expenditures of $2.4 billion. Overall, the government registered a deficit of approximately $100 million. External debt totaled $325 million.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	2,300
Tax revenue	32.8%	755
Non-tax revenue	65.7%	1,511
Capital revenue	0.4%	8
Grants	1.2%	27
EXPENDITURES	100.0%	2,400
General public services	15.5%	371
Defense	8.1%	195
Public order and safety	4.4%	105
Education	26.3%	632
Health	5.2%	125
Social security	1.1%	27
Housing and community amenities	11.6%	278
Recreation, cultural, and religious affairs	1.7%	40
Economic affairs and services	17.0%	407
Other expenditures	7.6%	182
Interest payments	1.6%	38

36 TAXATION

The corporate tax rate in 2002 was 25%, consisting of 15% company tax and 10% surcharge. For manufacturing companies, approved as such by the Minister of Finance, a reduced rate of 15% (5% company tax and 10% surcharge) applies. A withholding tax of 15% is assessed on the payment of all dividends and on the payment of interest on offshore loans. Taxes on such capital income may be reduced or eliminated in double taxation treaties. In 2002 Botswana had tax treaties with South Africa, the United Kingdom, Sweden and Mauritius. The capital gains rate is the same as the corporate tax rate and is assessed on 100% of the gains from real estate transactions and on 50% of the gains from transactions in moveable property, including the sale of shares in a company. However, capital gains from the sale of shares of a company listed on the Botswana Stock Exchange are tax-exempt.

The income tax law establishes for individual incomes progressive rates ranging up to 25%, reduced from 30%. A local government tax is paid to the district or town council to finance social and sanitary services.

As of 7 January 2002 a value-added tax (VAT) with a standard rate of 10% replaced Botswana's 10% sales tax which was imposed on fuel, liquor, cigarettes, motor vehicles, computers, domestic electrical appliances, and other consumer and luxury goods.

37 CUSTOMS AND DUTIES

Botswana belongs to a customs union called the Southern African Customs Union (SACU), with South Africa, Lesotho, Swaziland, and Namibia. South Africa levies and collects most of the customs, sales, and excise duties for the five member states, paying a share of the revenues to the other four. In addition, all customs duties are eliminated among the five countries. The SACU implements high protectionist tariffs on countries outside of the club, though, disheartening potential nonmember investors. In 1996, the Southern African Development Community (SADC) launched a free trade agreement for the elimination of tariff and non-tariff trade barriers between its member countries (Angola, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe), to be completed by 2010.

South Africa has put in place a value-added tax (VAT) for imports coming into the SACU from outside, but its implementation on Botswana's borders has so far been unsuccessful. Additionally, as a signatory of GATT and a member of the World Trade Organization, Botswana and the rest of the SACU will have to reduce tariffs by 24% over the course of 10 years.

38 FOREIGN INVESTMENT

Since independence in 1966, Botswana has been open to foreign investment. With the discovery of diamonds in 1967, this has also meant an economy dependent on diamond mining and, more importantly, the diamond monopoly strictly maintained by the De Beers Company. Highly developed auditing and security systems, developed to preserve the diamond monopoly, helped minimize corruption in Botswana and give its bonds the highest rating in Africa.

From 1966 to 1999, Botswana had the highest average growth rate in the world (9%), a record its still holds, though by 2002 the average had fallen to 7%. This did not translate into significant foreign investment outside of the mining sector, however, nor into a solution for chronic high unemployment (officially 21%, but generally thought to be closer to 40%). Moreover, recent controversy about "conflict diamonds" and the HIV/AIDS epidemic in Botswana have led to substantial divestment by traditional investors, De Beers of South Africa and Anglo American of the United Kingdom.

The government began actively encouraging foreign investment in the mid-1980s. Government policies offered attractive tax rates (10% on corporate income), including a five-year tax holiday, capital grants on new projects, and duty-free access to the large South African market (source of 80% of foreign direct investment). Botswana also enjoys duty-free access to the European Community for most of its products (source of 15% of foreign direct investment). Its liberal policies allow unrestricted repatriation of earnings and capital. Furthermore, it has a substantial financial assistance policy for foreign investors and has established an export processing zone in Selebi-Pikwe. Investment law is scrupulously observed by the Botswana bureaucracy and courts. Investment incentives, including cash grants, have been offered to small and medium-scale investors for labor-intensive schemes, particularly outside urban areas. The complete liberalization of exchange controls occurred in February 1999.

In the late 1990s, with the exposure of the link between De Beers' purchases of uncontrolled raw diamonds to maintain its monopoly and socially corrosive brutality in diamond-producing countries, the diamond industry transformed to a system of certified diamonds and a list of "Suppliers of Choice." Although Botswana's diamond mining company, Debswana, continued to be owned 50% by the Botswana government and 50% by De Beers Centenary, the latter, in 2002, became part of the private holding company De Beers SA, 45% owned by the London-based mining conglomerate, Anglo-American, and 45% by the Oppenheimer Group. Botswana's two other major mining companies, Tati Nickel and BCL (copper, nickel, cobalt), had become 85% owned and 50% owned, respectively, by LionOre Mining of Canada, to which Anglo-American had sold its shares.

The HIV/AIDS epidemic in Botswana, with over 35% of the population 15 to 49 years old estimated to be HIV positive, affects everything, including foreign investment. Anecdotal evidence suggests it has increased production and training costs for companies and reduced the pool of skilled labor available for foreign investors.

Foreign direct investment (FDI) is chiefly in mining, accounting for 75.2% of FDI in 1999, down from 80% in 1998. The largest investors have been the Anglo-American Corporation, which bought out De Beers, and LionOre of Canada, which bought out Anglo-American interests. AMAX mining is also important. The retail and wholesale trade sector accounted for 9.1% of FDI inflow in 1999 and manufacturing, 3.1%. The British Commonwealth Development Corp. has invested in a Lobatse slaughterhouse and in three large cattle ranches, two in the northern part of the country and one on the Molopo River in the Kalahari. H. J. Heinz (South Africa) owns 80% of Kgalagadi

Soap Industries, with assets of over $5 million. Houston-based brick manufacturer, Interkiln Corp., has a 17.5% interest in the Lobatse Clay Works. Owens-Corning owns 50% of a plant producing fiber glass piping for water transportation, in conjunction with the BDC.

Other areas of investment included specialty agricultural production; construction; and manufacturing of textile, health and beauty, agricultural and construction equipment products. The government seeks investments in infrastructure, telecommunications, tourism, and housing development. It is estimated that total direct foreign investment (FDI) exceeded $1 billion in 1998. The inflow of FDI averaged $98 million 1997 and 1998, but fell to $36.7 million in 1999. For 2000 and 2001, annual FDI inflow averaged about $57 million.

Botswana's prudent financial and monetary policies have contributed to continued strong performance on Botswana's stock exchange. In 2002, its index increased 8.5% in dollar terms and the market capitalization of listed stocks reached $1.67 billion, up from $1.27 billion in 2001 and from $295 million in 1992. As of 31 December 2001, US holdings of Botswana securities totaled $23 million, $20 million in equity shares, $2 million in long-term debt, and $1 million in short-term debt.

[39]ECONOMIC DEVELOPMENT

Botswana has made job creation a top priority of government planning in the past few years. Although employment rates have grown, unemployment is formally estimated at 21%, but is closer to 40% in unofficial estimates in 2002.

The government has a long-standing policy of promoting human capital development and health care. All education through the university level is free, but 30% of the population over 15 in 2002 was illiterate. Great importance is placed on the development of rural areas so as to reduce rural-urban migration.

In light of the limited resources, Botswana's government now follows "food security" agricultural policy of promoting only those foodstuffs which can be grown economically.

Botswana's long-term economic prospects are highly dependent on South Africa and its other Southern African neighbors. The government has been a strong proponent of economic integration among the 14 members of the Southern African Development Community (SADC). The organization's 2000 Trade Protocol called for the elimination of all tariff and nontariff barriers to trade by 2012 among the 11 countries signing the protocol.

Botswana has been rated the least-corrupt country in Africa, according to Transparency International. The country aims to diversify its economy away from minerals, and ecotourism is being promoted. Botswana has been a victim of the HIV/AIDS pandemic, and the government has taken steps to tackle the virus through prevention programs and the provision of advanced drug therapies to those infected. In 2003, the National Development Plan Nine was forthcoming, under which economic development projects were due to be turned over to the private sector.

[40]SOCIAL DEVELOPMENT

The first universal pension program was inaugurated in Botswana in 1996. It covers all citizens aged 65 and older, and is funded completely by the government. It pays a flat-rate monthly pension. A 1963 law requires employers in certain areas to provide designated medical services to employees and their families and to provide maternity benefits consisting of 25% of wages for the 6 weeks preceding and following childbirth. Many social welfare needs are met through the provisions of tribal custom. A law requiring employers to obtain private worker's compensation insurance was introduced in 1977 and provides temporary benefits for the disabled, totaling two-thirds of regular wages. In addition, there is a permanent disability benefit consisting of a lump sum payment equal to 60 months' earnings—the workers' compensation program also includes medical benefits and a survivor benefit. After 60 months of continuous employment, a severance unemployment benefit is also available.

Traditional views of male dominance are pervasive in Botswana. Customary law allows men to physically punish their wives for wrongdoings and spousal abuse is common. Sexual harassment, rape, and other violence against women is widespread. Women are accorded the same civil rights as men, but under traditional marriage laws, they require their husbands' consent to buy or sell property, obtain a loan, or sign a contract. There are legal provisions, however, that allow women to marry "out of common property" and thereby retain their legal rights. Polygamy is legal, but is not widely practiced.

While ethnic minorities are not subject to discrimination, some groups remain marginalized and underrepresented in government. Human rights are generally respected in Botswana. However, there are still reports of abusive police tactics, and prison conditions remain poor.

[41]HEALTH

The government stresses primary health care with emphasis on disease prevention and healthy living. As of 1999, there were an estimated 0.2 physicians and 1.6 hospital beds per 1,000 people.

The major health problems are malnutrition and tuberculosis. As of 2000, 17% of children under five years of age were considered malnourished. Public health teams conduct tuberculosis and malaria control campaigns. In 1999, there were 702 cases of tuberculosis per 100,000 people. In 1995, 70% of the population had access to safe water and 55% of the population had access to sanitation.

From 1980 to 1993, 33% of married women (ages 15 to 49) were using contraception. As of 1999, immunized children one year of age were as follows: diphtheria, pertussis, and tetanus, 90%; and measles, 86%.

The average life expectancy in 2000 was 39 years, with an estimated death rate of 26 per 1,000 people as of 2002. The largest change in life expectancy was for females, which dropped from 60 years in 1980 to 40 years in 1999. The infant mortality rate in 2000 was 58 per 1,000 live births. For every 100,000 live births, 300 women died in pregnancy or childbirth as of 1998.

HIV prevalence was 35.8 per 100 adults in 1999. The rapid transmission of HIV in Botswana has been due to three main factors: the position of women in society, particularly their lack of power in negotiating sexual relationships; cultural attitudes to fertility; and social migration patterns. At the end of 2001, the number of people living with HIV/AIDS was estimated at 330,000 (including 38.5% of the adult population) and deaths from AIDS that year were estimated at 26,000.

[42]HOUSING

There is no overcrowding in tribal villages, but slums have developed in the larger towns. The Botswana Housing Corp., a public enterprise, concentrates its efforts on the main urban centers, where growth, and therefore demand, is greatest. The 1999 National Policy on Housing has shifted some of the control on housing from government to private hands. Part of this policy inlcudes the Poverty Alleviation and Housing Programme, a pilot program through which those who cannot afford to purchase a home might learn the skills necessary to build their own. This self-help policy is particularly helpful to rural residents.

Housing ranges from flats and bungalows to huts and all other structures intended for human use. Squatter-occupied "improvised" housing units account for about 2% of all housing. Of all housing units, about 30% were acquired through tribal authorities. Nearly 71% of the total land area in Botswanan is under tribal control. Sanitation facilities included pit latrines, and flush toilets; however, two-thirds of housing units had no

facilities. The water supply is piped or drawn from wells, river beds, rivers, or other sources.

[43]EDUCATION

The projected adult illiteracy rate for the year 2000 stands at 22.8% (males, 25.6%; and females, 20.2%). As of 1999, public expenditure on education was estimated at 9.1% of GDP. The government aims to achieve universal education. Education at the primary level lasts for seven years, though it is not compulsory. Subsequent to that is five years of secondary education (two years of lower secondary followed by three years of upper secondary). Schooling is conducted in Sestwana for the first four years, and in English for the remaining years.

In 1996 Botswana had 318,629 students and 12,785 teachers at the primary level and 109,843 students enrolled in general secondary education, with 6,214 teachers. The pupil-teacher ratio at the primary level was 27 to 1 in 1999. Until 1961, primary schooling was completely financed by tribal treasuries, with some tribes spending up to 70% of their budgets on education. Between 1985 and 1994, the government launched a major program of secondary school construction. As of 1999, 84% of primary-school-age children were enrolled in school, while 59% of those eligible attended secondary school.

The University of Botswana, established on 1 July 1982 by an Act of Parliament, has a faculty of social sciences, education, sciences, agriculture, and humanities. Universities and equivalent institutions in 1997 had 8,850 pupils with 765 teaching staff.

[44]LIBRARIES AND MUSEUMS

The Botswana National Library Service was founded in 1967 to provide nationwide public library service and act as the national library. There are 21 branches located throughout the country holding a total of 160,000 volumes; mobile library service is also provided. The main library is located in Gaborone, has 65,000 volumes, and the University of Botswana (1971) has over 250,000. The National Archives, with 20,000 items, are in Gaborone.

The renovated National Museum and Art Gallery in Gaborone houses a collection of the ethnography and natural history of Botswana, and sub-Saharan African art. There are also ethnographic museums in Kanye and Mochudi and a postal museum in Gaborone. In 1986, the Supa-Ngwao Museum Centre in Francistown opened, holding ethnographic and historical installations. The old colonial jail in Francistown is set for renovation to house the Supa Ngwao museum in 2003.

[45]MEDIA

In 2000, there were 150,000 main line telephones in use, along with 200,000 mobile cellular phones. The government controls the content of nearly all radio and television broadcasts through the Botswana Press Agency (BOPA), which produces the free *Daily News* newspaper, Radio Botswana, which broadcasts nationally to most of the country, and Botswana Television (BTV). There were 8 AM and 13 FM radio stations and 1 television station in 2001. Radio Botswana broadcasts, in English and Setswana, a variety of news, educational, cultural, and entertainment programs. An earth satellite station was erected in 1980. In 2000, there were about 155 radios and 25 television sets for every 1,000 people. The same year, there were about 37 personal computers in use for every 1,000 people, with 11 Internet service providers serving 33,000 people in 2001.

There is one daily newspaper in Botswana, the government published the *Dikgang Tsa Gompieno* (or *Daily News*, circulation 50,000 in 2002) in both English and Setswana. The government also publishes, in a bilingual edition, the monthly magazine *Kutlwaro* (circulation 24,000). In 2002, 4 independent newspapers were publishing on a weekly basis, with a total circulation of over 50,000. *MMegi Wa Digmang*, or *The Reporter,* is published in both Setswana and English with a weekly circulation of 24,000. The major political parties publish monthly journals.

The constitution of Botswana ensures a free press and free speech, and the government is said to highly respect these rights.

[46]ORGANIZATIONS

The Botswana Council of NGOs (BOCONGO) serves as an umbrella group to encourage and support non-government organizations as recognized partners in national development. Member organizations (which numbered about 67 as of 2002) include the Botswana Christian Council; the Cooperation for Research, Development, and Education; the Botswana Council of Women, and the Environmental Conservation Society. Educational and cultural organizations include Botswana Society and the Botswana Technology Center. The Botswana Center for Human Rights was founded in 1996. Youth organizations include Junior Achievement, Girl Guides, Boy Scouts, Botswana Christian Council Youth Unit, and the YWCA. Most towns have women's clubs, and there is a chamber of commerce in Gaborone.

[47]TOURISM, TRAVEL, AND RECREATION

Botswana's beautiful and well-stocked game reserves are its principal tourist attraction, with both hunting and photographic safaris available. Popular with tourists is the Okavango Delta region, which during the rainy season is a maze of waterways, islands, and lakes; it includes the Moremi Wildlife Refuge. Nearby is Chobe National Park. In all, eight national parks and game reserves cover almost 20% of the land area. The Kalahari Desert is another attraction, as are the country's tapestry weavers, potters, and rugmakers. The Tsodilo Hills have cave paintings by the ancestors of the Basarwa (Bushmen), the earliest known inhabitants of Botswana. The government's "National Conservation Strategy and Tourism Policy" is intended to promote tourism while protecting wildlife areas. Citizens of the US, South Africa, Commonwealth countries, and most Western European countries do not need visas for visits up to 90 days. Passports are required. Proof of yellow fever and cholera vaccinations are required of travelers from infected areas. Antimalarial precautions are advisable. As of 1999, there were 2,100 hotel rooms with 3,720 beds and a 53% occupancy rate. In 2000, tourism receipts totaled $313 million. In 1999, 843,314 visitors arrived in Botswana; more than 720,000 were from other African nations.

In 2003, the US Department of State estimated the daily cost of staying in Gaborone at $129. The estimated expenditure in Kasane was $125. In other regions, costs may be as low as $50 per day for food and lodging.

[48]FAMOUS BOTSWANANS

Khama III (1837–1923), chief of the Bamangwato and a Christian convert, reigned for 48 years. His grandson, Sir Seretse Khama (1921–80), was Botswana's first president. Quett Ketumile Joni Masire (b.1925) succeeded him in 1980. President Masire resigned in April 1998, and was succeeded by his vice president, Festus Mogae.

[49]DEPENDENCIES

Botswana has no territories or colonies.

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BURKINA FASO

Republic of Burkina Faso
Burkina Faso Jamahiriya

CAPITAL: Ouagadougou

FLAG: The flag consists of two equal horizontal stripes of red and green divided by a narrow gold band. A five-point gold star is at the center.

ANTHEM: The national anthem begins "Contre le férule humiliante il y a déjà mille ans" ("Against the humiliating bondage of a thousand years").

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr) is a paper currency with one basic official rate based on the euro. It was originally pegged to the French franc. There are coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs, and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Anniversary of the 1966 Revolution, 3 January; Labor Day, 1 May; Independence Day, 5 August; Assumption, 15 August; All Saints' Day, 1 November; Christmas, 25 December. Movable religious holidays include Id al-Fitr, 'Id al-'adha', Milad an-Nabi, Easter Monday, Ascension, and Pentecost Monday.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Burkina Faso (formerly Upper Volta), a landlocked country in West Africa, has an area of 274,200 sq km (105,869 sq mi), with a length of 873 km (542 mi) ENE–WSW and a width of 474 km (295 mi) SSE–NNW. Comparatively, the area occupied by Burkina Faso is slightly larger than the state of Colorado. Bounded on the E by Niger, on the SE by Benin (formerly Dahomey), on the S by Togo, Ghana, and Côte d'Ivoire, and on the W and N by Mali, Burkina Faso has a total boundary length of 3,192 km (1,983 mi).

The capital city of Burkina Faso, Ouagadougou, is located in the center of the country.

[2]TOPOGRAPHY

Burkina Faso consists for the most part of a vast lateritic plateau in the West African savanna, approximately 198–305 m (650–1,000 ft) above sea level. The highest point (749 m/2,457 ft) of Téna Kourou is near the Mali border, southwest of Orodara. The land is slightly inclined toward the south and notched by valleys formed by the three principal rivers, the Black, White, and Red Voltas, and their main tributary, the Sourou. They are alternately dry or in flood and all are unnavigable. In general, the land is dry and poor.

[3]CLIMATE

The climate is characterized by high temperatures, especially at the end of the dry season. The humidity, which increases as one moves south, ranges from a winter lows of 12% to 45% to a rainy season highs of 68% to 96%. The harmattan, a dry east wind, brings with it spells of considerable heat from March to May, when maximum temperatures range from 40°C to 48°C (104° to 119°F); from May to October, the climate is hot and wet, and from November to March, comfortable and dry. January temperatures range from 7°C to 13° C (44° to 55°F). Average annual rainfall varies from 115 cm (45 in) in the southwest to less than 25 cm (10 in) in the extreme north and northeast. The rainy season lasts from four months in the northeast to six months in the southwest, from May through October. From 1969 to 1974, Burkina Faso suffered from drought, especially in the north, which is in the semiarid Sahel zone.

[4]FLORA AND FAUNA

The area is largely wild bush country with a mixture of grass and small trees in varying proportions. The savanna region is mainly grassland in the rainy season and semidesert during the harmattan period. Fauna, possibly the widest variety in West Africa, includes the elephant, hippopotamus, buffalo, monkey, crocodile, giraffe, various types of antelope, and a vast variety of bird and insect life.

[5]ENVIRONMENT

The major environmental problems facing Burkina Faso are recurrent drought and the advance of the northern desert into the savanna. This trend toward desertification has been increased by overgrazing of pasture, slash-and-burn agriculture, and overcutting of wood for fuel. Almost all the trees within 40 km (25 mi) of the capital have been felled. The frequency of droughts in Burkina Faso and its location in the Sahara desert contribute to the nation's water supply problems. The country has 17.5 cu km of renewable water resources, but only 66% percent of the city population and 37% of rural dwellers have access to safe water. According to the World Health Organization, about 80% of all disease in Burkina Faso is caused by unsafe water. Pollution problems result from uncontrolled disposal of sewage and industrial wastes. The Ministry of Environment and Tourism is the principal government agency concerned with the environment. Burkina Faso has 12 national parks and wildlife reserves totaling 2,855,000 hectares. Altogether, 10.4% of its total land area is protected. The country has three Wetlands of International Importance. Of 147 species of mammals, 6 are considered endangered, including the African hunting dog, the chimpanzee, and the African elephant. The Sahara oryx, or white oryx, has become extinct in the wild. One bird species in a total of 335 and one reptile are also threatened.

[6]POPULATION

The population of Burkina Faso in 2003 was estimated by the United Nations at 13,002,000, which placed it as number 66 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 49% of the population under 15 years of age. There were 96 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.95%, with the projected population for the year 2015 at 18,562,000. The population density in 2002 was 46 per sq km (119 per sq mi). Most people live in the south and center of the country.

It was estimated by the Population Reference Bureau that 19% of the population lived in urban areas in 2001. The capital city, Ouagadougou, had a population of 1,062,000 in that year. The only other big city is Bobo-Dioulasso. According to the United Nations, the urban population growth rate for 2000–2005 was 5.6%.

The prevalence of AIDS/HIV has had a significant impact on the population of Burkina Faso. The United Nations estimated that 6.4% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Seasonal labor migration in Burkina Faso began in the colonial period as a means of obtaining money for taxes and continues today as a remedy for economic deficiencies. According to some estimates, as many as two million Burkinabe live abroad at any one time, about half in Côte d'Ivoire and the rest throughout West Africa, where many are employed on coffee and cocoa plantations. In 1995, there were 49,500 refugees from Mali in Burkina Faso, with some 15,000 expected to return to their country by 1997. Repatriation of the Tuareg refugees from Mali and Niger was successfully completed by 1998. In June 1998, Burkina Faso and Benin became the first African countries to accept applicants for resettlement from other African nations. The initial goal of the resettlement program was to resettle 200 individuals over a two-year period. As of 2000, 700 people were registered as refugees. Another 355 were registered as asylum seekers. The total number of migrants in the country numbered 1,124,000 in that year. In 2000, the net migration rate was -5.5 migrants per 1,000 population. The government views the emigration level as too high.

[8]ETHNIC GROUPS

The principal ethnic group in Burkina Faso is the Mossi, who make up about 40% of the total population. They are mainly farmers and live in the central portions of the country.

The Bobo, the second-largest ethnic group (about one million), are mostly farmers, artisans, and metalworkers living in the southwest around Bobo-Dioulasso. Other groups include the Gurunsi, Senufo, Lobi, Mande, and the nomadic Fulani, or Peul, who inhabit the areas near the country's northern borders. The number of nomads in the north has diminished since the Sahelian drought of the 1970s.

[9]LANGUAGES

French is the official language of Burkina Faso. However, tribal languages belonging to the Sudanic family are spoken by 90% of the population. Moré, spoken by 55% of the population, is the most important indigenous language. The various ethnic groups speak their own languages.

[10]RELIGIONS

About 55% to 60% of the population practice Islam, about 15% to 20% practice Roman Catholicism, and approximately 5% are Protestant. It is believed that a majority of the population also includes traditional indigenous elements within their religious practice. About 20% to 25% of the population practice traditional indigenous religions exclusively or principally. Citizens in rural areas tend to practice the traditional religions. Members of the Fulani and Dioula ethnic groups are predominantly Muslim. The majority of all the nation's Muslims are Sunnis, but minority groups belong to the Shi'a, Tidjania, and Wahhabite sects. A large number of foreign missionary groups are active within the country. Certain Muslim and Christian holidays are officially observed.

[11]TRANSPORTATION

In 2002, Burkina Faso had 12,506 km (7,771 mi) of roads, of which about 2,001 km (1,243 mi) were paved. Many of the secondary roads are not open all year. Vehicles in 2000 included 26,500 passenger cars, and 22,600 commercial vehicles.

The 510-km (317-mi) Mossi Railroad in Burkina Faso is part of the line that begins at Abidjan, Côte d'Ivoire, and ends in Niger, some 1,145 km (710 mi) away. The line serves the towns of Banfora, Bobo-Dioulasso, Koudougou, and Ouagadougou; 25–40% of the railway traffic passes through Burkina Faso, where total rail trackage was 622 km (386 mi) in 2002. Planning for the construction of a railroad from Ouagadougou to Tambao (353 km/219 mi) to exploit the mineral deposits in the area was begun in October 1981. Constructed by volunteers, the line reached Donsin, 33 km (21 mi) from Ouagadougou, in 1987, and the second stage to Kaya (77 km/48 mi) was completed by 1991.

There are international airports at Ouagadougou and Bobo-Dioulasso and numerous smaller airfields. In 2001, the number of airports totaled 33, only 2 of which had paved runways. Burkina Faso owns part of Air Afrique, which provides the country with international service. Air Burkina, which began in 1967, is government-run and has a monopoly on domestic service. It also flies to neighboring countries. In 2001, 100,300 passengers were transported on domestic and international flights.

[12]HISTORY

Until the end of the 19th century, the history of Burkina Faso is the history of the empire-building Mossi. According to legend and tradition, supported by some ethnographic evidence, the Mossi entered the region from the 11th to the 13th century as a warrior group from Central or East Africa and subjugated the weaker aboriginal Ninigi tribes. They called their land Mogho ("country of the Mossi") and established five independent kingdoms—Tenkodogo, Yatenga, Gourma, Zandoma, and Ouagadougou—each ruled by a king, the mogho or moro naba ("ruler of the Mossi"). Ouagadougou was the most powerful of the kingdoms.

Through the centuries, the Mossi population was augmented by groups of immigrants, such as the Hausa and the Fulani, who settled in Mossi territory but retained their ethnic identity. Contact and conflict with Islam came early. The Mossi were engaged, beginning in the 14th century, in recurrent wars with the neighboring empires of Mali and Songhai, and they occupied Timbuktu (now in Mali) at various times. They were decisively defeated by Askia Daoud of Songhai in the 16th century and thereafter ceased fighting their powerful neighbors. Their warrior tradition and their internal unity continued, however.

By the 19th century, Mossi power seems to have declined, and when the first known European incursions occurred, late in the 19th century, internal dissensions made the Mossi prey to the invaders. A French lieutenant, Voulet, was sent with an infantry column to subjugate the territory in 1896. Ouagadougou fell to Voulet in September of that year. The Mossi accepted French domination as a form of protection from their hostile neighbors.

In 1919, the French created a separate colony called Upper Volta (now Burkina Faso), but in 1932, Upper Volta's territory

LOCATION: 9°30′ to 15°N; 2° to 5° W. BOUNDARY LENGTHS: Niger, 628 kilometers (390 miles); Benin, 306 kilometers (190 miles); Togo, 126 kilometers (78 miles); Ghana, 548 kilometers, (341 miles); Côte d'Ivoire, 584 kilometers (363 miles); Mali, 1,000 kilometers (621 miles).

was divided among Niger, French Sudan (now Mali), and Côte d'Ivoire. Throughout the colonial period, the traditional political structure of the Mossi was retained, and the moro naba of Ouagadougou was regarded by the French as the emperor of the Mossi. When World War II broke out, the moro naba sent his two eldest sons to fight for France, and more than 10,000 youths in the territory followed suit. The restoration of Upper Volta as a territorial unit, long the aim of the traditional chiefs, was made a reality in 1947. In 1958, voters in Upper Volta overwhelmingly approved the new constitution of the Fifth French Republic, and Upper Volta's territorial assembly voted to make the country an autonomous state within the French Community. By this time, the traditional chiefs had lost most of their influence, and political power was in the hands of the young, European-educated elite.

The republic achieved independent status on 5 August 1960. Maurice Yaméogo, leader of the Volta Democratic Union, became president. His government quickly took on an authoritarian cast and banned all opposition parties. In 1965, a single election list was offered to the people, and the opposition—joined by civil servants, trade unionists, and students—fomented riots. Yaméogo was replaced in January 1966 by Lt. Col. (later Gen.) Sangoulé Lamizana, a former army chief of staff, who suspended the 1960 constitution, dissolved the National Assembly, and formed a military-civilian cabinet.

During the 1970s and early 1980s, Upper Volta suffered from severe political instability. A constitution that provided for an elected assembly was adopted in 1970, but factional struggle broke out and became so disruptive that in February 1974, President Lamizana announced that the military had again taken over the government. A new constitution was approved in 1977; under this constitution, Lamizana won election to the presidency in 1978. On 25 November 1980, however, Lamizana was deposed in a bloodless coup led by Col. Sayé Zerbo, who became president. Zerbo's government was overthrown on 7 November 1982 by yet another army coup, and Maj. Jean-Baptiste Ouédraogo was named president.

Under the moderate Ouédraogo regime, a military faction emerged that was suspected of having close ties to Libya. Prominent in this group was Capt. Thomas Sankara, who served

as prime minister from January until May 1983, when he was purged by Ouédraogo. On 4 August 1983, in what was Upper Volta's third coup in three years, Sankara seized power. As many as 20 persons may have died in the disturbances. After the coup, Sankara, who emerged at the head of the ruling National Revolutionary Council, sought to retain Upper Volta's traditional foreign aid ties with the West while establishing warm relations with such nations as Ghana, Libya, the USSR, and Cuba.

Sankara sought to instill his nation with a spirit of revolutionary fervor. In August 1984, on the first anniversary of his rule, he renamed the nation Burkina Faso, meaning roughly "Land of Upright Men." He led a campaign against corruption and tax evasion, and he trimmed government spending by cutting the salaries of civil servants, an action that earned him the enmity of the nation's small but influential labor unions. A substantial number of politicians, soldiers, government officials, and labor leaders were jailed, and seven men were executed in 1984 for allegedly plotting to overthrow the government.

During December 1985, Burkina Faso fought Mali over possession of a 20- by 160-km (12- by 100-mi) disputed border strip (there had previously been clashes in 1974 and 1975). On 22 December 1986, the International Court of Justice ruled in favor of dividing the territory into roughly equal parts, a decision both nations accepted.

On 15 October 1987, faced by opposition among the trade unions and civil servants, the government was overthrown by an army unit led by Capt. Blaise Compaoré, the president's chief adviser, said also to have been his inseparable companion. Sankara and 12 aides (including two of the coup plotters) were immediately shot, and Compaoré assumed the presidency. Executions of highly placed military men followed a coup attempt on 18 September 1989.

At the start of the 1990s, the authorities sought to legitimize their position at the ballot box, including the drafting of a new constitution calling for multiparty elections for president and a national legislature. In March of 1991, the ruling party abandoned its Marxist ideology and embraced free enterprise. Controversial presidential (December 1991) and parliamentary elections (24 May 1992) led to no governmental change. Compaoré ran unopposed for president and his party, the Popular Democratic Organization—Worker's Movement (ODP-MT), carried the legislative elections. Only three opposition parties contested seats nationwide; 35 parties boycotted the poll and only 35% of eligible voters voted. The ODP-MT won 78 of 107 seats, with 9 other parties splitting the remainder of the vote. The government convened on 15 June and Youssouf Ouédraogo was named prime minister. The introduction of multi-party competition was a major reform, but the lack of probity in the electoral process prompted critics to label the government and its reforms a "shamocracy."

Under Compaoré, Burkina Faso has conducted an active foreign policy in West Africa. It sent troops to Liberia and harbors dissidents from Gambia. This has alienated Compaoré from his fellow West African leaders and from western governments, including the United States, which recalled its ambassador in 1992. Burkina Faso continued its support of Liberian insurgent Charles Taylor and his NPFL despite a West-Africa-wide deployment of forces—ECOMOG—in Liberia to help resolve the lingering and bloody civil war there. Burkina Faso refused to contribute forces to ECOMOG, despite international pressure, until 1995, when the Compaoré regime announced it was satisfied with the cease-fire accord signed that year in Nigeria.

Human rights violations have been commonplace under the Compaoré regime. The government has suppressed a vocal independent press, and the security forces have used excessive force against demonstrations and government critics. In December 1998, the sudden and suspicious death of Norbert Zongo, an investigative reporter, unleashed a backlash of demands for reforms. Zongo had been investigating allegations that the President's brother, Francois Compaoré had taken part in the murder of his own chauffeur, David Ouedraogo. Zongo's charred body and those of three companions were found in a bullet-riddled car near the capital.

In March 1999, thousands of students, school children, and other protesters marked Zongo's death with a peaceful march to his gravesite. Since then, high school and university student groups, and a group known as Le Collectif comprising human rights groups, NGOs, labor unions, and political parties, have organized numerous stay-at-home's, and strikes throughout the country. Besides a full and independent investigation into Zongo's death, they demanded reforms to the judiciary, guarantees for human rights, revisions to the Constitution, and to the electoral code. In April 2000, the Committee for the Protection of Journalists (CPJ) condemned the closure of a private radio that had aired a communiqué from a coalition of opposition and human rights groups, calling for a rally to protest the government's handling of the Zongo case.

Progress toward rule of law was made when the National Reconciliation Commission (NRC), established by Compaoré in November 1998, asked the government in February 2000 to arrange special trials of people implicated in economic crimes and political killings. Though estimates placed the number of political killings since 1989 at 100 or more, 60 of these cases and compensation for widows and orphans were to be handled by these special units located in each of the districts. In 2001, Compaoré established a fund of $7.75 million to compensate families of victims of political violence and rights abuses.

In 2001 and 2002 the country experienced outbreaks of meningitis that killed more than 2,500 in two consecutive seasons. Since September 2002, more than 150,000 Burkinabe refugees returned home owing to the civil conflict in Cote d'Ivoire. The May 2002 parliamentary elections marked the first time in Burkina's history that three consecutive legislative elections were held without a military coup. It was also the first time that the single ballot was used in an election; 30 parties participated in the elections.

[13] GOVERNMENT

Under the constitution of 27 November 1960, the nation was governed by a president, a council of ministers, and a National Assembly of 50 members. On 5 January 1966, President Lamizana suspended the constitution and dissolved the National Assembly, announcing that he would exercise legislative and executive power by ordinance and decree. A constitution approved in 1970 provided for eventual restitution of democratic institutions, although with a formal role in the government for the military. The 1970 constitution was suspended in February 1974, when the army again assumed full power.

A democratic constitution, adopted in 1977, provided for a president and a 57-member National Assembly. This document was abolished after the coup of 25 November 1980, and the Military Committee for Reform and National Progress (Comité Militaire de Redressement pour le Progrès National—CMRPN), led by Col. Sayé Zerbo, assumed power. The military coup of 7 November 1982 led to the abolition of the CMRPN and the formation of the People's Salvation Council (Conseil du Salut du Peuple—CSP) under Maj. Jean-Baptiste Ouédraogo. The CSP was itself dissolved by the military coup of 4 August 1983, which established the National Revolutionary Council (Conseil National de la Révolution—CNR), a body that included radical former CSP members. Under Capt. Thomas Sankara, its chairman and the head of state, the CNR was the supreme governmental authority and was assisted by a Council of

Ministers. Following the October 1987 coup, this body was renamed the Popular Front, with Capt. Blaise Compaoré as its chief.

A new constitution, establishing the fourth republic, was adopted on 2 June 1991. Among other provisions, it called for an Assembly of People's Deputies with 107 seats (now 111). The president is chief of state, chairs a council of ministers, appoints a prime minister, who with the legislature's consent, serves as head of government. In April 2000, the constitution was amended reducing the presidential term from seven to five years, enforceable as of 2005, and allowing the president to be re-elected only once. However, it was unclear whether this amendment would be applied retroactively or not. The legislative branch is a unicameral National Assembly (Assemblée Nationale) consisting of 111 seats. Members are elected by popular vote to serve five-year terms.

[14]POLITICAL PARTIES

After the 1978 competitive presidential and legislative elections, the government recognized only the three largest parties in the National Assembly: the Voltaic Democratic Union–African Democratic Rally, the National Union for Democracy, and the Voltaic Progressive Union. The last subsequently merged with smaller groups to form the Voltaic Progressive Front.

Following the coup of 25 November 1980, all political parties were banned. To disseminate government views on a grass-roots level, the CNR, which took power in 1983, sponsored the formation of Committees for the Defense of the Revolution.

The Compaoré government legalized parties prior to holding elections on 24 May 1992. Compaoré's Popular Democratic Organization-Worker's Movement (ODP-MT) gained 78 seats. The National Convention of Progressive Patriots-Social Democratic Party (CNPP-PSD) won 12 seats and the African Democratic Assembly (ADA) won 6. Eight other parties were represented in the Assembly of People's Deputies. Abstention of 65% of the voters diminished the significance of this election.

National Assembly elections were held 11 May 1997. Again, a boycott resulted in an approximate 50% voter turnout with the Congress for Democracy and Progress (CDP) of President Compaoré winning 101 seats, the PDP 6 seats, the RDA 2 seats, and the ADF 2 seats.

In the municipal elections of September 2000, the CDP took 802 of 1,098 council seats based on a voter turn-out of 68.4% in a field of 25 parties. The African Democratic Rally-Alliance for Democracy and Federation (ADF/RDA) took second place with 133 seats. Third place was taken by l'Union des Démocrates Libéraux (ULD), a pro-presidential group with 49 seats. The by l'Union pour la Démocratie et la Fédération (UDF), an opposition group, took fourth place with 22 seats. The Party for African Independence (PAI) took fifth place with 20 seats. A number of younger parties including the Democratic Convention for Federation (CDF) took the remaining seats. Numerous complaints of fraud were brought forward to the Constitutional Court, but were not expected to affect the results.

In the parliamentary elections of May 2002, the CDP retained its majority, but its former dominance was reduced to 57 seats against 17 for RDA-ADF led by Hermann Yaméogo, 10 for the Party for Democracy and Progress (PDP/PS) of Joseph Ki-Zerbo, 5 for the CFD, 5 for PAI led by Philippe Ouedraogo, and 17 for other parties. The next elections were scheduled for May 2007.

[15]LOCAL GOVERNMENT

In 1986, Burkina Faso was divided into 30 provinces; the number of provinces increased to 45 following approval by the National Assembly of a new electoral code in 1997. Provinces were subdivided into 300 departments and 7,285 villages. In the 1995 municipal elections, President Compaoré's supporters won absolute majorities in 26 of 33 municipalities. Fewer than 10% of the eligible voters registered, and 25% of the registered voters abstained. The 24 September 2000 municipal elections were boycotted by the February 14 radical opposition yielding a victory for the ruling CDP party in 40 of the 49 municipalities.

[16]JUDICIAL SYSTEM

At the apex of the judicial system is the Supreme Court and beneath it are courts of appeal at Ouagadougou and Bobo-Dioulasso. Courts of the first instance in Ouagadougou, Bobo-Dioulasso, Ouahigouya, and Fada N'Gourma deal with cases involving civil, criminal, and commercial law, and a court at Ouagadougou specializes in common law. The courts of appeal are in the capital. Following the 1983 coup, the CNR created tribunals to try former government officials for corruption and mismanagement. These "people's tribunals" infringed to some degree on the functions of courts of the first instance. In 1993, the "people's tribunals" were abolished.

In addition to the courts described above, traditional courts at the village level apply customary law in cases involving divorce and inheritance. The legal system is based on the French civil law system and customary law. There is also a High Court of Justice to try the President and high government officials for treason or other serious crimes.

In June 1991, a new Constitution was adopted which provided a number of safeguards including a right to public trial, right to access to counsel and a right to appeal. In 1995, an Office of Ombudsman "Mediateur du Faso" was created for resolving disputes between the State and its citizens. Although the judiciary in operation is independent of the executive, the president has considerable power over appointment of judges.

[17]ARMED FORCES

In 2002, Burkina Faso had an army of 5,800 personnel. The 200-member air force had 5 combat aircraft. The gendarmerie consisted of 4,200 personnel, and 45,000 men and women were on reserve in a "people's militia." The country spent $40.1 million or about 1.4% GDP in 2001.

[18]INTERNATIONAL COOPERATION

Burkina Faso was admitted to UN membership as Upper Volta on 20 September 1960. It is a member of ECA and all the nonregional specialized agencies except IAEA and IMO. It is also a signatory to the Law of the Sea and is a member of the WTO, the African Development Bank, ECOWAS, G-77, and AU. Together with other countries of former French West Africa, it participates in the Council of the Entente. The headquarters of the Communauté Economique de l'Afrique de l'Ouest are in Ouagadougou. Burkina Faso also belongs to the Niger Basin Authority.

[19]ECONOMY

Burkina Faso remains one of the poorest countries in the world. Agriculture accounts for about 35% of the GDP and employs about 90% of the labor force. Food staples—millet, sorghum, maize, and rice—are the principal crops grown for domestic consumption. Cotton is the principal export crop; its cultivation, however, is notably price sensitive. In addition, Burkina exports small amounts of shea nuts, sesame, groundnuts, sugar, cashews, and garden vegetables. The livestock sector was once substantial, but had declined by 2002.

The environmental conditions for agriculture are often precarious. Northern Burkina is at the edge of the Sahara Desert and has been subject to severe drought. Furthermore, Burkina soils are generally poor and lateritic. However, expansion of agriculture to more fertile fields in river valleys was supported by a multimillion-dollar UN project to eradicate "river blindness"

(onchocerciasis) which had previously rendered these locations uninhabitable.

Burkina's mineral sector is largely undeveloped. Long underestimated, the Poura gold reserves have proven to be capable of generating nearly 10% of export earnings annually. Zinc and silver deposits at Perkoa have been judged commercially viable. The World Bank issued loans in 1996 to upgrade the mining industry.

Mineral deposits in the north of the country were hostage to the extension of the Abidjan-to-Ouagadougou rail line to Dori. Significant limestone deposits basic to cement manufacturing are located near Tambao at Tin Hrassan. Other mineral resources are manganese, vanadium-bearing magnetite, bauxite, lead, nickel, and phosphates.

In January 1994 France devalued the CFA franc, causing its value to drop in half overnight. Immediately, prices for almost all imported goods soared, including prices for food and essential drugs, like those to combat malaria. The devaluation was designed to encourage new investment, particularly in the export sectors of the economy, and discourage the use of hard currency reserves to buy products that could be grown domestically. Prior to devaluation, Burkina Faso imported most of its food and had little to export; since 1994, exports have risen. As of 2003, economic progress depended upon reducing the trade deficit, the continuation of low inflation rates, improving the infrastructure, pursuing privatization, developing mineral resources, and encouraging private investment. Foreign aid remains the chief source of finance for investment and economic development. In 1999, the World Bank agreed to implement a five-year structural adjustment program of $53 million, and in 2000, it approved an interest-free $45 million Poverty Reduction Support Credit (PRSC) for the country, to help it carry out poverty-reduction policies and programs.

20 INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Burkina Faso's gross domestic product (GDP) was estimated at $12.8 billion. The per capita GDP was estimated at $1,040. The annual growth rate of GDP was estimated at 4.7%. The average inflation rate in 2001 was 3.5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 31% of GDP, industry 28%, and services 41%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $50.4 million. Worker remittances in 2001 totaled $32.97 million. Foreign aid receipts amounted to about $34 per capita and accounted for approximately 16% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $157. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 1%. The richest 10% of the population accounted for approximately 46.8% of household consumption and the poorest 10% approximately 2.0%. It was estimated that in 2001 about 45% of the population had incomes below the poverty line.

21 LABOR

In 1999, there were five million workers in the labor force. A large part of the male labor force migrates annually to neighboring countries for temporary employment. In 2000, approximately 90% of workers were agricultural, the majority engaging in subsistence farming.

In 2002, there were four major labor confederations and 12 autonomous trade unions. Although small, the unions represent the majority of government employees and a large percentage of private-sector salaried employees. Essential workers such as police officers may not unionize. Workers may use strikes to achieve their labor goals.

The minimum age for employment is 14 years, although due to the economy and vast number of agricultural workers, child labor remains a huge problem. There was a standard workweek of 40 hours and a minimum monthly wage of $40 in 2002. However, the minimum wage does not apply to those in subsistence agriculture. There are also public safety and health laws, which also exclude subsistence agriculture. Nevertheless, a lack of resources means that these standards are seldom enforced anywhere.

22 AGRICULTURE

Agriculture employs the vast majority of the work force and accounted for an estimated 35% of GDP in 2000. However, only an estimated 13% of the total land area is under annual or perennial crops. Government attempts to modernize the agricultural sector have met with some success, especially with cotton, whose export accounted for 36% of total exports in 2001. In 1999, about 85% of the 136,000 tons of cotton produced was exported. The resistance to improvement has been due mostly to the insufficient water supply and poor soil. Burkina Faso is not self-sufficient in food. Although total cereal production rose from 1,547,000 tons in 1990 to 2,662,000 tons in 1999, imports are needed to meet demand.

In the early 1980s, local laborers constructed a 1,144-km (711-mi) canal to bring water for irrigation from the Black Volta to the newly constructed Sourou Dam. This work was part of a plan to establish 40,000 hectares (100,000 acres) of irrigated land for smallholders and state projects. Production figures for principal subsistence crops in 1999 were sorghum, 1,203,000 tons; millet, 973,000 tons; corn, 378,000 tons; and rice, 89,000 tons. Commercial crops (with 1999 production figures) included cottonseed (185,000 tons), groundnuts (215,000 tons), cotton fiber (136,000 tons), and sesame (13,000 tons). Other important crops are cassava, cowpeas, sweet potatoes, and tobacco. Sugarcane has been introduced on a large scale and is becoming an important cash crop; 400,000 tons were produced in 1999.

23 ANIMAL HUSBANDRY

In 1999 there were an estimated 7,950,000 goats; 6,350,000 sheep; 475,000 asses; 590,000 pigs; 25,000 horses; and 21 million chickens. Meat production in 1999 included 45,000 tons of beef; 22,000 tons of poultry; 23,000 tons of goat meat; 13,000 tons of mutton; and 8,000 tons of pork. In 1999, 7,000 tons of cattle hides; 6,000 tons of goatskins; and 3,000 tons of sheepskins were produced. Dairy products that year included 160,000 tons of cow's milk; 52,000 tons of goat's milk; and 1,000 tons of butter and ghee. Hens produced 17,000 tons of eggs in 1999. In recent years, livestock production has leveled off; since 1985 it has remained below 15% of GDP. Further development depends on the availability of pasturage and water, as well as the import policies and tax levels of neighboring countries.

24 FISHING

The country has no access to the sea, and freshwater areas are limited. Fish still are caught by traditional methods, and production amounted to 8,500 tons in 2000.

25 FORESTRY

Almost all vestiges of Burkina Faso's primitive forest have been cut down for fuel or to make way for farmland, and reforestation did not begin until 1973. About 50% of the total land is

considered forest or woodland. Deforestation proceeded at the rate of 0.2% per year during 1990–2000. Roundwood removals were estimated at 8 million cu m (282 million cu ft) in 2000, 93% of them for fuel.

[26]MINING

Mining accounted for 1%–2% of GDP; revenues were dominated by gold, the third-leading export commodity. Gold mining output for 2000 was 1,000 kg, and artisanal miners have become the predominant producers. The gold mine at Poura, which was estimated to contain 450,000 tons of ore at a grade of 12 grams per ton of gold, closed in 1999, reportedly because of low gold prices, after completion of an $11.6 million rehabilitation project in 1997 financed by the European Union. The mine was operated by the parastatal Société de Recherches et d'Exploitations Minères du Burkina (SOREMIB), and production was complemented by the output of tens of thousands of individual prospectors called *orpaillages*. An estimated 40%–60% of artisanal gold production was smuggled out of the country.

Exploitation of an estimated 15 million tons of high-grade manganese ore at Tambao awaited better commercial prospects and completion of a railway extension from Ouagadougou to Tambao. Bauxite deposits have been located in the regions of Kaya and Bobo-Dioulasso. Significant mineral deposits included copper at Gaoua and Wayen, graphite at Kaya, and phosphate at Kodjari. Four main deposits of limestone have also been discovered. For many years, iron has been worked at Ouahigouya and near Banfora to make farm and home implements. The Perkoa high-grade zinc ore deposit, in development, had resources of 7 million tons and planned to produce 60,000 tons per year with an estimated mine life of 15 years. Other deposits included cassiterite, cobalt, diamonds, granite, lead, marble, nickel, phosphate rock, pumice, salt, sand and gravel, uranium, and vanadium. The government adopted a new mining code in 1997 primarily to standardize all the legal measures used to regulate the sector and to amend those parts of the previous legislation that had hindered future development.

[27]ENERGY AND POWER

All petroleum products are imported. Total installed electrical capacity in 2001was 0.121 million kW. Production rose from 42 million kWh in 1973 to 282 million kWh in 2000, of which 70.9% was thermal and 29.1% hydroelectric. Consumption of electricity was 262.3 million kWh in 2000. Construction of a 15,000 kW hydroelectric facility at Kompienga was finished in 1989. In 1999, with a grant from the government of Denmark, Burkina Faso built a new power station, completing it in just five months to meet the country's emergency energy needs. Production and distribution of electricity and water are controlled by the state-owned Société Nationale d'Électricité du Burkina (SONABEL), established in Ouagadougou in 1968.

[28]INDUSTRY

Industry accounted for about 28% of Burkina's GDP in 2000, yet employed only 2% of the population. The principal centers for economic activity are Bobo-Dioulasso, Ouagadougou, Banfora, and Koudougou, cities on the rail line to Abidjan, Côte d'Ivoire. Burkinabe industry reflects an interesting diversity, but is dominated by unprofitable state-controlled corporations. Important sectors are food processing, textiles, and leather, although small-scale operations manufacture cigarettes, bricks, and light metal goods such as beds and agricultural implements. Other enterprises are a brewery and moped and bicycle assembly plants. Cotton production (cotton is Burkina Faso's main export) reached record levels in 1999, reaching 419,000 tons, marking the fifth consecutive year of strong growth in the sector. Gold production (gold is the country's second largest export) has increased markedly in recent years. Efforts were underway in 2003 to develop a shea butter industry in Burkina Faso: shea butter is used as a skin moisturizer and as a substitute for cocoa butter in the production of chocolate. Of 42 state enterprises selected for sale, 21 were divested by 1999. Shell, Elf Oil, Mobil Oil, and Texaco operate in Burkina Faso; the country has no hydrocarbon resources. Sonabel (Société Nationale Burkinabe d'Electricité) is the state-owned utility supplying electricity to the country. Burkina Faso has undeveloped phosphate resources and manganese deposits.

[29]SCIENCE AND TECHNOLOGY

Burkina Faso has a shortage of skilled scientists and technicians. Scientific and technical aid comes chiefly from France. In 1987–97, expenditures for research and development totaled 0.2% of GNP; there were 17 scientists and 16 technicians per million people engaged in research and development. Burkina Faso has 4 national institutes conducting research in agriculture, medicine, and natural sciences; and two French institutes conducting research in medicine, hydrology, and geology; and an international institute (founded in 1960) to combat endemic and transmitted diseases and malnutrition and to train medical workers in eight member African states. The University of Ouagadougou (founded in 1969) has institutes of mathematics and physics, chemistry, natural science, technology, and health sciences. A 14-nation school of engineering and rural equipment (founded in 1968) is in Ouagadougou. In 1987–97, science and engineering students accounted for 37% of college and university enrollments.

[30]DOMESTIC TRADE

As of 2000, about 90% of the population was employed in subsistence farming. The country relies heavily on imports for capital goods and food products. Importers generally are their own wholesalers and often their own retailers, dealing in everything from matches to farm equipment. There are a limited number of privately-owned factories for cotton and textiles manufacturing and food processing. Many residents migrate to surrounding countries to find work and send money back home. The main commercial centers are in Ouagadougou and Bobo-Dioulasso, where French commercial practices prevail.

[31]FOREIGN TRADE

The leading imports are machinery and food products. Refined petroleum products also account for much of the nation's imports, along with cement, clinker, and fertilizers. Cotton is Burkina Faso's largest export (57%), with gold in second place (17%), and animal products coming in third. Vegetables, leather, oil seeds, and animal hides account for about 20% of exports.

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Italy	26	15	11
France	18	208	-190
Thailand	15	2	13
Germany	8	13	-5
China (inc. Hong Kong)	7	15	-8
Belgium	1	23	-22
Côte d'Ivoire	n.a.	173	n.a
Vietnam	n.a.	15	n.a.
Nigeria	n.a.	15	n.a.
United States	n.a.	22	n.a.

[32]BALANCE OF PAYMENTS

Burkina Faso's balance of payments is chronically negative, as receipts from exports of goods and services typically only cover 30–40% of imports. It has had to rely heavily on remittances from Burkinabe working abroad and on international credits and

other forms of borrowing to help offset widening trade imbalances. These factors, together with net capital inflows, generated a slight surplus from 1986 to 1988. Declining gold exports and falling cotton prices in 1989, coupled with increased imports and declining remittances from abroad, seriously deteriorated Burkina Faso's trade balance. By 1990, however, recovery in the gold and cotton sectors reduced the current account deficit to about 14% of GDP (from over 17% in 1989).

Burkina Faso and the IMF agreed upon a structural adjustment program in 1990 in which rigorous financial control was made a priority. Tax collections were improved and salaries stabilized to the point that budget surpluses were attained in 1989 and 1991. A value-added tax took effect in 1993. An enhanced structural adjustment program negotiated in 1993 sought growth of 3–11% annually while curbing ongoing financial imbalances. In 2003, the IMF approved a three-year $34 million Poverty Reduction and Growth Facility (PRGF) Arrangement with Burkina Faso.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Burkina Faso's exports was $265 million while imports totaled $580 million resulting in a trade deficit of $315 million.

The International Monetary Fund (IMF) reports that in 1994 Burkina Faso had exports of goods totaling $216 million and imports totaling $344 million. The services credit totaled $56 million and debit $138 million. The following table summarizes Burkina Faso's balance of payments as reported by the IMF for 1994 in millions of US dollars.

Current Account	**15**
Balance on goods	-129
Balance on services	-82
Balance on income	-29
Current transfers	255
Capital Account	**...**
Financial Account	**-14**
Direct investment abroad	...
Direct investment in Burkina Faso	...
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	-139
Other investment liabilities	125
Net Errors and Omissions	**-8**
Reserves and Related Items	**7**

33 BANKING AND SECURITIES

In 1959, the Central Bank of West African States (Banque Centrale des États de l'Afrique de l'Ouest-BCEAO) succeeded the Currency Board of French West Africa and Togo as the bank of issue for the former French West African territories. In 1962, it was reorganized as the joint note-issue bank of Benin (then Dahomey), Côte d'Ivoire, Mauritania (which withdrew in 1973), Niger, Senegal, Togo, and Burkina Faso (then Upper Volta). BCEAO notes, known as CFA francs, are guaranteed by France without limitation. Foreign exchange receipts of Burkina Faso go into the BCEAO's exchange pool, which in turn covers its foreign exchange requirements.

Other banks are the International Bank for Commerce, Industry, and Agriculture of Burkina Faso, the National Development Bank (80% government-owned), the National Fund of Agricultural Credit of Burkina Faso (54% state-owned), the state-owned National Fund of Deposits and Investment, the International Bank of Burkina, Banque Nationale de Paris (BNP), Bank of Africa (BOA), and Ecobank Burkina.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $357.8 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $537.5 million. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4.95%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

34 INSURANCE

Insurance companies must have government approval and are subject to government supervision. Automobile third-party liability insurance is compulsory. Two French companies provide most types of insurance, as does the National Society for Insurance and Reinsurance (SONAR-51% state-owned). In 1986, nonlife insurance accounted for 95.7% of all premiums.

35 PUBLIC FINANCE

Burkina Faso's revenue sources are limited, and the country depends heavily on subsidies from France. An extensive fiscal adjustment program was begun in 1991 with the help of the IMF, that outlined plans for the privatization of state-owned enterprises. Over 40% of government income is derived from customs duties, but $18 million had been netted from parastatal sales by 1999. Personnel expenses account for over 40% of outlays. Budget deficits averaging 10% of GDP during 1998 added significantly to the debt service burden. At least 20% of the government budget is financed by foreign aid.

The US Central Intelligence Agency (CIA) estimates that in 2001 Burkina Faso's central government took in revenues of approximately $316 million. Overall, the government registered a surplus of approximately $316 million. External debt totaled $1.5 billion.

The following table shows an itemized breakdown of government expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

EXPENDITURES	100.0%
General public services	7.8%
Defense	14.0%
Public order and safety	...
Education	17.3%
Health	6.9%
Social security	...
Housing and community amenities	0.8%
Recreation, cultural, and religious affairs	0.9%
Economic affairs and services	11.2%
Other expenditures	4.8%
Interest payments	8.3%

36 TAXATION

The contribution of direct taxation of all kinds to the governmental revenue is relatively low. Individuals pay a single income tax, varying from 2-30% on salaries, tips, and other remuneration, and 10-45% on business income. Companies pay a tax on profits, a forfeit tax, and taxes on income from debt and investments. There are also a number of real estate taxes. Sales and transaction taxes are shared by most of the population. Indirect taxes include customs duties and license fees.

There are consumption taxes on specified items, such as petroleum products and tobacco, and local taxes on motor vehicles.

37 CUSTOMS AND DUTIES

Burkina Faso has made several trade reforms in the past decade. Most notably, almost all non-tariff barriers to trade have been eliminated and the maximum tariff has been lowered from 200% to 66%, except for petroleum, which still carries a 150% tariff. Additionally, Burkina Faso is working with the World Trade Organization to get its tariff rates within WTO parameters.

[38]FOREIGN INVESTMENT

Most foreign investments in Burkina Faso come from private French sources; however, investment capital from other EU members has increased in recent years. Under the Investment Code of 1992, the Ministry of Industry, Commerce, and Mines approves new investments based on the recommendations of the National Investment Commission. The principal criterion used is value added, with a minimum acceptable level of 35%. The investment code has three incentive schedules: Schedule "A" for investment under 200 million CFAF (about 390,000), a more generous Schedule "B" for investments above this level, and an even more generous (permanent exemption from all Burkinabe taxes) Schedule "C" for export companies. The 1993 Mining Code regulates foreign mining enterprises. Investment has been sought for hotels, textile factories, agroindustrial projects, communications, and other fields in addition to mining. As of 1996, over 140 companies were holding exploration licenses while total investment in the mining sector amounted to $38 billion. As of the late 1990s, the most promising sectors for foreign interest and investment were the cotton industry and the gold mining industry. Foreign firms must reserve at least 35% of capital for Burkinabe participation and 50% for priority-sector investments.

Between 1997 and 1999, FDI inflow into Burkina Faso averaged $11.77 million, but then jumped to an annual average of $24 million of FDI in 2000 and 2001. France has been the source of most investment with Lebanese investors playing a prominent role in 2001. The only sizeable US investment has been from Mobile (now ExxonMobile) in gas distribution.

[39]ECONOMIC DEVELOPMENT

Development of the agricultural sector and of infrastructure have been the priorities established by Burkina's recent development plans. The 1991–95 plan estimated that 75% of the investment total would be allocated to agriculture. A 1995–97 plan, developed with support by the International Monetary Fund (IMF), included a goal of 5% real annual growth in gross domestic product (GDP), with inflation controlled to a maximum of 3% per year. The plan placed emphasis on privatization and encouragement of foreign investment, particularly in industrial mining. As of the early 2000s, there was considerable interest in mining, especially of gold.

The country regularly receives bilateral and multilateral aid, primarily in technical assistance. France and the United States are the leading bilateral aid donors. Since 1991, Burkina Faso has been supported by relief from the IMF's Enhanced Structural Adjustment Facility (ESAF), and a Poverty Reduction and Growth Facility (PRGF). Burkina Faso reached its completion point for assistance under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative in 2000. The country completed a PRGF arrangement in 2002 that was fully disbursed. A three-year $34 million PRGF arrangement was approved in June 2003 to support the government's economic reform program for 2003–06. The 2002–03 political crisis in Côte d'Ivoire, Burkina Faso's major regional trading partner, had repercussions in Burkina Faso, particularly with regard to the collection of taxes, and to the need for increased humanitarian assistance, border control, and security spending. Spending in 2002 was for goods and services including telephones, electricity, and water. Spending was also necessary for education, health, and other poverty-reducing initiatives.

[40]SOCIAL DEVELOPMENT

A social insurance law provides employed persons with pensions for old age and disability. Spouses of pensioners receive survivor benefits equal to 50% of the insured person's pension. These programs are funded by equal contributions from employers and employees. Medical coverage is limited to maternity benefits, consisting of 100% of regular earnings payable for 14 weeks. A worker's compensation program provides both temporary and permanent disability benefits and medical benefits. Employment-related family allowances are also paid to families with children under the age of 14. However, most citizens of Burkina Faso are subsistence farmers and fall outside the scope of the social security system.

The constitution prohibits discrimination based on race, religion or ethnic origin, but does not mention sexual discrimination. Women do not have equal opportunities to education and employment, and they do not have the same property rights as men. Spousal abuse is common and polygyny is legal. Female circumcision, also known as female genital mutilation, is still widely practiced. It has been estimated that as much as 70% of the female population has undergone this painful and dangerous procedure. The government is collaborating with nongovernmental organizations to stop this practice. Child abuse remains a widespread problem.

Prison conditions are poor and facilities are overcrowded. Serious human rights violations continue and perpetrators of these abuses are rarely punished.

[41]HEALTH

In 1993, the government of Burkina Faso took on the project of improving the quality of health services by upgrading facilities and skills, achieving control of endemic parasitic diseases, and strengthening sector institutions. Total health care expenditures as of 1999 were an estimated 4.1% of GDP.

As of 1999, it was estimated that there were fewer than 0.05 physicians and 1.4 hospital beds per 1,000 people. The hospital at Ouagadougou is one of the most modern in Africa. Medical centers at Bobo-Dioulasso carry on research on insect-borne diseases. Mobile medical units attempt to control leprosy, sleeping sickness, yellow fever, and other contagious diseases. There were 2,824 new cases of measles in 1994.

One of Burkina Faso's most serious health problems is onchocerciasis (river blindness), which touches 84% of the total land area and causes many thousands of people to desert settlements infected by the fly vector. A control program has had some success. About two-thirds of Burkina Faso residents have access to safe water. In early 1997, a meningitis epidemic in West Africa spread to Burkina Faso, resulting in 724 deaths out of 5,571 cases.

The infant mortality rate in 2000 was 104 per 1,000 live births. The crude birth rate was 44.34 in 1999. The incidence of low-birth weight babies was 21% in 1993–96. As of 2000, only 12% of married women (ages 15 to 49) used contraception. As of 1999, Burkina Faso immunized children up to one year old as follows: diphtheria, pertussis, and tetanus, 42% and measles, 53%.

In 1999, there were 319 cases of tuberculosis per 100,000 people. Average life expectancy in 2000 was estimated at 44 years and the death rate was 17.1 per 1,000. At the end of 2001, the number of people living with HIV/AIDS was estimated at 440,000 (including 6.5% of the adult population) and deaths from AIDS that year were estimated at 44,000. HIV prevalence in 1999 was 6.44 per 100 adults.

In Burkina Faso, 70% of all women undergo female genital mutation. In 1994, 3.5 million women and girls were affected. Currently, no laws restrict this procedure.

[42]HOUSING

Architecture in the metropolitan centers is essentially French. Many African people, especially the Mossi, live in round huts with conical straw roofs or in rectangular huts with flat roofs. There is a housing shortage in the urban centers due to rapid growth. In Ouagadougou, most houses are built with mud brick

and/or plaster. About 10% are made with cement block. In 1991, there were about 1,399,149 households. About 92% of rural dewllings and 65% of urban housing were owner occupied. In 1999, only 53% of all homes had access to improved water systems and only about 24% had access to improved sanitation systems. There is an average of 6.9 people per household.

[43]EDUCATION

Though education is listed as compulsory for all children aged 7 to 14, attendance is not enforced. All public education is free. The language of instruction is French. As of 1999, public expenditure on education was estimated at 3% of GDP.

Primary education lasts for six years and secondary for seven years. Secondary education consists of either a general or technical course of study. Projected adult illiteracy is projected at only 77% for the year 2000 (males, 66.8%; and females, 86.9%). As of 1999, 35% of primary-school-age children were enrolled in school, while 8% of those eligible attended secondary school.

In 1996 primary schools enrolled 700,995 pupils and had 14,037 teachers. At the secondary level in 1993–94, students enrolled in general education numbered 116,003 while those in vocational training numbered 8,808. There were 3,346 general education teachers at the secondary level. The pupil-teacher ratio at the primary level was 50 to 1 in 1999.

The Center for Higher Education was established in 1969, and in 1974 it became the University of Ouagadougou. In 1997 there were 8,911 students and 352 teachers in all higher level institutions.

[44]LIBRARIES AND MUSEUMS

The largest library, now part of the University of Ouagadougou, was founded in 1969 and had 70,000 volumes as of 2002. Other libraries are attached to institutes such as the Center for Economic and Social Studies of West Africa. There is also a large library (20,000 volumes) attached to the Grand Seminary of Koumi In Bobo-Dioulasso. The French Cultural Center in Ouagadougou holds 30,000 volumes. The National Museum in Ouagadougou has a collection of the ethnography, costumes, and domestic artifacts of Burkina Faso. There is the Museum of Southwest Civilizations in Gaoua, a regional museum in Pobe, and, opened in 1990, a Provincial Museum of Music in Bobo-Dioulasso housing a number of traditional instruments.

[45]MEDIA

Radio, telephone and telegraph services are available to Paris and to the neighboring countries. In 2000 there were about 53,200 main line telephones in use, most of them in Ouagadougou and Bobo-Dioulasso. There were also about 25,200 cellular phones in use the same year.

Two radio stations, one in Ouagadougou and one in Bobo-Dioulasso, are run by Radiodiffusion Nationale, the government radio corporation. Broadcasts are in French and 13 indigenous languages. As of 2002, there were a total of 3 AM and 17 FM radio stations. In 2000 there were 35 radios and 12 television sets for every 1,000 people. Télévision Nationale du Burkina, the government-owned television transmitting station, was established in 1963. Transmissions are made six days a week and are received only in Ouagadougou and Bobo-Dioulasso. The government has been establishing public viewing centers. There is also one privately operated television station. Internet access is limited, with only four Internet service providers serving 10,000 users in 2001.

Burkina Faso had seven daily newspapers in 2002, all published in Ouagadougou. *L'Observateur Paalga* and *L'Observateur* had the highest circulations (8,000 each). Other dailies included the *Bulletin Quotidien D'Information* (circulation 1,500), *Le Pays* (4,000), and *Sidwaya* (3,000). Several published periodicals, all issued in Ouagadougou, include the *Bulletin Economique et Social*, (circulation 550) published by the Chamber of Commerce six times a year, and *Carrefour Africain*, (circulation unavailable) published monthly with government sponsorship. The press agency Agence d'Information du Burkina is based in Ouagadougou.

The 1990 Information Code provides for freedom of speech and freedom of the press, and it is said that these freedoms are in some degree circumscribed by self-censorship, as the government is sensitive to criticism.

[46]ORGANIZATIONS

The Chamber of Commerce, Industry, and Handicrafts of Burkina Faso has its headquarters in Ouagadougou. There is also an Office for the Promotion of Burkinabe Enterprises. The National Farmers Union was created in 1987. Cooperative groups and unions are active, as are employers' and professional groups. Student movements have played an influential role in national politics. A national student union was founded in 1965 at the University of Ouagadougou. Other youth organizations include chapters of the Boy Scouts, Girl Guides, Youth For Christ, Catholic Youth Organization, and Red Cross Youth.

[47]TOURISM, TRAVEL, AND RECREATION

All visitors must have a passport, visa, and a certificate of yellow fever vaccination. A cholera immunization is also recommended. Tourist attractions include the Nazinga, Arly, and "W" park game preserves, the National Museum and artesian centers in Ouagadougou and market towns such as Gorom-Gorom. In 1998 there were 612,787 tourist arrivals, tourist expenditures totaled $42 million, and the hotels had an occupancy rate of 58%.

In 2002, the US government estimated the costs of staying in Ouagadougou at $136 per day. Costs are significantly cheaper outside the capital. Daily expenses in Bobo-Dioulasso are estimated at $73, while costs elsewhere in the country can drop to $65 per day.

[48]FAMOUS BURKINABE

The best-known persons are Maurice Yaméogo (b.1921), a former president of Upper Volta during 1960–66, who has been living in Côte d'Ivoire since 1970; Moro Naba Kougri (1930–82), the traditional sovereign of the Mossi; and Sangoulé Lamizana (b.1916), a former army chief of staff, who was president of Upper Volta from 1966 to 1980. Capt. Thomas Sankara (1949?–87), who gained a following in the 1974 clashes with Mali, seized power in a 1983 coup; he was overthrown and executed in 1987. Capt. Blaise Compaoré (b.1951) assumed the presidency after Sankara's execution.

[49]DEPENDENCIES

Burkina Faso has no territories or colonies.

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BURUNDI

Republic of Burundi
République du Burundi; Republika yu Burundi

CAPITAL: Bujumbura

FLAG: The national flag consists of a white circle in the center with arms extending to the four corners. The circle contains three red stars. Upper and lower fields formed by the circle and its arms are red; the fields on the sides are green.

ANTHEM: *Burundi Bwacu (Our Burundi),* beginning "Burundi bwacu, Burundi buhire" ("Our Burundi, O blessed land").

MONETARY UNIT: The Burundi franc (BFr) is a paper currency. There are coins of 1, 5, and 10 francs, and notes of 10, 20, 50, 100, 500, 1,000, and 5,000 francs. BFr1 = $0.0009487 (or $1 = BFr11054) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; Independence Day, 1 July; Assumption, 15 August; Victory of UPRONA, 18 September; 13 October; All Saints' Day, 1 November; Christmas, 25 December. Movable religious holidays include Easter Monday, Ascension, and Pentecost Monday.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Burundi is a landlocked country in east-central Africa with an area of 27,830 sq km (10,745 sq mi), of which about 7% consists of lakes. Comparatively, the area occupied by Burundi is slightly smaller than the state of Maryland. It extends 263 km (163 mi) NNE–SSW and 194 km (121 mi) ESE–WNW. Burundi is bounded on the N by Rwanda, on the E and S by Tanzania, and on the W by the Democratic Republic of the Congo (DROC), with a total boundary length of 974 km (605 mi).

Burundi's capital city, Bujumbura is located in the western part of the country.

[2]TOPOGRAPHY

Burundi is a country mainly of mountains and plateaus, with a western range of mountains running north–south and continuing into Rwanda. The highest point is Mt. Heha at 2,670 m (8,760 ft). The only land below 914 m (3,000 ft) is a narrow strip of plain along the Ruzizi River (about 800 m/2,600 ft), which forms the western border north of Lake Tanganyika. From the mountains eastward, the land declines gradually, dropping to about 1,400 m (4,600 ft) toward the southeastern and southern border. The average elevation of the central plateau is about 1,525 to 2,000 m (5,000 to 6,500 ft). The major rivers form natural boundaries for most of the country. The Kanyaru and the Kagera separate Burundi from Rwanda along many sections of the common border. The Kagera and the Ruvubu are important as the southernmost sources of the Nile. Most of Burundi's southern border is formed by the Malagarasi River. The principal lakes are Tanganyika, Cohoha, and Rweru.

[3]CLIMATE

Burundi in general has a tropical highland climate, with a considerable daily temperature range in many areas. Temperature also varies considerably from one region to another, chiefly as a result of differences in altitude. The central plateau enjoys pleasantly cool weather, with an average temperature of 20°C (68°F). The area around Lake Tanganyika is warmer, averaging 23°C (73°F); the highest mountain areas are cooler, averaging 16°C (60°F). Bujumbura's average annual temperature is 23°C (73°F). Rain is irregular, falling most heavily in the northwest. Dry seasons vary in length, and there are sometimes long periods of drought. However, four seasons can be distinguished: the long dry season (June–August), the short wet season (September–November), the short dry season (December–January), and the long wet season (February–May). Most of Burundi receives between 130 and 160 cm (51–63 in) of rainfall a year. The Ruzizi Plain and the northeast receive between 75 and 100 cm (30–40 in).

[4]FLORA AND FAUNA

Most of the country is savanna grassland. There is little forest left; Burundi is one of the most eroded and deforested countries in all of tropical Africa. Of the remaining trees, the most common are eucalyptus, acacia, fig, and oil palms along the lake shores.

Wildlife was abundant before the region became agricultural. Still found are the elephant, hippopotamus, crocodile, wild boar, lion, antelope, and flying lemur, as well as such game birds as guinea fowl, partridge, duck, geese, quail, and snipe. Some 451 breeding bird species have been reported. The crowned crane is prevalent. As the region becomes more densely populated, some species are dwindling or disappearing.

In Lake Tanganyika there is a great variety of fish, including the Nile perch, freshwater sardines, and rare tropical specimens. Most of the 133 fish species in Lake Tanganyika are found nowhere else in the world.

[5]ENVIRONMENT

There are no national parks and laws against hunting and poaching are not enforced. Wildlife survives only in those areas of the country not heavily cultivated, and rapid population growth is reducing the amount of uncultivated land. The cutting of forests for fuel is uncontrolled despite legislation requiring permits. Only 5.3% of Burundi's total land area is protected. Soil erosion due to deforestation, improper terracing, and overgrazing is also a serious problem. Burundi also has a problem with maintaining the purity of its water supply. It has only 3.6 cubic

kilometers of renewable water resources, of which 64% is used for agricultural purposes. About 91% of the nation's urban population and 77% of rural dwellers have access to pure water.

As of 2000, five species of mammals in a total of 107 were considered threatened. An example is the mountain gorilla whose existence is endangered due to poaching and damage to its living environment from deforestation. Six species of birds in a total of 451 were similarly threatened. Of 2,500 plant species in Burundi, none are currently threatened.

6 POPULATION

The population of Burundi in 2003 was estimated by the United Nations at 6,825,000, which placed it as number 95 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 48% of the population under 15 years of age. There were 95 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 3.10%, with the projected population for the year 2015 at 9,834,000. The population density in 2002 was 240 per sq km (622 per sq mi), making it one of the most densely populated countries in Africa. The density is greatest in north-central Burundi.

It was estimated by the Population Reference Bureau that 9% of the population lived in urban areas in 2001. The capital city, Bujumbura, had a population of 321,000 in that year. Apart from Bujumbura, urban areas are small and serve mainly as commercial and administrative centers. According to the United Nations, the urban population growth rate for 2000–2005 was 5.9%.

The prevalence of AIDS/HIV has had a significant impact on the population of Burundi. The United Nations estimated that 8.3% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

7 MIGRATION

At the end of 1992 there were about 271,700 refugees in Burundi. Some 25,800 were from the former Zaire and 245,600 from Rwanda; most of the latter were Tutsi from Hutu-ruled Rwanda. When ethnic massacres broke out anew in Rwanda in 1994, several hundred thousand Rwandan refugees streamed across the border into Burundi. By August 1996, all of these refugees had returned to Rwanda as they were compelled by the insecurity in Burundi. At the end of 1992 Tanzania was harboring 149,500 refugees from Burundi, Rwanda 25,200, and Zaire 9,500. Hundreds of thousands of Hutu from Burundi crossed into Rwanda, Tanzania, and the former Zaire in late 1993 to escape massacre at the hands of the Tutsi-dominated army. In early 1994, many of these refugees returned home. In 1994, with the outbreak of the civil war in Rwanda, 270,000 Burundi refugees who were there returned home or fled to Zaire. By November 1996, 120,000 Burundians returned home from the former Zaire. However, there were still over 240,000 Burundi refugees still in the DROC and Tanzania.

At the end of 1996, it was estimated that 500,000 Burundis were still displaced internally, either clustered with military posts if they were of Tutsi ethnicity or in the hills if they were Hutus. In January 1999 Burundi and Tanzania took steps to revive talks on repatriation. However, a series of rebel attacks in the Ruyigi province in April 1999 seriously hindered repatriation efforts in that area. Increased violence in Bujumbura, beginning in July 1999, also slowed efforts. As of 1999, repatriation figures remained below expected levels. However, the majority of Congolese refugees who fled the DROC and came to Burundi in 1998 had returned home. The net migration rate for 2000 was -12.9 migrants per 1,000 population, or a loss of 80,000 people.

LOCATION: 2°20′ to 4°28′ S; 29° to 30°50′ E. BOUNDARY LENGTHS: Rwanda, 290 kilometers (180 miles); Tanzania, 451 kilometers (280 miles); Democratic Republic of the Congo, 233 kilometers (145 miles).

Of the 77,000 migrants living in Burundi in that year, over one-third were refugees.

8 ETHNIC GROUPS

The population is made up mainly of Hutu, a Bantu people, traditionally farmers, who constitute about 85% of the inhabitants. A tall warrior people, the Tutsi (Watutsi, Watusi, Batutsi), a Hamitic people, constitute about 14% of the population but dominate the government and military. The earliest known inhabitants of the region were the Twa (Batwa), a Pygmy tribe of hunters, related to the Pygmies of the DROC. They now make up about 1% of the population. There are about

82,000 immigrant Africans. Europeans and Asians number about 5,000.

[9]LANGUAGES

The main language is Kirundi, a Bantu language. Kirundi and French are the official languages. Swahili is used as a lingua franca along Lake Tanganyika and in the Bujumbura area.

[10]RELIGIONS

About 60% of the population are Roman Catholic, 5% are Protestant, and about 10% are Muslim. The remainder practices indigenous religions or has no religious affiliation.

The Bagaza government regarded the Catholic Church as pro-Hutu and restricted Masses, prohibited religious gatherings without prior approval, nationalized Catholic schools, banned the Catholic youth movement, and shut down the Catholic radio station and newspaper. The Jehovah's Witnesses and Seventh-Day Adventists were banned in 1986. Following Bagaza's ouster in September 1987, however, Maj. Pierre Buyoya, the new president (a Catholic), ended all restrictions on the Catholic Church. Currently, the religious holidays which are officially observed are primarily Catholic. In 2002, the Jehovah's Witnesses and Seventh Day Adventists were once again reported as accepted missionary groups. Freedom of religion has been constitutional established. Diplomatic status is granted to the heads of major religious groups.

[11]TRANSPORTATION

A great hindrance to Burundi's economic development is lack of adequate transportation. The country is landlocked, and there are no railroads. Roads total 14,480 km (8,998 mi) on 2002, and only about 7% of them remain open in all weather; the rest are classed as local roads or tracks. In 2000, there were 7,000 passenger cars and 9,300 commercial vehicles.

Burundi is dependent on Tanzania, Uganda, Zambia, and the DROC for its imports. Through Bujumbura, Lake Tanganyika serves as a link with Kigoma in Tanzania for rail shipment to Dar es Salaam. In 1987, the African Development Bank awarded a 50-year loan of CFA Fr218 billion to finance the construction of a shipyard in Bujumbura.

Air service is maintained by Air Burundi, which operates domestic service and flies to Rwanda, Tanzania, and the DROC. International service is also provided by Air Zaïre, Sabena, and other airlines. Bujumbura has an international airport, and there are six smaller airports as well as a number of helicopter landing strips. In 1997, 11,000 passengers traveled on international and domestic flights.

[12]HISTORY

The first known inhabitants of what is now Burundi were the Twa, a Pygmy tribe of hunters. Between the 7th and 10th centuries AD, the Hutu, a Bantu agricultural people, occupied the region, probably coming from the Congo Basin. In the 15th and 16th centuries, tall warriors, the Tutsi, believed to have come originally from Ethiopia, entered the area.

The Tutsi, a nomadic pastoral people, gradually subjugated the Hutu and other inhabitants of the region. A feudal social system based on caste—the conquering Tutsi and the subject Hutu—became the dominant feature of social relations, and especially of economic and political relations. The Hutu did the farming and grew the food in return for cattle, but generally had no part in government. The Tutsi were the ruling caste and did no manual labor. To a certain extent, however, the castes were open to each other. Custom allowed a particularly worthy Twa or Hutu to rise to the rank of a Tutsi; conversely, an impoverished Tutsi who had fallen from his former estate could be assimilated into the Hutu.

The Tutsi conquest initiated a process of political integration. The ownership of land was gradually transferred from the Hutu tribes to the mwami, the king of the Tutsi. The first mwami, Ntare I Rushatsi, is thought to have come to power in the 16th century. While the ruling mwami was in theory an absolute king, he was often regarded as primus inter pares among the Ganwa, aristocrats of royal lineage. But he had his court and his army and could not easily be removed from office.

The first European known to have reached the territory was John Hanning Speke, who traveled with Richard Burton to Lake Tanganyika in 1858. They paddled to the north end of the lake in their search for the headwaters of the Nile. In 1871, Stanley and Livingstone landed at Bujumbura and explored the Ruzizi River region. Subsequently, other explorers, principally German, visited Burundi. After the Berlin Conference of 1884–85, the German zone of influence in East Africa was extended to include Rwanda and Burundi. A German, Count von Götzen, discovered Lake Kivu in 1894. The first Roman Catholic missionaries came in 1898.

The German authorities made no changes in the indigenous organization. They administered the territory through the traditional authorities in accordance with the laws and customs of the region. However, the history of Burundi under the German administration was marked by constant factional struggles and rivalry, in contrast to the peaceful state of affairs in Rwanda. When Belgian troops occupied the country in 1916, they found it in dissension and the three-year-old mwami, Mwambutsa IV, the center of court intrigue. In 1923, the League of Nations awarded Belgium a mandate in the region, which was known as Ruanda-Urundi (present-day Rwanda and Burundi). The Belgians adopted the same policy of indirect administration employed by the Germans, retaining the entire established structure. In 1946, Ruanda-Urundi became a UN trust territory under Belgian administration.

On 18 September 1961, elections for the National Assembly were held in Urundi under the auspices of the UN. The result was a sweeping victory for UPRONA, the party headed by Prince Louis Rwagasore, eldest son of the mwami. On 13 October 1961, shortly after Prince Rwagasore had become premier, he was assassinated. Two leaders of the Christian Democratic Party were charged, convicted of responsibility for the murder, and executed.

The UN had strongly urged that Urundi and Ruanda come to independence united, since their relationship had long been close, their economies were integrated, and their people were ethnically one. However, the UN reluctantly decided that there was insufficient support for the union in both regions, and on 27 June 1962, the UN General Assembly passed a resolution that called for the creation of two independent nations, Burundi and Rwanda.

On 1 July 1962, Burundi became an independent kingdom headed by Mwami (King) Mwambutsa IV. He was deposed in July 1966 and was succeeded in September by his heir, Mwami Ntare V. On 29 November 1966, Mwami Ntare V in turn was overthrown by a military coup headed by Premier Michel Micombero, and Burundi was declared a republic with Micombero as president.

In 1969, an alleged Hutu coup attempt ended in the arrest of 30 prominent businessmen and officials. Another Hutu-led coup attempt in April 1972 led to widespread civil war, in which mass killings of Hutu by Tutsi and of Tutsi by Hutu were reported. On 21 July 1973, the UN High Commissioner for Refugees reported that there were at least 85,000 Hutu refugees from Burundi, of whom an estimated 40,000 were in Tanzania, 35,000 in Zaire, and 10,000 in Rwanda. President Micombero later conceded that more than 100,000 persons had been killed in the course of the 1972 insurgency. Most of the deaths were among the Hutu, and educated Hutu were systematically massacred. During 1973, rebel bands conducted raids into Burundi from across the Rwandan and Tanzanian borders, and Burundi's relations with

those two neighbors deteriorated. By the end of 1973, however, the government was fully in control.

On 1 November 1976, President Micombero was stripped of all powers by a military coup led by Lt. Col. Jean-Baptiste Bagaza, and the Supreme Revolutionary Committee (SRC) that subsequently took power named Bagaza president. The new regime, like the old one, was dominated by Tutsi. At a party congress of UPRONA in 1979, a party central committee, headed by President Bagaza, was selected to replace the SRC, and civilian rule was formally restored. In reality, however, the military remained active in both the party and in the government. A new constitution was adopted in a national referendum in 1981, and a National Assembly was elected in 1982. Bagaza was reelected unopposed to a new five-year term in 1984, but in September 1987, he was overthrown by the military while he was attending a conference in Canada. Maj. Pierre Buyoya became president.

Ethnic violence erupted again in 1988. In response to rumors of the murder of Tutsis in the north, the army massacred between 5,000 and 25,000 Hutu. Over 100,000 were left homeless and 60,000 took refuge in Rwanda.

Maj. Buyoya agreed to the restoration of multiparty politics in 1991, and a new constitution was approved in March 1992. Competition between approved, ethnically balanced parties in the June 1993 election brought to office Burundi's first elected president and its first Hutu president, Melchior Ndadaye. Ndadaye got 66% of the vote, while Buyoya received just 33%. Ndadaye began to talk of reform of the Tutsi-dominated armed forces. But, on 21 October 1993, Ndadaye and several cabinet members were assassinated by Tutsi soldiers. Other cabinet officers, including Prime Minister Sylvie Kinigi, a Tutsi, took refuge in the French embassy. Ethnic violence continued, with some 10,000 murdered and 800,000 fleeing the country. As many as 100,000 may have been killed in this round of violence. The military coup attempt, however, failed.

In February, Ndadaye's successor, Cyprien Ntaryamira, was inaugurated. But his coalition was unable to restore order. In an effort to negotiate peace, he went to Tanzania for consultations. On his flight home, the plane in which he was returning, along with Rwanda's President Habyarimana, was shot down near Kigali, Rwanda's capital, on 6 April 1994. Two other members of his cabinet also died in the attack. The constitutionally provided line of succession left the post of president to Sylvestre Ntibantunganya. He served in a transitional capacity until October 1994 when the Assembly elected him to serve a four-year term. In contrast to the genocide that erupted in Rwanda following the April 1994 killing of the presidents, Ntibantunganya managed to maintain relative stability in Burundi—for a time. Sporadic violence continued, prompting the government to impose a curfew in Bujumbura in December.

The death toll attributable to ethnic strife and political problems continued to mount during the first half of 1995. In 1993 alone, an estimated 150,000 had died in ethnic violence between Hutus and Tutsis. The averting of a citywide strike in the capital of Bujumbura in early February 1995 helped ease the ethnic tension, but the relief was short-lived. On 11 March, Mines and Energy Minister Ernest Kabushemeye was shot dead as the violence flared anew. This was followed later in the month by fighting in the central market that left four people dead. By 25 March, thousands of people were fleeing Bujumbura to escape the violence, and hundreds were feared dead in new fighting. The exodus grew to 50,000 refugees from the city with a total population of 300,000. Two suburbs where clashes had occurred were practically deserted.

The flare-up also affected refugees from neighboring Rwanda who had fled to seven northern Burundi camps to escape Hutu-Tutsi violence in their own country. An estimated 20,000 refugees undertook a two-day trek to Tanzania to escape the violence at one of the camps, which left 12 dead and 22 wounded. The seven camps, which once held more than 25,000 Rwandans, were closed by August 1996 as the last group of the refugees returned to its homeland.

Despite an Organization of African States peace mission, the Hutu militias and Tutsi-dominated government army battled throughout the early days of June in Bujumbura's suburbs. The OAS mission was aimed at ending months of fighting between the majority Hutus and the Tutsis before the clashes could develop into an all-out war.

On 25 July 1996, Maj. Pierre Buyoya seized power in a coup backed by the Burundi military. The National Assembly continued to function, although during Buyoya's "Transition Period" its powers were severely curtailed. Soon thereafter, six East African nations cut trade ties to the country and imposed and economic embargo after demanding Maj. Buyoya restore Parliament. The African leaders also demanded that Maj. Buyoya, president of Burundi from 1987 to 1993, begin peace talks with Hutu rebels. Yet ethnic violence escalated in the months following Maj. Buyoya's takeover. Each side blamed the other for the assassination in September of Archbishop Joachim Ruhuna, Burundi's senior Roman Catholic Archbishop. In his role as special peace envoy for Burundi, Nelson Mandela asked all parties—the government, rebel forces, and international organizations—to sit down and discuss the issues. In the early months of 2000 several such meetings were held in Tanzania. However, Mandela's efforts ran up against entrenched regional conflicts and ethnic animosities.

Seeking to secure national borders, Burundian troops intervened in the conflict in the Democratic Republic of the Congo in 1998, but were redeployed to Burundi to engage rebels operating within the country and from across the Congolese border. In October 2002, Burundi's smaller rebel groups—the CNDD-FDD (Conseil national pour la defense de la democratie-Forces pour la defense de la democratie—National Council for the Defense of Democracy-Forces for the Defense of Democracy) of Jean Bosco Ndayikengurukiye and the Palipehutu-FNL (Forces for National Liberation) of Alain Mugabarabona—signed a cease-fire, followed by a similar agreement between the CNDD-FDD of Pierre Nkurunziza and the transitional government of Burundi. Only the Palipehutu-FNL of Agathon Rwasa had not signed a cease-fire with the transitional government by mid-June 2003.

Under the Arusha peace deal, a three-year transitional government was inaugurated 1 November 2001. On 30 April 2003 Pierre Buyoyo stepped down under the terms of the accord, making way for a Hutu vice president, Domitien Ndayizeye, to assume the reigns for the remaining 18 months. However, since the signing of the cease-fires, fighting between the army and CNDD-FDD rebels has occurred on a daily basis. On 3 February 2003, the African Union authorized an African Mission in Burundi (AMIB), which fielded troops from South Africa, Ethiopia, and Mozambique to safeguard cantonment areas and to provide technical assistance to the disarmament and demobilization process. Because of delays in funding the mission, the Mozambicans and Ethiopians had only partially deployed by mid-2003, and had not been able to stop the conflict.

13 GOVERNMENT

Under the 1981 constitution, the president of the republic was elected by universal adult suffrage. The sole candidate was the president of UPRONA, the only legal political party. The president, who was head of state, was assisted by a council of ministers. Legislative power was vested in the 65-member National Assembly, of which 52 were elected and 13 appointed by the president. The president and legislators served five-year terms. Following the September 1987 coup, President Pierre Buyoya dismissed all members of the government and ruled as head of the newly established Military Committee of National

Redemption until it was disbanded in December 1990. A new constitution, which recognized "democracy, human rights and development", was adopted on 13 March 1992 after a popular referendum. It provides for a directly elected president, a prime minister, and an 81-seat National Assembly.

In 2001, the National Assembly was expanded from 121 to approximately 140 seats under the transitional government. Members are elected by popular vote to serve five-year terms. There is also a senate with 54 seats and undefined lengths of term. The current senators will likely serve out the three-year transition period. The three-year transitional government, which handed power from Buyoyo to Domitien Ndayizeye at mid-term, was scheduled to end with national elections in late 2004.

[14]POLITICAL PARTIES

Before independence, no fewer than 23 political parties were officially registered. Of these, only two retained political significance in the years following independence: the National Progress and Unity Party (Parti de l'Unité et du Progrès National— UPRONA), founded by Prince Louis Rwagasore, and the People's Party (Parti du Peuple—PP), an all-Hutu party. UPRONA, which initially controlled 58 seats in the National Assembly out of a total of 64, was soon torn by internecine leadership rivalries. In time, these rivalries took on the qualities of a racial feud between Tutsi and Hutu. In the National Assembly, the PP merged with the Hutu wing of UPRONA to form the so-called Monrovia Group, while the Tutsi wing of UPRONA referred to itself as the Casablanca Group.

In June 1965, legislative elections were held for the first time since independence. UPRONA won 21 seats, the PP 10, and independents 2. President Micombero, a Tutsi, proclaimed UPRONA to be the sole legal political party by a decree promulgated on 23 November 1966. On 1 November 1976, leaders of the coup that deposed Micombero announced that UPRONA had been dissolved, but in 1979, the party was incorporated into the government structure. According to the 1981 constitution, it was the only legal political organization. The president of UPRONA was president of the republic and also head of the party's 70-member Central Committee and 8-member Politburo.

Fifty-two members of the National Assembly were elected under the auspices of UPRONA in October 1982 from 104 candidates, about 75% of them Tutsi, chosen by local UPRONA committees. Several cabinet members and high party officials were defeated. In September 1987, following the coup that ousted President Bagaza, all members of UPRONA were dismissed.

The 1 June 1993 presidential election and the 29 June parliamentary election that year led to the defeat of UPRONA. President Ndadaye's party, the Burundi Democratic Front (FRODEBU) received 72% of the vote and 65 of parliament's 81 seats. UPRONA won the remaining seats with 21% of the ballots cast. Other parties include the Burundi People's Party (RPB), the Party for the Reconciliation of the People (PRP), and the People's Party (PP).

Newer, smaller partieshav emerged since 199, including: the Burundi African Alliance for the Salvation (ABASA), Rally for Democracy and Economic and Social Development (RADDES), Party for National Redress (PARENA), and the People's Reconciliation Party (PRP).

Smaller rebel factions with political influence include the CNDD-FDD (Conseil national pour la defense de la democratie-Forces pour la defense de la democratie—National Council for the Defense of Democracy-Forces for the Defense of Democracy) and the Palipehutu-FNL (Forces for National Liberation).

[15]LOCAL GOVERNMENT

Burundi was formerly divided into eight provinces, but a redistricting plan in 1982 increased the number to 15—which eventually expanded to 16—each under a military governor. Each province is subdivided into arrondissements and communes; the latter total 114.

[16]JUDICIAL SYSTEM

The legal system of Burundi is based on German and French civil codes and customary law. In 1987 there were 64 tribunals of first instance. The Court of Appeal and the Supreme Court are located in Bujumbura.

The 1992 Constitution established a number of new courts, including a constitutional court to review all new laws for conformity to the constitution. It also created a High Court responsible for resolving charges of high level crimes by high level government officials. A military court had jurisdiction over crimes by members of the military.

The military coup in 1996 abrogated the 1992 Constitution and replaced it by a transitional decree. The decree of 13 September 1996 provided for an independent judiciary, which in was dominated by the Tutsi ethnic group. The decree also provided for the right to privacy. Authorities generally respect the law requiring search warrants.

[17]ARMED FORCES

In 2002, Burundi had an army with an estimated 40,000 personnel. The troops included seven infantry battalions, two armed squadrons, one engineer battalion, one air defense battery, and independent infantry companies. Paramilitary gendarmerie numbered around 5,500. Opposition forces included up to 16,000 troops in the FDD (Forces for the Defense of Democracy) and an estimated 2,000–3,000 in the Forces for National Liberation. The defense budget in 2001 was $36.9 million or 5.3% of GDP.

[18]INTERNATIONAL COOPERATION

Burundi was admitted to UN membership on 18 September 1962 and is a member of ECA and all the nonregional specialized agencies except IAEA and IMO. It also belongs to the African Development Bank, G-77, and AU and is a signatory to the Law of the Sea and a member of the WTO. Burundi, Rwanda, and the DROC form the Economic Community of the Great Lakes Countries, which is intended to foster development in the region of lakes Kivu and Tanganyika. Burundi also cooperates with Rwanda and Tanzania in the development of the Kagera River Basin. In addition, Burundi is a member of the 15-nation Preferential Trade Area of Eastern and Southern Africa, and the organization's Trade Development Bank is in Bujumbura.

[19]ECONOMY

Burundi's is an agricultural and livestock economy with over 90% of the population engaged in subsistence agriculture. Bananas, plantains, sweet potatoes, and manioc are Burundi's staple crops, followed by beans, taro, and maize. Coffee and tea are the main export crops. Coffee provides roughly 50% of export earnings, which are thus vulnerable to international coffee prices and seasonal yields. Cotton is Burundi's other principal export, but cotton production has been plagued by excessive rain. Livestock sales are discouraged by a tradition that encourages the maintenance of large herds. Sales of hides and skins amount to some 3% of exports.

Burundi's mineral sector is currently small, with a potential that remains undetermined. Gold, tungsten, columbo-tantalite, bastnaesite, and cassiterite are each mined in small quantities. Explorations have revealed petroleum under Lake Tanganyika and in the Ruzizi Valley, as well as large nickel deposits at Musongati. Copper, cobalt, and platinum are expected to be found in association with the nickel. Phosphate rock deposits have also been located.

Since 1993, ethnic tensions and ongoing violence have severely disrupted the economy, bringing the government's economic reforms to a halt. International sanctions in 1996 exacerbated the poor economic situation, causing further food shortages, and high inflation. There was a 50% increase in the number of people falling below the poverty line. Although the Arusha Peace Accords had been signed in 2000, violence continued into 2003, as one million people fled their homes. Over 300,000 people since 1993 had been killed in Burundi's civil war. Sanctions imposed by neighboring countries on Burundi have stunted the economy, although a regional trade embargo was lifted in 1999. Nearly one in ten adults are infected with HIV/AIDS, and medicines are in short supply.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Burundi's gross domestic product (GDP) was estimated at $3.7 billion. The per capita GDP was estimated at $600. The annual growth rate of GDP was estimated at 1.4%. The average inflation rate in 2001 was 14%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 50% of GDP, industry 18%, and services 32%. Foreign aid receipts amounted to about $19 per capita and accounted for approximately 19% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $122. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 13%. The richest 10% of the population accounted for approximately 32.9% of household consumption and the poorest 10% approximately 1.8%. It was estimated that in 2001 about 70% of the population had incomes below the poverty line.

[21]LABOR

The total labor force in 2002 was estimated at 1.9 million, mostly in small subsistence farming. Of the total labor force, over 90% was engaged in agriculture.

Workers are legally permitted to form and join unions, although the army, gendarmie, and foreign workers are prohibited from unionizing. Urban civil servants make up the majority of union members. Approximately 60% of the 80,000 formal private sector employees and virtually all public sector employees are union members. The current Labor Code permits strikes but only after alternative remedies have been exhausted and six days notice given. Unions are permitted to be affiliated with international organizations.

The labor code restricts child labor but international organizations reported in 1999 that 48% of children between ages 10 and 14 years worked. The minimum age for military service is 18, but there are numerous reports of child soldiers. In 2002, there was a formal minimum wage set at $0.14 to $0.2 per day, depending on the region of the country. This is a below subsistence income for a family, so most families rely on second incomes and subsistence agriculture as well.

[22]AGRICULTURE

About 90% of the population depends on agriculture for a living. Most agriculture consists of subsistence farming, with only about 15% of the total production marketed. An estimated 1,100,000 hectares (2,718,000 acres), or about 43% of the total land area, is arable or under permanent crops; about 74,000 hectares (182,800 acres) are irrigated. The average farm family plot is 0.8 hectares (two acres). Agriculture accounted for 50% of the GDP in 2001. Coffee and tea exports comprise the majority of foreign earnings; coffee alone accounted for 54% of exports of goods in 2001. Principal crops for local consumption are manioc, beans, bananas, sweet potatoes, corn, and sorghum. Production in 1999 included bananas, 1,511,000 tons, mostly for wine; manioc, 617,000 tons; sweet potatoes, 734,000 tons; beans, 227,000 tons; sorghum, 60,000 tons; corn, 129,000 tons; peanuts, 10,000 tons; and potatoes, 24,000 tons.

The primary export crop is coffee, chiefly of the arabica variety. The government regulates the grading, pricing, and marketing of the coffee crop, and all coffee export contracts require approval. In 2001/2002, coffee production was 13,020 tons. Other export crops are cotton and tea. Seed cotton production was 3,000 tons, and cotton fiber production (after ginning) was about 1,000 tons in 1999. That year, tea production was 7,000 tons. Tea exports in 2001 of 8,706 tons represented 17% of total exports (up from only 4% during the 1980s); the government has been encouraging cotton and tea production in order to diversify exports. Palm oil is obtained from trees in plantations along the shore of Lake Tanganyika. Tobacco and wheat cultivated in the highland areas also yield some cash income.

Much of the land has suffered a loss of fertility because of soil erosion from poor agricultural practices, irregularity of rainfall, lack of fertilizer, and shortened fallow periods.

[23]ANIMAL HUSBANDRY

Livestock in 1999 included some 329,000 head of cattle, 594,000 goats, 165,000 sheep, 61,000 pigs, and four million chickens. Social prestige has traditionally been derived from ownership of cattle. This, together with improved sanitary conditions, has resulted in the accumulation of large herds of poor-quality stock; for example, the average milk yield per cow is only 350 kg a year (17% of world average). Total milk production was estimated at 23,000 tons in 1999. Meat consumption is estimated at only 48 calories per person per day, only one-tenth of the world's average. Production of meat in 1999 was 24,000 tons. The herds retard economic development by cutting down the amount of land available for food growing, and they destroy pastureland by overgrazing. Through various technical assistance programs, the government is seeking to eliminate excess cattle, improve the remaining livestock, and introduce modern stock-raising methods.

[24]FISHING

There are three main methods of fishing in Lake Tanganyika: industrial, native, and traditional. Industrial fishing, which developed after 1946, is carried on by small trawlers accompanied by several rowboats. Native fishing is in catamarans equipped with lights, nets, and engines. Traditional fishing is in pirogues equipped with lights and landing nets. The total for native and traditional fishing was 10,000 tons in 2000.

[25]FORESTRY

Erosion and cutting, chiefly for fuel, have almost entirely eliminated Burundi's forests. The harvesting of wood has increased only slightly since the late 1970s, and the emphasis has now shifted to reforestation. Forests and woodlands cover an estimated 325,000 hectares (803,000 acres). Natural forest covers 67,000 hectares (165,600 acres). Forestry output should continue to grow as the result of a World Bank-sponsored tree-planting program. Of an estimated 5.8 million cu m (205 million cu ft) in roundwood production in 2000, 99% was for fuel.

[26]MINING

Mining and energy accounted for 1% of Burundi's GDP in 1999. The country has been known to produce columbium (niobium)-tantalum ore, gold, kaolin (china clay), tin, and tungsten ore,

mostly for export, and limestone, peat, sand, and gravel for domestic consumption. Burundi had significant deposits of feldspar, kaolin, nickel, phosphate, platinum-group metals, quartzite, rare-earth metals, vanadium, and limestone for cement. There were gold deposits at Mabayi, Muyinga, Cankuzo, and Tora-Ruzibazi, where artisanal mining took place. After waning in the early 1990s, gold production rose to 1,000 kg in 1994 and 2,200 kg in 1996, then dropped to 1,500 in 1997–2000. The government has tried to transfer technical skills to artisanal miners, to raise productivity and increase state revenues. The Burundi Mining Corp., a government–private venture, was exploring the possibility of producing gold on a commercial basis at Muyinga, where resources were estimated at 60 tons of gold. Deposits of cassiterite, columbite-tantalite, and wolframite associated with pegamatites were found in Kayanza and Kirundo provinces. Nickel reserves, found in 1974, were estimated at 370 million tons (3%–5% of the world's total); high transportation costs, low world market prices, and political instability have delayed their exploitation. Since 1993, foreign investment and development of Burundi's resources have been hindered by civil unrest, social strife, and economic sanctions imposed by regional states; the economy contracted by 23% in the period 1993–96. Although the sanctions were lifted in 1999, internal strife continued to hurt the economy. In 2000, Burundi joined with 19 other nations to form Africa's first free-trade area, and the World Bank and other international donors pledged to give $440 million in reconstruction aid to Burundi. In 2000, production of columbite-tantalite (gross weight) was 42,000 kg, and of peat, 14,700 tons, up from 10,300 in 1998. Kaolin, lime, and tin were also mined in 2000, in small amounts.

[27]ENERGY AND POWER

Bujumbura and Gitega are the only two cities in Burundi that have municipal electricity service. Burundi's total installed capacity was 49,000 kW in 2001. Two dams completed since 1984 have increased the amount of power production from hydroelectric installations. In 2000, recorded production was about 148 million kWh, 99% of which was hydroelectric. Consumption in 2000 was 166.6 million kWh. Burundi imports all of its petroleum products from Kenya and Tanzania. A subsidiary of Amoco has an oil exploratory concession in and around Lake Tanganyika. Wood and peat account for 94% of energy consumption in Burundi. Peat offers an alternative to increasingly scarce firewood and charcoal as a domestic energy source. The government is promoting peat production and is fostering the development of renewable energy resources, such as solar electricity and biogas.

[28]INDUSTRY

Industrial activities are almost exclusively concentrated in Bujumbura and accounted for an estimated 18% of the GDP in 2001. The industrial sector transforms to varying degrees agricultural and forestry products: cotton, coffee, tea, vegetable oil, and woods. There are also several small plants for soft drinks, blankets, footwear, soap, insecticides, building materials, furniture, and metal goods. The future of industrial development is largely linked to the development of political stability and the growth of electric power and transportation, as well as improved commercial relations with neighboring countries.

Industrial production rose almost 2% in 1998, the first time since ethnic warfare began in 1993. Production of sugar, milk, paints, soap, bottles, pharmaceutical products, and textiles increased between 10% and 40% in 1998. The Teza tea plant was reconstructed (after being destroyed by rebels in 1996), increasing production from 1997 by 59% in 1998. Mining projects were also resumed, including nickel and gold operations. The country has no known oil, natural gas, or coal resources. Since 2001, the construction industry recovered somewhat, as new building projects were started in Bujumbura. Brarudi, a brewery, is the country's largest and most reliable source of tax revenue. Brarudi beer has a good reputation in the region.

[29]SCIENCE AND TECHNOLOGY

Technical aid is supplied by many donors, including the EEC, IBRD, Belgium, France, the Federal Republic of Germany (FRG), the US, Switzerland, and China. The National Center of Hydrometeorology, the Ministry of Geology and Mines, the Institute of Agronomical Sciences of Burundi (founded in 1960), and a medical laboratory devoted to nutritional studies are located in Bujumbura. The University of Burundi, in Bujumbura, has faculties of sciences, medicine, psychology and education, agriculture, and applied sciences. In 1987–97, science and engineering students accounted for 18% of college and university enrollments. The Higher Institute of Agriculture is in Gitega. In 1987–97, total expenditures for research and development totaled 0.3% of GNP; 32 technicians and 33 scientists and engineers per million people were engaged in research and development.

The Living Museum of Bujumbura has a reptile house, an aquarium, an aviary, a fishing museum, a botanical garden, and a herpetology center.

[30]DOMESTIC TRADE

Ethnic violence since 1993 has limited domestic commerce. Burundi's economy is characterized by subsistence agriculture; commercialization and nationwide distribution of daily necessities and foodstuffs are practically nonexistent. There is a very small manufacturing sector centered in Bujumbura, producing beer, soft drinks, soap, insecticides, textiles, and cigarettes, primarily for local distribution. Rural markets are the principal distribution centers. The National Office of Commerce is a state trading concern. Smaller trading operations are often in the hands of Greeks, Indians, and Arabs. All domestic trade is influenced by the coffee harvest, which during the harvest season (June–September) provides increased income and stimulates trading, with a somewhat inflationary effect.

Business hours are usually 8 AM to noon and 2 to 5 PM on weekdays and 8 AM to noon on Saturday. Banks are open 8 to 11:30 AM Monday–Friday.

[31]FOREIGN TRADE

In 2000, Burundi's imports exceeded its exports by 200%. Burundi's export income is highly volatile and fluctuates sharply with shifts in world coffee prices. Burundi's most important cash crop is coffee (73.3%), which is the most exported commodity. Tea (7.0%), hides (6.7%), gold (5.6%), and sugars (4.9%) encompass practically all of Burundi's remaining exports. Important imports include capital goods, petroleum products, foodstuffs, and chemicals.

Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Switzerland	11	1	10
Belgium	5	18	-13
United Kingdom	5	2	3
Netherlands	4	2	2
Spain	3	n.a.	n.a.
Kenya	3	8	-5
Germany	1	5	-4
Zambia	1	7	-8
Tanzania	n.a.	23	n.a.
France	n.a.	20	n.a.
Japan	n.a.	4	n.a.
China (inc. Hong Kong)	n.a.	6	n.a.

[32]BALANCE OF PAYMENTS

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Burundi's exports was $240 million while imports totaled $125 million resulting in a trade surplus of $115 million.

The International Monetary Fund (IMF) reports that in 2000 Burundi had exports of goods totaling $49 million and imports totaling $108 million. The services credit totaled $6 million and debit $43 million. The following table summarizes Burundi's balance of payments as reported by the IMF for 2000 in millions of US dollars.

Current Account	**-49**
Balance on goods	-59
Balance on services	-37
Balance on income	-12
Current transfers	59
Capital Account	**...**
Financial Account	**59**
Direct investment abroad	...
Direct investment in Burundi	12
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	5
Other investment liabilities	42
Net Errors and Omissions	**-6**
Reserves and Related Items	**-4**

[33]BANKING AND SECURITIES

Until the DROC became independent in 1960, the monetary and banking systems of Ruanda-Urundi were integrated with those of the Congo. Thereafter, Ruanda-Urundi had its own monetary structure and central bank. Shortly after the UN-sponsored Addis Ababa conference of July 1962, Rwanda and Burundi entered into an economic agreement providing for a continuation of the monetary union. After the breakup of the economic union in December 1963, Burundi's banking operations were transacted through the Bank of the Kingdom of Burundi, which in 1967 became the Bank of the Republic of Burundi, the central bank and bank of issue. Burundi has a number of commercial banks, which handle a substantial portion of short-term credit (vital for the coffee season) that include the Commercial Bank of Burundi, the Credit Bank of Bujumbura, and the Belgian-African Bank of Burundi. There are also a savings bank, a postal savings bank, and a joint Libyan-Burundian financial institution. Other financial institutions are the National Economic Development Bank and the Central Fund for Mobilization and Finance.

The World Bank suspended all but three minor social-sector programs in late October 1996. A World Bank delegation visited Burundi in February 1997 to assess the situation, and concluded that conditions were not right for a resumption of funding. As a result of the deteriorating balance-of-payments situation, reserves were run down, from $209 million at the end of 1995 to $140 million in December 1996 and $108 million in 1998.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $96.4 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $138.7 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 14%.

[34]INSURANCE

Insurance companies operating in Burundi include the Commercial Union of Insurance and Reinsurance (Union Commerciale d'Assurances et de Réassurances-UCAR), the partly state-owned Insurance Co. of Burundi (Société d'Assurances du Burundi-SOCABU), and a branch of the General Insurance of France. Motor vehicle insurance is the only compulsory coverage.

[35]PUBLIC FINANCE

Burundi is extremely dependent on foreign aid, although the crisis in 1993 forced the IMF to suspend structural adjustment programs. Emphasized reforms included price liberalization, governmental transparency, debt reduction, and a wider variety of exports.

The US Central Intelligence Agency (CIA) estimates that in 2000 Burundi's central government took in revenues of approximately $125 million and had expenditures of $176 million. Overall, the government registered a deficit of approximately $51 million. External debt totaled $1.12 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**125**
Tax revenue	80.7%	101
Non-tax revenue	5.6%	7
Grants	13.6%	17
EXPENDITURES	**100.0%**	**176**
General public services	23.9%	42
Defense	23.4%	41
Public order and safety	2.4%	4
Education	15.2%	27
Health	2.2%	4
Social security	5.1%	9
Recreation, cultural, and religious affairs	0.3%	1
Economic affairs and services	4.3%	8
Other expenditures	14.2%	25
Interest payments	9.0%	16

[36]TAXATION

There are income taxes on businesses and individuals, and a tax on transactions. Other direct taxes are on vehicles and real estate. About twice as much money is collected from indirect taxes, of which the most important are import and export duties, and a tax on beer.

[37]CUSTOMS AND DUTIES

Import duties, which are levied mainly ad valorem, include a revenue duty averaging 15–35% and an import duty averaging 2–5%. The government also levies a 4% statistical tax on all imports. Burundi is a member of the Common Market of Eastern and Southern Africa (COMESA) and, as a party to the Lomé Convention, receives preferential treatment by the European Union.

[38]FOREIGN INVESTMENT

Because of its ethnic conflict, limited domestic market, and lack of infrastructure, Burundi has attracted few private foreign investors. The 1979 investment code provides basic guarantees to foreign investors and the corporation tax may be waived for five years. In practice there were delays in the repatriation of profits.

[39]ECONOMIC DEVELOPMENT

Burundi began a complete review of economic and financial policy with the help of the UN in 1986, when a reform of the currency and the first of a series of devaluations occurred. The first five-year plan was designed to improve economic growth, reduce inflation, and diversify export production. Few of these objectives were met, and the program was discontinued in 1991. A second reform of the currency and further devaluation took

place in 1992. These reforms led up to the gradual decline of living standards and exacerbated ethnic tensions, resulting in the ethnic clashes of the 1990s.

Burundi is dependent on foreign assistance for both development programs and current operations. Diversification of its export base and financial stability are key goals. The African Development Bank, European Union, and Belgium are Burundi's principal providers of development financial and technical support. Support has been pledged for the health sector, education, refugee rehabilitation, and general reconstruction.

The International Monetary Fund (IMF) approved $13 million in assistance to support Burundi's reconstruction and economic recovery program in 2003, following the 2000 Arusha Peace and Reconciliation Agreement. It was the first such IMF assistance to Burundi since the outbreak of hostilities in 1993. The program addresses security and humanitarian assistance needs, as well as the improvement of basic infrastructure. Low world coffee prices in the late 1990s and early 2000s resulted in a reduction of foreign exchange earnings, and the government resolved to find other ways to generate growth.

[40]SOCIAL DEVELOPMENT

Under the tribal system, the individual's basic welfare needs have traditionally been the responsibility of the group. Even now, the family remains the most important social welfare institution. There are social centers for women and youth. Missions help to look after orphans and the aged. For the small percentage of wage earners, there is a government social security system that insures against accidents and occupational diseases and provides old-age and disability pensions. According to the labor code of 1990, employers must pay workers two-thirds of their normal wages for up to three months of illness. Employers are also required to pay maternity benefits amounting to 50% of wages for up to 12 weeks. There is a family allowance for employees if they have a dependent wife and one or more children.

The Transitional Constitution Act guarantees equal protection for all citizens, but it has not been effectively implemented. and women suffer job discrimination and sexual violence, which is rarely reported to the authorities. Domestic violence is pervasive although no cases involving abuse of women has ever been heard in a Burundian court. Children are often used for forced labor, have been subjected to violence, and have lost family members to the civil war.

Hutus continue to suffer discrimination under the Tutsi-dominated government. Burundi's poor human rights record remains unchanged, with failure to control excesses by security forces, including reprisals against civilians following rebel attacks. Abductions are commonplace. Prison conditions are considered life threatening.

[41]HEALTH

Following independence, The World Health Organization (WHO) assisted in the organization of public health services and the training of sanitarians and public health nurses for Burundi. Students from Burundi received medical training at universities in France and in the Democratic Republic of the Congo. WHO coordinated all public health programs and helped in campaigns against smallpox, tuberculosis, and malaria. WHO, the UN Food and Agriculture Organization, and UNICEF also provided aid for nutrition and maternal and child health programs. Following the assassination of the president of Burundi in 1993, widespread violence involving tribal groups uprooted many of the country's people. Approximately 683,000 people fled to neighboring countries, rural villages, or towns where sanitation is poor.

Since January 1997, nearly 50,000 new cases of louse-born typhus have been reported, the largest outbreak to occur in 50 years. Outbreaks of group A meningitis are occurring in Burundi. There have been over 2,500 cases of meningitis. Trypanosomiasis (sleeping sickness), borne by the tsetse fly, is a problem in the Ruvuvu River Valley. Malaria and schistosomiasis (bilharziasis) are common along the Ruzizi River. Intake of animal protein and fat is inadequate and almost all diseases associated with malnutrition are found in Burundi. There was a cholera epidemic in 1978, due to insufficient sewage facilities. In 1995, 2,297 cases of cholera were reported. A four-year program covering 30–40% of the country, started in 1986, was intended to rehabilitate and expand rural water supplies. In 1994 and 1995, 58% of the population had access to safe water.

In 1990, there were 317 doctors, 55 pharmacists, and 9 dentists. As of 1999, there were an estimated 0.1 physicians and 0.7 hospital beds per 1,000 people. Total health care expenditures as of 1999 were estimated at 3.7% of GDP.

In 2000, the infant mortality rate was 102 per 1,000 live births. The maternal mortality rate of 1,900 per 100,000 live births (according to 1995 estimates) was one of the highest in Africa. From 1980 to 1993, only 9% of married women (ages 15 to 49) practiced contraception. In 1999, Burundi immunized children up to one year of age as follows: diphtheria, pertussis, and tetanus, 74% and measles, 75%. In 1990, 38% of children under five years old were considered to be malnourished.

Average life expectancy in 2000 was estimated at 42 years. In 1999, there were 382 cases of tuberculosis per 100,000 people. There were approximately 8,000 war-related deaths during the conflict between the Tutsis and Hutus from 1988 to 1992. The death rate was estimated at 16 per 1,000 as of 2002. At the end of 2001, the number of people living with HIV/AIDS was estimated at 390,000 (including 8.3% of the adult population) and deaths from AIDS that year were estimated at 40,000. HIV prevalence in 1999 was 11.32 per 100 adults.

[42]HOUSING

The basic type of housing in the rural areas is the hut, most commonly beehive shaped, made of strips of wood woven around poles, and now covered with tin (thatch has become scarce). The huts are generally not grouped into villages but are organized in groups on a family basis. Civil war has caused homelessness through displacement of residents and destruction of homes. In 2000, the total number of displaced persons was at about 800,000 people. A little over 300,000 were sheltered in regroupment camps. Foreign assistance programs for reconstruction and imporvements in housing are underway.

[43]EDUCATION

Until 1954, all education was provided by religious missions; it was almost entirely limited to the primary grades. Education is now compulsory for children between the ages of 7 and 13. Primary education lasts for six years. The languages of instruction in schools are Kisundi and French. General secondary education lasts for seven years, while vocational secondary education usually lasts for five. The percentage of eligible children attending school decreased from 28% in 1967 to 18% in 1975 before rising to 51% in 1992. As of 1999, 45 % of primary-school-age children were enrolled in school, while only about 5% of eligible young people attend secondary or technical schools. The shortage of trained teachers and administrators is acute. The projected rate of adult illiteracy for the year 2000 stands at 51.9% (males, 43.7%; females, 59.5%). In 1996 Burundi had 1,501 schools at the primary level with 10,316 teachers and 518,144 students. At the secondary level in 1994–95, there were 47,636 students enrolled in general education. The pupil-teacher ratio at the primary level was 57 to 1 in 1999. In the same year, public expenditure on education was estimated at 3.9% of GDP.

The University of Burundi, in Bujumbura (founded in 1960), is the country's only institution of higher learning. At all higher level institutions in 1992–93, a total of 4,256 students were enrolled with 556 teaching staff.

44 LIBRARIES AND MUSEUMS

There are 60 public libraries in Burundi, with the largest in and around the capital. Libraries in Bujumbura include the Public Library, which has 27,000 volumes; the library of the University of Burundi, with 192,000 volumes; and a specialized collection at the Department of Geology and Mines. The French Cultural Center in Bujumbura holds 33,000 volumes. The National Museum in Gitega (founded in 1955) houses a collection of musical instruments, weapons, witchcraft implements, and a sizeable library. The Musée Vivant, established in 1977 in Bujumbura, contains exhibits reflecting all aspects of life in the country. It also includes a reptile house, aquarium, aviary, open-air theater, and botanical gardens. The National Museum in Gitega, actually a local museum, contains musical instruments, weapons, and witchcraft utensils.

45 MEDIA

In 2000, Burundi had 20,000 main line telephones in use with an additional 16,300 cellular phones. In 2001, there were 4 FM radio stations, including the government-run Voice of the Revolution, broadcasting in Kirundi Swahili, French, and English. Transmissions can be received from British Broadcasting and Radio France Internationale. A television service, Télévision Nationale du Burundi, was established in 1984, and began color transmission in 1985. In 2001, there was only one television station, which was owned by the government. As of 2000, there were 220 radios and 30 television sets for every 1,000 people. Internet access is extremely limited. In 2000, there was only one Internet Service Provider serving 2,000 people.

The government issues a French-language daily, *Le Renouveau du Burundi,* with a circulation of 20,000 in 2002, and several periodicals, including a weekly newspaper, *Ubumwe,* published in Kirundi, with a 1999 circulation of 20,000, and *Burundi Chrétien*, another weekly published in French.

Though there are no official restrictions upon expression or the press, the regime owns the only daily newspaper and two of the major radio stations, and information is said to be slanted toward pro-government opinions.

46 ORGANIZATIONS

Various commercial, agricultural, cultural, social, and welfare organizations exist in Burundi. Most are located in Bujumbura. UPRONA has affiliate labor, youth, and women's organizations. The National Council of Churches of Burundi has a membership of 500,000 Protestant denominations and congregations. The group supports issues of social welfare, peace, reconciliation, human rights, and general educational as well as evangelical activities. Youth organizations include the National Youth Council, The Young Catholics Movement, the Red Cross Youth, Boy Scouts, and Girl Guides. There are a number of women's organizations, including the Burundi Women's Union, which serves to encourage participation in government and politics.

47 TOURISM, TRAVEL, AND RECREATION

The tourism industry is still in its infancy, but there is ample opportunity for development. Lake Tanganyika is internationally famous for its scenic beauty. Points of interest include Bujumbura, the capital, on Lake Tanganyika; Gitega, the former capital, with its museum and traditional handicraft center; and the Mosso area in the southeast, with its fairly abundant wildlife. The northeast has a great variety of tropical birds. Burundi is rich in folk art; the dances and drummers of the Tutsi are particularly well known. In recent years, tourism has declined due to interethnic warfare in the region. In 1998, 15,404 tourists visited Burundi, almost 50% from other African nations. Tourist receipts that year came to less than $1 million. There were 551 hotel rooms and 888 beds with an 18% occupancy rate in 1998.

All visitors require a valid passport and visa. A certificate of vaccination against yellow fever and cholera is also required. Costs of traveling in Burundi vary greatly, depending upon which city is visited. In 2002, the US Department of State estimated the cost of staying in Bujumbura at $147 per day.

48 FAMOUS BURUNDIANS

Mwami Ntare I Rushatsi (c.1500), a warrior and astute administrator, succeeded in unifying the country under Tutsi rule. Mwambutsa IV (1913–78), the last mwami under the Belgian administration, was deposed in July 1966. Prince Louis Rwagasore (1930–61), the son of Mwambutsa, was the founder of UPRONA. Michel Micombero (1940–83) was president from 1966 until 1976, when he was replaced by Jean-Baptiste Bagaza (b.1946).

49 DEPENDENCIES

Burundi has no territories or colonies.

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CAMEROON

Republic of Cameroon
République du Cameroun

CAPITAL: Yaoundé

FLAG: The flag is a tricolor of green, red, and yellow vertical stripes with one gold star imprinted in the center of the red stripe.

ANTHEM: The national anthem begins "O Cameroun, berceau de nos ancêtres" ("O Cameroon, cradle of our ancestors").

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr), which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. The CFA francs is issued in coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs, and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Youth Day, 11 February; Labor Day, 1 May; National Day, 20 May; Christmas, 25 December. Movable religious holidays include Ascension, Good Friday, Easter Monday, End of Ramadan (Djoulde Soumae), and Festival of the Lamb ('Id al-Kabir or Djoulde Laihadji).

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated in West Africa, Cameroon, shaped like an elongated triangle, contains an area of 475,440 sq km (183,568 sq mi), extending 1,206 km (749 mi) N–S and 717 km (446 mi) E–W. Comparatively, the area occupied by Cameroon is slightly larger than the state of California. It is bordered on the N and NE by Chad, on the E by the Central African Republic, on the E and S by the Republic of Congo, Gabon, and Equatorial Guinea, on the SW by the Gulf of Guinea (Atlantic Ocean), and on the W and NW by Nigeria, with a total boundary length of 4,993 km (3,103 mi). The coastline accounts for 402 km (249 mi) of this length.

Cameroon's capital city, Yaoundé, is located in the south central part of the country.

[2]TOPOGRAPHY

There are four geographical regions. The western lowlands (rising from sea level to 600 m/2,000 ft) extend along the Gulf of Guinea coast and average about 100 km (60 mi) in width. The northwestern highlands consist of forested volcanic mountains reaching over 2,440 m (8,000 ft) in height. Mt. Cameroon (4,095 m/13,435 ft), which stands isolated on the coast to the south, is the nation's only active volcano and the highest peak in West Africa. The central plateau region extends eastward from the western lowlands and northwest highlands to the border with the Central African Republic and northward to the Bénoué (Benue) River. It includes the Adamawa Plateau, at elevations of 900 to 1,500 m (2,950 to 4,920 ft). This is a transitional area where forest gives way to savanna. The northern region is essentially a vast savanna plain that slopes down to the Chad Basin. Of the two main rivers, the Bénoué is navigable several months during the year, and the Sanaga is not navigable. Part of Lake Chad is in Cameroonian territory.

[3]CLIMATE

The southern and northern regions of the country are two distinct climatic areas. On the coast, the average annual rainfall ranges between 250 and 400 cm (100 and 160 in); in the inland south, between 150 and 250 cm (60 and 100 in). The western slopes of Mt. Cameroon receive 600 to 900 cm (240 to 350 in) a year. The mean temperature ranges from 22° to 29°C (72° to 84°F) along the coast. In the south there are two dry seasons, November to March and June to August. The northern part of the country has a more comfortable climate. Total rainfall drops from 150 cm (60 in) a year in the central plateau to 60 cm (24 in) northward near Lake Chad, and the mean temperature ranges from 23° to 26°C (73° to 79°F), although it can reach 50°C (122°F) in the far north. The dry season in the north is from October to March.

[4]FLORA AND FAUNA

Cameroon possesses practically every variety of flora and fauna found in tropical Africa. Dense rain forest grows along the coast and in the south. This gives way northward and eastward to open woodland and savanna. Wooded steppe is found in the northern panhandle. Major game animals include buffalo, elephant, hippopotamus, antelope, Derby eland, and kudu. Twenty-two primate species are known in the coastal forests along the Gabon border.

[5]ENVIRONMENT

Cameroon has 18 national parks and equivalent protected areas covering about 2 million hectares (6 million acres), about 4.4% of the country. Nevertheless, poaching is a major problem because of insufficient guards. Destruction of the remaining forests is heavy, even within reserved lands. Fires and commercial exploitation of the forests result in the elimination of 200,000 hectares (494,200 acres) per year. Overgrazing is degrading the semiarid northern range lands. By the mid-1980s, Cameroon had lost 40% of its mangrove swamps. Air pollution is a significant environmental problem in Cameroon. The main sources of pollution are industrial chemicals and vehicle emissions. Cameroon has 268 cu km of renewable water resources. About 78% of urban dwellers and 39% of the rural residents have access to safe drinking water. Poaching and overfishing threaten the nation's wildlife. As of 1994, the drill and Preuss's red colobus were endangered species. In a total of 409 mammal

species, 32 are threatened with extinction. Of 690 bird species, 14 are endangered. Three reptiles, one amphibian, and 26 species of freshwater fish are also threatened. About 67 plant species of over 8,000 were endangered as of 2000.

The country also has a problem with volcanic activity, flooding, and insect infestation. In August 1986, poisonous gases emanating from Lake Nyos in northwestern Cameroon killed 1,746 villagers, by official count. The lake lies within the crater of a dormant volcano, and scientists speculated that the toxic gases were released by molten rock that had seeped into the lake.

[6]POPULATION

The population of Cameroon in 2003 was estimated by the United Nations at 16,018,000, which placed it as number 59 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 43% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.83%, with the projected population for the year 2015 at 18,860,000. The population density in 2002 was 34 per sq km (88 per sq mi).

It was estimated by the Population Reference Bureau that 49% of the population lived in urban areas in 2001. The capital city, Yaounde, had a population of 1,378,000 in that year. Douala had a metropolitan population of 1,672,000. Other cities include Garoua (142,000), Maroua (123,000), and Bafoussam (113,000). According to the United Nations, the urban population growth rate for 2000–2005 was 4.0%.

The prevalence of AIDS/HIV has had a significant impact on the population of Cameroon. The United Nations estimated that 11.8% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

In 1981, nearly 10,000 Cameroonians living in Gabon were repatriated following anti-Cameroonian demonstrations there, and an estimated 120,000 Cameroonians were involved in the expulsion of foreigners from Nigeria in 1983. At the end of 1980 there were 110,000 refugees from Chad at a camp in Kousséri, but by the end of 1981, all but 25,000 had returned to Chad. The camp was closed in March 1982, with the remaining refugees transferred to the Poli region. As of 1995, there were an estimated 42,900 Chadian refugees in Cameroon. In 1998, the voluntary repatriation of Chadian refugees continued, but a new group of refugees, mostly urban dwellers seeking asylum, began arriving from Rwanda, Congo, and the DROC. As of 2000 there were 150,000 migrants living in Cameroon, including the 43,700 refugees. The net migration rate that year was 0.1 per 1,000 population. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

Cameroon has an extremely heterogeneous population, consisting of approximately 200 ethnic groups. Cameroon Highlanders constitute the majority at 31% of the total population. Equatorial Bantus make up 19%; Kirdi total 11%; the Fulani peoples 10%; Northwestern Bantu account for 8%; and Eastern Nigritic 7%. Other African groups make up 13% of the total population, and non-Africans less than 1%.

[9]LANGUAGES

French and English are the official languages. However, there are 24 major African language groups, with some 270 indigenous dialects spoken. Most belong to the Bantu and Semi-Bantu (or Sudanic) language groups.

[10]RELIGIONS

Freedom of conscience and freedom of religion are guaranteed by the constitution. The Fulani people in the north are mainly Muslim, as are the Bamoun group of the western provinces. Christian missionaries (Protestants since 1845 and Roman Catholics since 1890) have been particularly active in other areas, with the English-speaking citizens of provinces of the western region being primarily Protestant and the French-speaking citizens in provinces of the southern and western regions being predominantly Catholic.

Social discrimination by Muslims against those of indigenous religions is fairly widespread. In the northern region, the tension between the Fulani and Kirdi groups is based in part on such past religious differences. The Fulani have been traditionally Muslim while the Kirdi have traditionally practiced indigenous religions. Many of the Kirdi are now Muslim, yet they remain economically, socially, and educationally disadvantaged in this region.

About 40% of the population are at least nominally Christian, of whom approximately half are Roman Catholics and half are affiliated with Protestant denominations. As many as 20% are at least nominally Muslim and about 40% practice traditional indigenous religions or no religion at all. Many of the indigenous religions are local religions practiced primarily in rural areas.

The practice of witchcraft is considered a criminal offense, however, prosecution is generally applied only in conjunction with other criminal actions, such as murder.

[11]TRANSPORTATION

In 2002, Cameroon had about 34,300 km (21,314 mi) of roads, of which over 87% were unpaved. These unpaved roads are not usable in all seasons. The government recently has been rerouting and paving heavily used roads in order to provide all-weather links between agricultural areas and commercial shipping centers. A major highway between Yaoundé and Douala was opened in 1985. In 2001 there were 71,700 passenger automobiles and 68,000 commercial vehicles in use.

There are 1,008 km (626 mi) of railways. The oldest, constructed before 1927 and rebuilt in the mid-1980s, links Douala to Yaoundé (307 km/191 mi) and Douala to Nkongsamba (172 km/107 mi). On the Douala- Yaoundé line there is a spur from Ngoume to Mbalmayo (30 km/19 mi). Kumba is linked to the Douala-Nkongsamba line by another spur. The Trans-Cameroon Railway, Cameroon's most recently constructed line, extends the Douala-Yaoundé line northward 622 km (386 mi) to Ngaoundéré, a cattle- marketing city on the Adamawa Plateau.

Of the operating maritime ports in Cameroon, Douala is the busiest and most important. Lesser ports include Kribi, used chiefly for the export of wood, and Limbé, used only for palm-oil exports. Garoua, on the Benoué River, is the main river port, but it is active only from July to September. Cameroon Shipping Lines, S.A., of which a majority is government owned, had a fleet of two freighters, totaling 24,122 GRT in 1996. However, in 2002 there is no longer a merchant marine.

The main international airport is at Douala. Secondary international airports are at Yaoundé and Garoua. In total, there were 49 airports in 2001, only 11 of which had paved runways. Cameroon Airlines, which went into operation 1 November 1971, flies to Paris, London, Frankfurt, Brussels, and many African cities; it also operates all scheduled domestic flights. In 2001, 246,700 passengers were carried on domestic and international flights. Cameroon Airlines is jointly owned by the government and Air France. Among the other airlines serving Cameroon are Pan Am, Air Afrique, Alitalia, Swissair, Iberia, Air Zaire, Air Mali, and Nigeria Airways.

12 HISTORY

Linguistic evidence indicates that the area now known as Cameroon and eastern Nigeria was the place of origin of the Bantu peoples. After the 12th century AD, the organized Islamic states of the Sudanic belt, especially those of the Kanem and Fulani peoples, at times ruled the grasslands of northern Cameroon. Small chiefdoms dominated the western highlands and coastal area. Portuguese travelers established contact with the area in the 15th century, but no permanent settlements were maintained. Slaves, however, were purchased from the local peoples.

The modern history of Cameroon began in 1884, when the territory came under German rule after the explorer Gustav Nachtigal negotiated protectorate treaties with the local chiefs. Although British missionaries had been active in the area since 1845, the UK recognized the German protectorate, called Kamerun, which included areas that were later to become British Cameroons and French Cameroun. During their occupation from 1884 to 1914, the Germans advanced into the interior, cultivated large plantations, laid roads, and began constructing a railroad and the port of Douala. When World War I broke out, the territory was invaded by French and British forces. After the war, one-fifth of the former German Kamerun, which was contiguous with eastern Nigeria, was assigned to the UK, and the remaining four-fifths was assigned to France under League of Nations mandates.

During the period 1919–39, France made notable contributions to the development of the territory. Agriculture was expanded; industries were introduced; roads were built; medical services were broadened; and more schools were established. Political liberty was restricted, however, and the system of compulsory labor introduced by the Germans continued. In August 1940, Col. Philippe Leclerc, an envoy of Gen. Charles de Gaulle, landed at Douala and seized the territory for the Free French. The birth of the Fourth French Republic and the UN trusteeship in 1946 signified a new era for the territory. French Cameroun was granted representation in the French National Assembly and the Council of the Republic. An elected territorial assembly was instituted and political parties were recognized, thus establishing a basis for Cameroonian nationalism.

Immediately after the setting up of the trusteeship in 1946, many parties began to emerge, but only one had effective organization and strength, the Union of Cameroon Peoples (Union des Populations du Cameroun—UPC). The party demanded immediate reunification of the British Cameroons and French Cameroun and eventual independence. In 1955, the UPC, accused of being under extreme left-wing influence, launched a campaign of sabotage, violence, and terror that continued sporadically until 1971, 11 years after independence. The death toll from this struggle has been estimated at between 10,000 and 80,000.

A new stage in self-government was reached in 1957, when the French government created the autonomous state of Cameroun, and Cameroonian institutions were created along the lines of French parliamentary democracy. In 1958, the Legislative Assembly of Cameroun voted for independence by 1960, and France and the UN General Assembly assented. In 1959, the last step in the evolution of political institutions prior to independence took place when a government of Cameroun was formed and given full internal autonomy. Ahmadou Ahidjo became prime minister. Earlier in the year, on 1 January 1959, the Kamerun National Democratic Party had won the general elections in Southern British Cameroons, and John Foncha had become prime minister. Soon Foncha and Ahidjo were discussing the possibilities of unification upon the achievement of independence.

On 1 January 1960, Cameroun became an independent republic. Fierce UPC-led riots in the Dschang and Nkongsamba areas caused Ahidjo to summon French reinforcements to suppress the rebellion, but intermittent rioting continued. A draft constitution was approved in a referendum of 21 February, and on 10 April a new National Assembly was elected. Ahidjo's Cameroun Union Party won a majority, and Ahidjo, who ran unopposed, was elected president in April 1960.

During 1960, consultations between Foncha and Ahidjo continued, and a proposed federation was tentatively outlined. On 11 February 1961, separate plebiscites were held in the Southern and Northern British Cameroons under the auspices of the UN. The voters in Southern Cameroons chose union with the Cameroun Republic, while those in Northern Cameroons opted for union with Nigeria, which was accomplished on 1 June 1961. During the months that followed, terrorist activity was renewed and the Cameroun Republic had to devote one-third of its national budget to the maintenance of public order.

A draft constitution for the federation was approved by the Cameroun National Assembly on 7 September 1961, and the new federation became a reality on 1 October. The Cameroun Republic became the state of East Cameroon, and Southern British Cameroons became the state of West Cameroon in the new Federal Republic of Cameroon, with Ahmadou Ahidjo as president and John Foncha as vice president. Both were reelected in 1965, but Foncha was later replaced as vice president, and the office was abolished in 1972.

A proposal to replace the federation with a unified state was ratified by popular referendum on 20 May 1972; the vote was reportedly 99.97% in favor of unification. A new constitution went into effect on 2 June, under which the country was renamed the United Republic of Cameroon. Ahmadou Ahidjo remained president of the republic; running unopposed, he was reelected for a fourth five-year term on 5 April 1975. In June, by constitutional amendment, the office of prime minister was created, and Paul Biya was appointed to the post. Ahidjo, reelected unopposed, began his fifth five-year term as president in May 1980. In November 1982 he resigned and was succeeded by Biya; Ahidjo remained head of the ruling party, the Cameroon People's Democratic Movement (CPDM).

Biya proved more independent than Ahidjo had anticipated. Following allegations of a military coup plot allegedly masterminded by Ahidjo, the former president retired to France in August 1983, and Biya became party chairman. Ahidjo was sentenced to death (later commuted to life imprisonment) in absentia in February 1984. Biya's own presidential guard attempted to overthrow the government in April; the rebellion was stamped out by the army. Purges followed, and 46 of the plotters were executed. A state of emergency was declared, which lasted several years. Late in 1984, the position of prime minister was abolished, and the name of the country was changed to the Republic of Cameroon.

Despite democratic reform begun in 1990 with the legalization of political parties other than the CPDM, political power remains firmly in the hands of President Biya and a small circle of CPDM members from his own ethnic group. Biya was reelected on 11 October 1992 amid accusations of voting irregularities. Biya reportedly got 39% of the vote to 35% for John Fru Ndi. (Ndi briefly proclaimed himself president before the government released the polling figures.) In contrast, the 1 March 1992 legislative election was considered free and fair by international observers, although many parties boycotted the elections and the CPDM won several constituencies by default. But even though opposition parties were well-represented in the legislature (92 of 180 seats), there were, according to the 1992 constitution, few legislative or judicial checks on the president.

Following the elections, civil unrest erupted as the population expressed the widespread belief that Ndi had won the presidential

LOCATION: 1°40′ to 13°5′ N; 8°30′ to 16°11′ E. BOUNDARY LENGTHS: Chad, 1,047 kilometers (651 miles); Central African Republic, 822 kilometers (511 miles); Republic of the Congo, 520 kilometers (323 miles); Gabon, 302 kilometers (188 miles); Equatorial Guinea, 183 kilometers (114 miles); Gulf of Guinea coastline, 364 kilometers (226 miles); Nigeria, 1,921 kilometers (1,194 miles). TERRITORIAL SEA LIMIT: 50 miles.

elections. By late 1992, Ndi and his supporters were under house arrest and the international community had made clear its displeasure at the antidemocratic and increasingly violent turn the Biya regime was taking.

Biya agreed in May 1993 to hold a so-called Great National Constitutional Debate and in June he began preparing a draft of a new constitution to be adopted either by referendum or by the National Assembly. In 1994, 16 opposition parties formed a loose alliance, dominated by Ndi's Social Democrats, to work for constitutional and electoral reform. In October 1995, the CPDM reelected Biya as its leader. In December of that year the National Assembly adopted a number of amendments to address the power of the president. These reforms included a strengthening of the judiciary, the creation of a partially elected 100-member senate, the creation of regional councils, and the fixing of the presidential term to 7 years, renewable once. Strikes and demonstrations became commonplace as Biya resisted implementation of reforms. As of March 2003, the government had not established the Senate or regional councils.

The May 1997 legislative elections were marred by mismanagement, vote-rigging, and fraud, resulting in the Supreme Court's cancellation of results in three constituencies (seven seats). Based on the misconduct of these elections, the opposition boycotted the October 1997 presidential elections, in which Biya claimed victory with 93% of the vote. In 1998, Cameroon topped the German NGO Transparency International's list of the most corrupt countries in the world. Amidst international pressures and public outcries, Prime Minister Peter Mafany Musonge created an anticorruption body headed by a senior official in his office in May 2000.

Legislative and municipal elections were held on 30 June 2002. Opposition politicians made charges of fraud and vote-rigging. The Supreme Court ruled that the results of 9 constituencies were cancelled, and that new elections for these constituencies would be held on 15 September. In the end, the Cameroon People's Democratic Movement (CPDM)/Rassemblement Démocratique du Peuple Camerounaise (RDPC) won 149 of 180 seats.

In October 2002, the International Court of Justice ruled in favor of Cameroon in its territorial dispute with Nigeria over the oil-rich Bakassi peninsula. Fighting between the two countries over the region broke out in 1994, at which point Cameroon requested a world court ruling on the border dispute. The decision cannot be appealed.

Construction of a US$3.7 billion pipeline project from southern Chad to the coast of Cameroon—which is a joint venture between Exxon Mobil, Chevron Texaco, and Malaysia's Petronas—was underway in 2003. Nongovernmental organizations in Cameroon have cited environmental, social, health, and developmental concerns that need to be addressed before the pipeline becomes operational. Cameroon expects to receive US$500 million in pipeline transit fees, taxes, and dividends from the project, and another US$400 million in economic activity. The pipeline is expected to begin production by 2004.

13 GOVERNMENT

Under the 1972 constitution, as amended in 1984, Cameroon has nominally been a republic headed by a president elected by universal suffrage to successive five-year terms (amended to seven-year terms). The president appoints the ministers, vice-ministers, regional functionaries, is the head of the armed forces, and promulgates the laws. Since 1996, the prime minister has been Peter Mafany Musonge. The president can decree a state of national emergency and can be invested with special powers. The next presidential election is scheduled for 2004.

The legislative branch is composed of a National Assembly of 180 members from 49 single and multi-seat constituencies. The Assembly is directly elected to a five-year term by universal suffrage. It meets twice a year, the duration of each session being limited to 30 days. Elections were last held in June and September 2002; the next elections are due in 2007.

Government checks and balances remain extremely weak under a strong executive system. Censorship was abolished in 1996, but the government sometimes seizes or suspends newspapers and occasionally arrests journalists. A 1990 law authorizing private radio and television stations was implemented by decree in 2000; however, the annual licensing fees are prohibitive. Nonetheless, in 2001, over 100 licensing applications were filed by independent broadcasters. The government's human rights record has been improving over the years but remains generally poor.

14 POLITICAL PARTIES

The Cameroon National Union (Union Nationale Camerounaise—UNC) was Cameroon's sole legal political party until 1990. It was formed in 1966 through a merger of the Cameroon Union (Union Camerounaise) and the Kamerun National Democratic Party, the major political organizations, respectively, of the eastern and western regions, and four smaller parties. The UNC sponsors labor, youth, and women's organizations and provided the only list of candidates for the 1973, 1978, and 1983 legislative elections.

Ahmadou Ahidjo became the first head of the UNC in 1966 and continued in that capacity after his resignation as the nation's president in 1982. Following President Biya's assumption of emergency powers in August 1983, Ahidjo, then in France, resigned as party leader. Biya was subsequently elected party chief at a special party congress in September. In 1985, the UNC was renamed the Cameroon People's Democratic Movement (CPDM or Rassemblement Démocratique du Peuple Camerounaise—RDPC).

Opposition parties were legalized in 1990. In the elections to the National Assembly on 1 March 1992, the RDPC/CPDM won 88 of the 180 seats; the National Union for Democracy and Progress (UNDP), 68 seats; the Union of Cameroonian Populations (UPC), 18 seats; and the Movement for the Defense of the Republic (MDR), 6 seats. The RDPC/ CPDM and the MDR formed a coalition.

In the presidential election of 11 October 1992, the voting was split— RDPC/CPDM 40%; Social Democratic Front (SDF), 36%; and UNDP 18%. The SDF accused Biya of stealing the election, but Biya was reelected to his post as head of the RDCP/CPDM in October 1995.

In the May 1997 National Assembly elections, the RDPC/ CPDM took 109 seats, the SDF 43, the UNDP 13, the UDC 5, others 3, and cancelled constituencies 7. The opposition, backed by international observers, declared the legislative elections highly flawed, and based on their perception of misconduct, the main opposition parties boycotted the presidential elections of October later that year.

The SDF and its allies in the Union for Change remain critical of Biya but are also critical of France, which they call an "accomplice of those in power." However, in 2000 the alliance reportedly was falling apart as the SDF sought to distance itself from the SCNC. The SCNC apparently was accusing the SDF of delaying independence for the northwest and southwest English-speaking provinces by refusing to force its English-speaking members of parliament to resign from the Francophone-dominated National Assembly. Moreover, some members of the opposition wanted their party leaders to join Biya's coalition government so they could share the spoils of office.

By 2000, Biya had shored up his government by forming a coalition with the northern-based UNDP, which had 13 Assembly seats, and with the UPC, which had one seat. Together, the ruling coalition gave Biya a four-fifth's majority in the Assembly. The coalition government enjoyed support from seven of Cameroon's

10 provinces, and thus secured former President Ahidjo's north-south alliance, which he had created in 1958.

In the June and September 2002 National Assembly elections, the RDPC/CPDM took 149 seats, the SDF 22, the UDC 5, the UPC 3, and the UNDP 1. Voting irregularities in 9 constituencies (17 seats) in the June elections led to the subsequent by-elections in September for those seats. Nineteen of the SDF's seats came from the English-speaking northwest province. The biggest loser in the election was the UNDP: it had won 68 seats in 1992 and 13 seats in 1997. Observers attributed the party's poor showing to its participation in the RDPC/CPDM-led government.

[15]LOCAL GOVERNMENT

The Republic of Cameroon is divided into 10 administrative provinces, each placed under the jurisdiction of a governor appointed by the head of state. Each province is subdivided into departments, which are under the administrative control of divisional officers (*préfets*). In turn, departments are composed of subdivisions (*arrondissements*) headed by assistant divisional officers (*sous-préfets*). Municipal officials are elected for five-year terms. Traditional institutions such as chiefdoms were in noticeable decline during the 1970s and 1980s, although traditional rulers were treated as administrative adjuncts and received a government salary.

In 1996, Biya's government organized relatively free and fair municipal elections where opposition candidates won in nearly every major city. However, three-fourths of the local councils are dominated by the ruling coalition. Municipal elections for 336 local councils were held on 30 June 2002, and were charged by church leaders and opposition politicians as being flawed; vote-buying, stuffing of ballot boxes, intimidation, and multiple voting were among the accusations brought by the opposition. In January 2003, Biya announced that the government would begin a major program of decentralization to complete the process of democratization begun by the June parliamentary and municipal elections.

[16]JUDICIAL SYSTEM

Cameroonian law has three main sources: local customary law, the French civil code, and British law, although drafting of a unified code was reported under way in the 1980s. The Supreme Court, in addition to its other powers and duties granted by the constitution, gives final judgment on such appeals as may be granted by the law from the judgments of the provincial courts of appeal. The system also includes appeals courts in each of the 10 provinces, courts of first instance in each of the country's 58 divisions and a 15-member High Court of Justice, appointed by the National Assembly. Proposals for appointments and sanctions against magistrates throughout the republic are started by the Higher Judicial Council, of which the head of state is president. A Court of Impeachment has the right to try the president for high treason and cabinet ministers for conspiracy against the security of the state.

A State Security Court established in 1990 hears cases involving internal or external state security. Traditional courts that resolve domestic, probate, and minor property disputes remain an important element in the judicial system. These courts vary considerably according to region and ethnic group. Appeal is possible in most cases to traditional authorities of a higher rank.

Prior to the 1995 amendments (promulgated in 1996) to the 1972 constitution, the judiciary was supervised by the Ministry of Justice, part of the executive, and did not function as an independent branch of government. The December 1995 amendments provided for a more independent judiciary. However, as of 2003, these provisions were not implemented. There continues to be reported abuses, including beatings of detainees, arbitrary arrests, and illegal searches. The judiciary remains frequently corrupt, inefficient, and subject to political influence.

[17]ARMED FORCES

Cameroon's armed forces totaled approximately 23,100 in 2002. The army had 12,500 personnel organized in eight military regions. The navy had 1,300 personnel, and the air force had 300 personnel commanding 15 combat aircraft and four armored helicopters. Paramilitary gendarmerie totaled 9,000. Cameroon spent $118.6 million on defense, or 1.4% of GDP in 2000–01.

[18]INTERNATIONAL COOPERATION

Cameroon was admitted to UN membership on 20 September 1960 and is a member of ECA and all the nonregional specialized agencies. Cameroon is also a member of the African Development Bank, G-77, African Union, and UDEAC and is a signatory to the Law of the Sea and a member of the WTO. Cameroon was formally admitted to the Commonwealth in 1995.

In August 1986, diplomatic relations with Israel were renewed after a 13-year gap, and the visit to Cameroon by Israeli Prime Minister Shimon Peres was the first by an Israeli leader to a black African nation in 20 years.

[19]ECONOMY

Cameroon's economy is based on a diversified and self-sufficient agriculture supplemented by substantial petroleum production and a sizable manufacturing sector. Coffee and cocoa are Cameroon's principal agricultural exports, along with cork, wood, and cotton. Cameroon in 2002 stood as number six in the world among cocoa producers, and is the eighth largest producer of coffee. Petroleum, basic manufactures, and machinery and transport equipment provide additional export revenues. The government is trying to stimulate more timber processing. Construction is a growth sector.

The economy suffered since the 1986 declines in the prices for oil, cocoa, coffee, and cotton, as well as the appreciation of the CFA franc, which contributed to the erosion of GDP by more than 60%. Some economic reforms were then initiated, but the government was unable to meet the financial and economic reform goals of several IMF standby programs.

In January 1994, France devalued the CFA franc, causing its value to drop in half overnight. Immediately, prices for almost all imported goods soared, including prices for food and essential drugs. The devaluation encouraged new investment, particularly in oil, and discouraged the use of hard currency reserves to buy products that could be grown domestically. Cameroon's real GDP increased by 3.3% in 1994–95, an improvement from the decline of 4.3% in 1993–94. The 2001 real growth rate of the GDP was around 5%.

An IMF agreement was signed in 1997, an Enhanced Structural Adjustment Facility (ESAF) program which concluded in 2000. In 1999, the ESAF was replaced by the Poverty Reduction and Growth Facility (PRGF), under which Cameroon was to receive assistance for three years (beginning in 2000). The IMF is pressing for reforms in the areas of budget transparency and privatization. Cameroon is attracting some foreign investment: French and South African companies have bought previously state-owned enterprises, including banks and railroads. The $4 billion, 670-mile-long (1,070 km) Chad-Cameroon petroleum pipeline, which was underway in 2003, could potentially increase revenues dramatically. Production is estimated to be 225,000 barrels per day.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Cameroon's gross domestic product (GDP) was estimated at $26.4 billion. The per capita GDP was estimated at $1,700. The annual growth rate of GDP was estimated at 4.9%. The average

inflation rate in 2000 was 2%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 44% of GDP, industry 20%, and services 36%. Foreign aid receipts amounted to about $26 per capita and accounted for approximately 5% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $496. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 3%. Approximately 33% of household consumption was spent on food, 8% on fuel, 2% on health care, and 9% on education. The richest 10% of the population accounted for approximately 36.6% of household consumption and the poorest 10% approximately 1.9%. It was estimated that in 2000 about 48% of the population had incomes below the poverty line.

[21] LABOR

Approximately 70% of the workers in this mostly rural society are agricultural. Industry and commerce account for 13% of the labor force, and the remainder are in varying occupations. In 2001, the unemployment rate was 30%.

The nation's three major trade union confederations dissolved themselves in 1971, when the National Union of Cameroon Workers (Union Nationale des Travailleurs du Cameroun—UNTC) was formed. Renamed the Organization of Cameroon Workers' Associations (Organisation des Sociétés de Travailleurs Camerounais—OSTC) in 1985, it was affiliated with the Cameroon People's Democratic Movement prior to 1992. Later renamed the Confederation of Cameroonian Trade Unions (CCTU), it was the country's only labor federation until 1995, when the Union of Free Trade Unions of Cameroon was formed. In August 1992, the National Assembly passed a new labor code, permitting workers to form and join unions of their choosing. Under the new rules, groups of at least 20 workers may organize a union provided they register with the Ministry of Labor. In practice, unions have found it difficult to obtain registration. Those unions which are registered have been the subject of harassment and interference by the government. There was continued labor unrest in 2002.

There are minimum working age and safety and health regulations; however, a lack of resources have greatly compromised their enforcement. The minimum wage in 2002 was about $40 per month, and this was not enough to support a wage earner and family. The workweek is set at 40 hours in public and private nonagricultural firms, and 48 hours in agricultural endeavors. The minimum age of employment is 14 years, although this is not enforced. Child labor remains a huge problem in Cameroon.

[22] AGRICULTURE

Agriculture was the main source of growth and foreign exchange until 1978 when oil production replaced it as the cornerstone of growth for the formal economy. In 2001, agriculture contributed 43% to GDP. Agricultural development and productivity declined from neglect during the oil boom years of the early 1980s. Agriculture was the principal occupation of 62% of the economically active population in 1999, although only about 15% of the land was arable. The most important cash crops are cocoa, coffee, cotton, bananas, rubber, palm oil and kernels, and peanuts. The main food crops are plantains, cassava, corn, millet, and sugarcane. Palm oil production has shown signs of strength, but the product is not marketed internationally. Cameroon bananas are sold internationally, and the sector was reorganized and privatized in 1987. Similarly, rubber output has grown in spite of Asian competition.

Cameroon is among the world's largest cocoa producers; 150,000 tons of cocoa beans were produced in 1999. Two types of coffee, robusta and arabica, are grown; production was 90,000 tons in 2001–2002. About 85,000 hectares (210,000 acres) are allocated to cotton plantations. Some cotton is exported, while the remainder is processed by local textile plants. Total cotton output was 79,000 tons in 1999. Bananas are grown mainly in the southwest; 1999 estimated production was 990,000 tons. The output of rubber, also grown in the southwest, was 54,000 tons in 1999. Estimated production in 1999 of palm kernels and oil was 58,000 and 160,000 tons, respectively. For peanuts (in the shell) the figure was 170,000 tons. Small amounts of tobacco, tea, and pineapples are also grown.

Estimated 1999 production of food crops was as follows: sugarcane, 1,350,000 tons; cassava, 1,500,000 tons; plantains, 1,000,000 tons; corn, 600,000 tons; millet, 71,000 tons; yams, 130,000 tons; sweet potatoes, 220,000 tons; potatoes, 49,000 tons; dry beans, 95,000 tons; and rice, 65,000 tons.

[23] ANIMAL HUSBANDRY

In 2001 there were 5,900,000 head of cattle, 4,400,000 goats, 3,800,000 sheep, 1,350,000 hogs, and 30 million chickens. Most stock breeding is carried out in the north. Ngaoundéré has one of the largest and best-equipped slaughterhouses in Africa. Meat production in 1999 included 95,000 tons of beef, 28,000 tons of poultry, 16,000 tons of pork, 16,000 tons of mutton, and 15,000 tons of goat meat. Dairy and other livestock products that year included 125,000 tons of milk, 13,800 tons of eggs, and 13,000 tons of cattle hides. Meat products are exported to UDEAC countries. Attempts to improve livestock and hides and skins have been hindered by the social system, in which livestock constitutes a source of prestige, security, and wealth; by slowness in developing an effective transportation system; and by difficulty in controlling the tsetse fly.

[24] FISHING

The fishing industry is not highly developed. Most fish are caught by artisan fishermen in rudimentary motorized pirogues. The total catch was an estimated 112,109 tons in 2000.

[25] FORESTRY

The forested area of 23.9 million hectares (58.9 million acres) occupies about 51% of the land area. Forestry is mostly conducted in the Littoral, Center, South, and South West provinces. Of the 300 commercially valuable species, the principal types of trees felled are assié, azobe, dussil, eloorba, mahogany, sapele, sipo, illomba, ayus, iroko, dibetu, and silk cotton. Timber exports in 2000 included about 575,000 cu m (20.3 million cu ft) of logs (valued at $97 million) and 540,000 cu m (19 million cu ft) of sawn timber ($222 million). In 2000, roundwood production was estimated at 12.1 million cu m (427 million cu ft). Wood sales make up the fourth-largest source of foreign revenue, but infrastructural problems and weak demand for lower-quality wood limits the development of the forestry sector.

[26] MINING

While Cameroon has steadily increased its oil production, the discovery and exploitation of other mineral resources have been slow. Bauxite deposits, in the Minam and Martap regions, were estimated at 1 billion tons. Iron deposits containing an estimated 200 million tons have been discovered south of Kribi.

Other mineral deposits included diamonds, tin, gold, mica, marble, columbo-tantalite, silica sand, cassiterite, lignite, and rutile. Gold, the sole commercially exploited mineral, yielded 1000 kg in 2000 and engaged 15,000 small-scale artisanal

miners, mostly in the eastern part of the country. Limestone production was 50,000 tons in 2000, and production of pozzolana, a rock used in cement, was 90,000 tons.

[27]ENERGY AND POWER

Cameroon began offshore oil production in 1977. Annual production has gradually fallen since 1985, and the decline is expected to continue as existing reserves are depleted. Output amounted to 76,600 barrels per day in 2001, down from 100,000 barrels per day in 1999. However, as of 2002, Cameroon was still sub-Saharan Africa's fifth-largest crude oil producer. Field development and production began in the Kribi-Campo basin in the mid-1990s, and the Ebome field came online in 1996. As of 2002, the major operators were ExxonMobil, Shell, and TotalFina Elf. Work was under way on development of the Doba basin oil fields and construction of a pipeline between Cameroon and Chad, with the aid of a $93 million loan from the World Bank. Production was expected to begin in early 2004. In October 2002, Cameroon and Nigeria, both of whom claim the potentially oil-rich Bakassi Peninsula, received a ruling on the dispute from the International Court of Justice, which granted the peninsula to Cameroon. Cameroon's petroleum consumption in 2001 was 22,000 barrels per day. The country reportedly has large reserves of liquid petroleum gas, which are largely untapped.

Hydroelectric resources remain the most readily exploitable form of energy in Cameroon, which, together with the Democratic Republic of Congo, is considered to have the greatest hydroelectric potential in Africa. Electrical energy is produced primarily by two hydroelectric stations on the Sananga River. Nearly 60% of the power from these stations goes to the aluminum smelter at Edéa. Cameroon's installed electrical capacity was 819,000 kW in 2001; total production of electricity in 2000 was 3.5 billion kWh, of which 97.4% was from hydropower and the remainder from fossil fuels. Consumption amounted to 3.4 billion kWh in 2000.

In the 1980s, hydroelectric capacity was expanded by an additional complex on the Sananga River (Song-Loulou) and a 72-MW generator (built with Chinese aid) on the Bénoué. However, despite Cameroon's impressive waterpower resources, the national electricity grid runs principally from Douala to Yaoundé and from Douala to Bafoussam. Most other areas are served by diesel-generated electricity or have no electricity at all. Cameroon's National Energy Plan attempts to prepare for a diminishing petroleum output. Hydro-Quebec of Canada conducted a feasibility study of the Nachtigal Power Station, which could provide 280 MW of hydroelectric power on the Sananga River north of Yaounde. In 1998, Hydo-Quebec was awarded a contract to upgrade the Song-Loulou hydroelectric facility.

[28]INDUSTRY

Industry accounted for 31% of GDP in 2001. Considerable advances in industrial development have been made in recent years, mostly in the south. Cameroon's first oil refinery opened at Limbé in May 1981. Since then, oil production has gained paramount importance for the country. Cameroon is sub-Saharan Africa's fifth largest oil producer. The government, once a large shareholder in many industries, including aluminum, wood pulp, and oil refining, now advocates privatization. The government reported an annual growth of 8.2% in the manufacturing sector for 1998. Exports of logs and rubber were down 50% in 1998, partly because of tightening logging restrictions. There is a rubber factory in the Dizangué region, and about 20 large sawmills and five plywood factories and lumber mills.

The first industrial establishment not connected with agriculture processing and forestry was the Cameroonian Aluminum Refining Co. In 1957, the company opened at Edéa, importing ore from Guinea. Output was estimated at 74,800 metric tons in 1995. This was the only public sector monopoly not privatized by the year 2000. The most significant agricultural processing enterprises were the peanut and palm oil mills at Edéa, Douala, Bertoua, and Pitoa; soap factories at Douala and Pitoa; and tobacco factories at Yaoundé. Other concerns included a factory at Kaélé that produced cotton fiber and a cotton oil plant there that produces for export. There was a textile-weaving factory in Douala and a bleaching, dyeing, and printing factory in Garoua.

Cement plants were at Figuil and near Douala: in 1995, cement production was 620,000 tons, but demand for cement declined because of decreased public works. However, as of 2001, the construction sector had expanded, due in part to foreign financing of road construction. Residential and commercial construction was also underway. These construction projects boosted cement production. Several breweries supply both internal demand and surplus for export. Other manufactured products include beer and soft drinks, cigarettes, flour, chocolate, cocoa paste, construction materials, furniture, and shoes.

The $3.7-billion Chad-Cameroon oil pipeline, with estimated production at 225,000 barrels per day, was due to be completed in 2004. Although Cameroon's oil production was expected to decline in 2003 (crude oil production was 76,600 barrels per day in 2001, down from 84,000 barrels per day in 2000) as older oil fields become exhausted and fewer new discoveries are made, the position of Kribi as the end point on the pipeline and Cameroon's refinery capacity could turn the nation into a major oil transport center. The government-controlled Sonara (Société Nationale de Raffinage) oil refinery in Limbe produces 42,000 barrels per day. In October 2002, the International Court of Justice ruled in Cameroon's favor in a border dispute with Nigeria over the Bakassi Peninsula. Cameroon now has sovereignty over the peninsula, which is located in the Gulf of Guinea and is believed to contain significant oil reserves. Large-scale exploration and exploitation of the Bakassi reserves is expected to compensate for the decline in Cameroon's other reserves.

Cameroon has great potential for hydroelectric power, and it could become an exporter of electricity. The state-owned electricity utility Sonel (Société Nationale d'Electricité du Cameroun) was being privatized as of 2001. Cameroon has natural gas reserves of approximately 3.9 trillion cubic feet (Tcf), and known gas fields had yet to be developed by 2003.

[29]SCIENCE AND TECHNOLOGY

The Ministry of Higher Education and Scientific Research is charged with formulating research policy and programs in Cameroon. It operates five university institutes and five research institutes concerned with soil science, hydrology, nutrition, psychosociology, demography, economics, geography, archaeology, botany and vegetal biology, and medical entomology. The French Institute of Scientific Research for Cooperative Development is located in Yaoundé. The universities of Buea, Yaoundé, and Douala (founded in 1977, 1962, and 1977, respectively) have Faculties of science. The University of Dschang (founded in 1977) offers training in agricultural sciences. In 1987–97, science and engineering students accounted for 45% of college and university enrollments.

[30]DOMESTIC TRADE

Most imported consumer goods are distributed among the European population and the salaried and urban African workers. The internal markets are run by African entrepreneurs, while important import-export houses are controlled by Europeans, usually French. The main firms are found in Douala (the main port and industrial center) and Yaoundé (the capital city). The internal markets deal mainly with cattle, locally produced foodstuffs, and textiles, sewing machines, and radios.

Trade in capital equipment and construction materials is practically restricted to the local industrialists and government contractors. Agricultural extension, modernization programs, cooperatives, and provident societies have all assisted in expanding markets. Credit, marketing of produce, transport of produce, and storage fall within their jurisdiction.

Economic reforms toward privatization have been in effect throughout the late 1990s. Though progress has been slow, by the end of 2001 four out of eleven state-owned assets were privatized under the current economic program.

Usual office hours are from 7:30 AM to noon and from 1:00 to 3:30 PM, Monday through Friday, and 8 AM to noon Saturday. Many businesses are open from 8 AM to 6 PM. Banks are open 8 to 11:30 AM and 2:30 to 3:30 PM.

31 FOREIGN TRADE

Crude petroleum was the most expensive export from Cameroon (35%) in 1999, ending up primarily in France. Wood exports accounted for over a fifth of Cameroon's exports (21%). Cocoa (10%) led agricultural exports, while aluminum (6%) led mineral exports. During the 1990s, Cameroon's export-import volume either remained stable, or increased.

In 1999 Cameroon's imports were distributed among the following categories:

Consumer goods	9.2%
Food	18.0%
Fuels	15.8%
Industrial supplies	28.3%
Machinery	16.8%
Transportation	11.3%
Other	0.6%

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Italy	447	75	372
France	319	560	-241
Spain	259	72	187
Netherlands	167	50	117
United Kingdom	64	68	-4
Belgium	62	119	-57
Germany	58	77	-19
China (inc. Hong Kong)	57	34	23
United States	54	83	-29
Nigeria	7	97	-90

32 BALANCE OF PAYMENTS

In the late 1970s, increased oil production compensated for the low world market prices of Cameroon's agricultural exports and helped the country achieve a favorable balance of payments. From 1994 to 1997, the volume and value of Cameroon's exports increased annually, in part due to the CFA currency devaluation. Since 1997, Cameroon was able to finance it's debt, which reached $8.7 billion in 1998. As of the early 2000s, cocoa and lumber exports had declined, due in part to lower world commodity prices. Petroleum remains Cameroon's chief export commodity. Cameroon has been attempting to attract further foreign investment into offshore and onshore concessions to raise export earnings. Cameroon imports primarily semiprocessed products and other industrial goods, machinery, and food products.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Cameroon's exports was $2.1 billion while imports totaled $1.5 billion resulting in a trade surplus of $600 million.

The International Monetary Fund (IMF) reports that in 1995 Cameroon had exports of goods totaling $1.74 billion and imports totaling $1.11 billion. The services credit totaled $304 million and debit $499 million. The following table summarizes Cameroon's balance of payments as reported by the IMF for 1995 in millions of US dollars.

Current Account	**90**
Balance on goods	627
Balance on services	-194
Balance on income	-412
Current transfers	70
Capital Account	**20**
Financial Account	**43**
Direct investment abroad	-1
Direct investment in Cameroon	7
Portfolio investment assets	-26
Portfolio investment liabilities	...
Other investment assets	-147
Other investment liabilities	210
Net Errors and Omissions	**-138**
Reserves and Related Items	**-15**

33 BANKING AND SECURITIES

The bank of issue is the Bank of the Central African States (Banque des États de l'Afrique Central-BEAC), which replaced the Central Bank of the State of Equatorial Africa and Cameroon in November 1972. Its headquarters are in Yaoundé. In 1993, member states of the BEAC created a supranational supervisory authority, Commission Bancaire de l'Afrique Centrale (COBAC) in order to secure the region's banking system. The government's Exchange Control Office controls all financial transactions effected between Cameroon and foreign territories.

Cameroon's banking system consisted of nine commercial banks with 60 branches in 1999. The major commercial banks, all with important foreign participation, were the Amity Bank, Banque Internationale du Cameroun pour l'Epargne et le Credit (the last bank to be privatized, in 1999), Caisse Commune d'Epargne et d'Investissement, Commercial Bank of Cameroon, Citibank, Societe General de Banque au Cameroun, Standard Chartered Bank, and the Societe Commerciale de Banque Credit Lyonnais-Cameroun. There was also a savings bank and a postal bank. Informal savings and loan systems known as tontines take the place of banks for many tribal members, with repayment enforced by social pressure.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $971.3 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $1.6 billion. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

In April 2003 the Douala Stock Exchange was declared open for business by Cameroon's prime minister Peter Mufany Musonge, although no exact date was given for the start of trading or the number of companies that will be listed. Cameroon has been criticized for a lack of transparincy in its economic institutions and observers question whether the exchange will perform to international standards. The recently privatized electricity company, AES Sonel, is expected to be one of the first companies listed on the exchange when 5% of its shares are offered for sale to its employees; a sale required by an agreement between the company and the government.

34 INSURANCE

As of 2003, there were a number of foreign (predominately French) and domestic insurance companies doing business in Cameroon. However, foreign firms must have local partners. Cameroon was one of the fourteen French-speaking African nations that adopted a common code with respect to the

insurance sector. Enforcement of these new regulations led to the closure of some weak insurance companies and the restructuring of the sector.

35 PUBLIC FINANCE

Cameroon relies heavily on customs duties and direct taxes as sources of government revenue. Most of Cameroon's oil revenues do not appear in the national budget and are maintained in secret accounts abroad. The year 2000 budget was increased from $112 million to almost $2.2 billion in order to repay public debt, subsidize national education, public health, maintain infrastructure, and fund the police and armed forces. Also in 2000, the government of Cameroon was commended by the IMF for sound macroeconomic policies and thereby qualified for $2 billion in debt relief under the Heavily Indebted Poor Countries (HIPC) initiative.

The US Central Intelligence Agency (CIA) estimates that in 2000/2001 Cameroon's central government took in revenues of approximately $2.2 billion and had expenditures of $2.1 billion. Overall, the government registered a surplus of approximately $100 million. External debt totaled $10.9 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**2,200**
Tax revenue	79.7%	1,752
Non-tax revenue	20.3%	448
EXPENDITURES	**100.0%**	**1,712**
General public services	21.2%	445
Defense	9.5%	200
Public order and safety	4.0%	83
Education	12.0%	252
Health	3.4%	72
Social security	0.5%	10
Housing and community amenities	1.0%	20
Recreation, cultural, and religious affairs	0.7%	15
Economic affairs and services	6.8%	143
Other expenditures	3.1%	65
Interest payments	19.3%	406

36 TAXATION

The tax on individual income ranged from 10-60% in 1996. Also levied were housing fund and employment taxes, a tax to finance Cameroon television, and social security taxes. The corporate tax rate was 38.5%. In 1999, a value-added tax (VAT) was imposed on goods and services sold in Cameroon at a rate of 19%, and 8.8% for products that qualify for a reduced rate. Other levies include taxes on business licenses, certain consumption goods, and stock dividend distributions.

37 CUSTOMS AND DUTIES

In accordance with the trusteeship agreement between France and the United Nations, all nations had equal tariff treatment in Cameroon when it was a trust territory. Many types of goods essential for economic, social, and educational development were exempt from duty. Export duties were moderate. Despite this situation, the direction of Cameroon's trade was to the franc currency zone and importers were required to secure import licenses for non-franc zone products. Following independence, the import licensing system was continued, but was lest strict for EU countries.

In 1994, Cameroon's new Regional Reform Program included reduced taxes on imports from over 7% to 4%, and reduced the overall rate from a maximum 200% to a maximum 70% on luxury goods, and a minimum of 5% on necessities. Today, however, Cameroon employs the common external tariff (TEC) using four categories: necessities, 5%; raw materials and equipment, 10%; semi-finished goods, 20%; and finished products, 30%. There is also an excise tax, an indirect tax on consumer goods, of 25%, and a value-added tax that is generally 18.7%, but in some cases zero.

The 2000 Financial Law was designed largely to attract foreign capital, providing exemptions from export duties on bananas, cocoa, coffee, cotton, rubber, sugar, palm oil, and medicinal plants. Legislation to establish free trade zones was enacted in 1990. Prohibited imports include certain sanitary products, chemicals, toxic waste, some cosmetics, and some food items.

38 FOREIGN INVESTMENT

Under the terms of a structural adjustment program, Cameroon has liberalized its investment code, eliminated most price controls, reduced import and export duties, and sought to privatize its parastatals. Foreign and domestic investors are provided with guarantees that substantially comply with international standards. Cameroon's investment code, enacted in 1990, eliminated requirements for technology transfer and geographic location. Investments are not screened and foreign exchange privileges are not rationed. Investors can freely transfer dividends, return of capital, and interest and capital on foreign debt. The code requires at least 35% Cameroonian equity ownership in small- and medium-sized enterprises. In 1990, Cameroon also promulgated an industrial free zone (IFZ) regime which features a comprehensive package of incentives (a ten-year tax holiday and 15% corporate tax year beginning the 11th year) for enterprises which export at least 80% of their output, with licenses awarded by an independent regulatory agency, the National Office for Industrial Free Zones (NOIFZ). From 1996 to late 1999, the licensing process was suspended pending audits, but in 2002, the government declared all of Cameroon an IFZ, with benefits available to any enterprise meeting the export criterion. Cameroon has a special agreement with France only recently implemented which gives preferential treatment to France, including a special 15% tax and tax deductions for technical assistance.

Despite Cameroon's attractive investment code and IFZ regime, few foreign investors have come forward because of problems in its implementation. In 2002, Transparency International scored Cameroon 2.2 on its 10-point International Corruption Perceptions Index, ranking 90th of 102 countries scored. In June 2003, the government got a soft ODA loan from the World Bank for about $50 million to help it buy back $953.3 million of commercial debt and suppliers' credits at 14.5% face value. If acceptable to creditors who have not received payments for years, this could increase Cameroon's attractiveness for foreign investment.

The government does not publish reliable statistics on foreign investment, but according to UNCTAD estimates, foreign direct investment (FDI) in Cameroon was in the range of $30 million to $50 million from 1997 to 2000. FDI inflow rose to $75 million in 2001, reflecting the sale of 56% of the state electricity company, SONEL, to the US company AES Sirocco for about $70 million.

France has been the biggest source of foreign investment. The French company Pechiney has long owned the majority share of ALUCAM, the state aluminum complex, and in the privatization process begun in 1994, a French firm bought a state sugar mill in 1998; a French telecom firm was granted a mobile telephone license in 1999 and a French bank bought Cameroon's last state bank in 2000. South African firms acquired controlling shares in the privatized national railroad and the state-owned mobile telephone company. The Commonwealth Development Corporation had over £36 million (US$58 million) invested in Cameroonian enterprises as of 1999, including CDC, HEVECAM, Printpak, SNEC, and SOCATRAL. In 2001and

2002, the principal investors in the $2.2 billion Chad/Cameroon pipeline project were ExxonMobile with 40% (also the project operator), Petronas of Malaysia (35%), and ChevronTexaco (25%), with the US Export-Import Bank providing $158 million in loan guarantees for the project.

In June 2003, the government officially launched the Douala Stock Exchange, after more than three years of preparation and two missed launch dates, with the announced purpose of facilitating foreign investment in the Cameroon economy. No listings had yet been published.

[39]ECONOMIC DEVELOPMENT

The government has initiated several efforts to further reduce its role in the economy and to promote private sector development during the 1990s and early 2000s, including reforms in taxation, tariffs, labor, and trade. Price controls were lifted in 1994 with the exception of pharmaceuticals, petroleum products, and goods and services produced by public monopolies. The government marketing board for coffee and cocoa was restructured and most restrictions on marketing and exporting were eliminated. During 1996, the government took bids from private companies for the privatization of the state-owned rubber company, shipping company, and railroad.

A prominent feature in Cameroon's economic development strategy was the development of an Industrial Free Zone (IFZ), which covers the entire country. Manufacturing and service industries authorized to operate under the program pay no duties on imported inputs, require no licenses, and are exempt from customs control. An IFZ firm must produce goods or services that are 80% export-bound and which are not environmentally destructive.

Multilateral aid from international financial institutions and UN organizations totaled $606 million in 1996. France agreed to loan $55 million in 1999 while the Paris Club agreed to reduce debt by 50% and reschedule payments through 2000. Total external debt in 2000 was $10.9 billion. Cameroon had a three-year $133.7 million Poverty Reduction and Growth Facility (PRGF) Arrangement with the International Monetary Fund (IMF) approved in December 2000 that was due to expire in December 2003. The country reached its decision point under the IMF/World Bank's Heavily Indebted Poor Countries (HIPC) initiative in October 2000, qualifying for some $2 billion in debt relief. The ongoing construction of the Chad-Cameroon oil pipeline in 2003 resulted in growth in the service sector. Economic development remained fragile, however, in part due to a decline in oil output. The government needs to focus on revenue collection, and target spending to key poverty-reduction policies such as health, education, and basic infrastructure.

[40]SOCIAL DEVELOPMENT

Social services were introduced by the French in 1950. Social centers concern themselves with child care, hygiene, and juvenile delinquency and maintain kindergartens, orphanages, and classes in domestic sciences. There are no welfare services covering the whole population. However, the law provides an employees' old age, disability, and survivors' pension plan, financed by employee and employer contributions. Benefits are also paid for occupational diseases and accidents. The Public Health Service ostensibly provides free medical, surgical, and pharmaceutical services to those unable to pay. Since 1 July 1956, various schemes of family allowances and prenatal and maternity allowances were instituted for wage earners. The current law, passed in 1967, provides 14 weeks of paid maternity leave at full pay but no other medical benefits. There is a work injury insurance program covering all employed persons which provides cash benefits and medical care as well. Covered employees with children under the age of 14 receive a family allowance. Family assistance is a part of the traditional social system.

Although the constitution prohibits discrimination based on sex, under powerful customary laws, women do not have the same rights as men. Inheritance practices are dictated by tradition and custom, which favor male heirs. Custody of children after a divorce is determined by the husband's wishes, and spousal abuse is not accepted as grounds for divorce. Domestic violence is common and polygyny remains legal.

There are over 200 different ethnic groups in Cameroon, and instances of ethnic favoritism are widespread. There are serious human rights abuses, including political and extrajudicial murders. Arbitrary detention and physical abuse of detainees is common. Although the press is independent and criticizes the government, the authorities seek to intimidate journalists. The government has also failed to cooperate with nongovernmental organizations monitoring human rights.

[41]HEALTH

The Ministry of Public Health is responsible for the maintenance of all public health services. Many missionaries maintain health and leprosy centers. The government is pursuing a vigorous policy of public health improvement, with considerable success in reducing sleeping sickness, leprosy, and other endemic diseases. The demand for all types of health services and equipment is high and constant. The need for modern equipment is especially urgent, with many clinics using outdated equipment, some of which is imported illegally from Nigeria.

Malaria is prevalent in the Bénoué River Valley, the basin of Lake Chad, the coastal region, and the forests of southern Cameroon. A large percentage of the adult population is affected. Other serious water-borne diseases are schistosomiasis and sleeping sickness, which is spread by the tsetse fly. Cameroon lies in the yellow fever endemic zone. In 1999, there were 335 cases of tuberculosis per 100,000 people.

As of 1999, there were an estimated 0.1 physicians and 2.6 hospital beds per 1,000 people. There was one nursing professional per 2,000 people in 1993. As of 1999 total health care expenditure was estimated at 5% of GDP.

In 2000, the average life expectancy was 50 years. The estimated death rate in 2002 was 12.08 per 1,000 people and the birth rate was estimated at 35.66 per 1,000 people. As of 1999, only an estimated 19% of the country's married women (ages 15 to 49) used any type of contraception. The total fertility rate in 2000 was 4.8 per woman and the infant mortality rate was 76 per 1,000 live births. An estimated 29% of children under the age of five suffered from malnutrition. In the same year, 62% of the population had access to safe drinking water and 92% had adequate sanitation. In 1999 Cameroon immunized children up to one year old for tuberculosis (52%); diphtheria, pertussis, and tetanus (48%); polio (37%); and measles (31%).

At the end of 2001, the number of people living with HIV/AIDS was estimated at 920,000 (including 11.8% of the adult population) and deaths from AIDS that year were estimated at 53,000. HIV prevalence in 1999 was 7.73 per 100 adults.

[42]HOUSING

Differences in climate, building materials, and patterns of living have resulted in a variety of traditional structures in rural areas. After 1946, the French government took measures to cope with growing urbanization, particularly in Douala and Yaoundé. In 1976, 38.2% of all housing units were detached dwellings. There is still a housing shortage and many people still live in thatched hovels of mud and wood, with no running water or modern facilities. It has been estimated that there has been a housing deficit of at least 70,000 units per year. The Cameroonian government has engaged in housing improvement and construction programs in urban and rural areas.

[43]EDUCATION

Education is free in state schools and compulsory between ages 6 and 12. Government funds are available to mission and private schools. Most secondary schools have been made bilingual, with instruction in both French and English. Working alongside the public schools are the missionary schools, which have been extremely important in the history of Cameroonian education. As of 1999, public expenditure on education was estimated at 2.6% of GDP.

In 1997 a total of 1,921,186 pupils were attending 8,514 primary schools, with 39,384 teachers. The pupil-teacher ratio at the primary level was 69 to 1 as of 1999. At the secondary level in 1994–95, 459,068 students were enrolled in general education, with 14,917 teachers. Children go through six years of primary schooling followed by four years of secondary at the first stage and three years at the second. Projected adult illiteracy rate for the year 2000 stands at 24.6% (males, 18.2%; females, 30.8%).

There are two universities in the capital, in addition to those in Dschang, Nhaoundere, Duala and Buea. At Yaoundé University (founded in 1962) and other equivalent institutions, there were more than 33,000 students and over 1,000 instructors in the mid-1990s. There are faculties of science, law and economics, and arts at Yaoundé, which maintains four regional campuses. Higher institutions attached to the university include the University Health Sciences Center, the Higher School of Sciences and Techniques of Information, the Institute of International Relations, the Advanced Teachers Training College, and the Polytechnic School. There is also a national school of public administration and an institute of business administration.

[44]LIBRARIES AND MUSEUMS

The National Archives is in Yaoundé and has an annex in Buea, where documents on colonial conditions and administration are stored. The National Archives also serves as the National Library of Cameroon and has a library of 64,000 volumes in Yaoundé. The University of Yaoundé has 90,000 volumes. There is a public library system with 40 branches. The French Cultural Institute maintains a library in Dougla with 15,000 volumes and the city of Douala houses the Pan African Institute for Development Library, with 13,000 volumes.

The Museum of Douala has prehistoric and natural history galleries devoted primarily to the main Cameroonian ethnic groups. The Museum of Bamounian Arts and Traditions at Foumban maintains objects of ancient art and a small library. The museums of Diamaré and Maroua at Maroua have ethnographic materials. Dschang has an ethnographic museum devoted to the Bamiléké, and a fine-arts museum. Yaoundé has a museum of art and archaeology and a museum of Cameroonian art. There are also museums in Bamenda, Kousséri, and Mokolo.

[45]MEDIA

The telecommunications network has been improving over the years. An automatic telephone exchange system links all important cities and towns. Cable, telegram, and telex services connect Cameroon to the outside world. In January 1974, a satellite telecommunications earth station was inaugurated, greatly improving the quality of Cameroon's international telephone service. However, service is still limited to mostly business and government use. As of 2001, some there were 95,000 main line telephones in use. A 2002 report indicated there were an additional 300,000 cellular phones in use.

In 1987 Cameroon's radio and television networks were merged to form the Office de Radiodiffusion–Télévision Camerounaise (CRTV), which operates under the authority of the Ministry of Information and Culture. There are broadcasting stations at Yaoundé, Douala, Garoua, Buea, Bertoua, Bamenda, and Bafoussam, offering programs in French, English, and many African languages. In 1998, there were 11 AM and 8 FM radio stations. There was one television station the same year. In 2000, there were 163 radios and 34 television sets for every 1,000 people. The same year, the country had 112 cyber-cafés and there were about 29 Internet service providers serving 20,000 users.

Most Cameroonian publications are issued irregularly and have small circulations. The majority are published in French, but some appear in Bulu, Duala, and other native languages of Cameroon. The major daily is the *Cameroon Tribune,* the official government newspaper, published in French in Yaoundé, with a weekly English-language edition; circulation was 66,000 in French and 20,000 in English as of 2002. There are 40 to 50 private newspapers, most of which are published sporadically.

The constitution guarantees freedom of the press, but in practice the threat of government censorship generally prevents opposition viewpoints from appearing in print, especially in the government-controlled press.

[46]ORGANIZATIONS

The various economic interests of the country are represented in the Chamber of Commerce, Industry, and Mines in Douala and the Chamber of Agriculture, Pasturage, and Forests in Yaoundé. The Cameroonian Union of Professional Syndicates acts as a coordinating agency of the 20-odd syndicates of merchants and producers. There are also the Professional Banking Association and the Confederation of Small- and Medium-Sized Enterprises. There is a Lion's Club at Yaoundé.

The government has encouraged the formation of cooperatives. The National Produce Marketing Office, created in 1978, has a monopoly on marketing cocoa, cotton, coffee, peanuts, and palm kernels. It is responsible for the prices paid the producers, the quality of produce, and the development of production.

The Association to Fight Against Poverty and AIDS, founded in 1999, seeks to improve the lives of women through education, health, farming, economic development and women's rights. There are student unions based at the universities in Yaoundé and Douala. Scouting programs are also available for youth.

[47]TOURISM, TRAVEL, AND RECREATION

All visitors to Cameroon must have valid passports, visas, onward tickets, and certificates showing yellow fever and cholera immunization.

Cameroon's chief tourist attractions are its forests, savanna, jungle, and wild game. The 16 national parks and game reserves are equipped with camps for tourists. The diverse ethnic groups and their cultures and Cameroonian art have also proved of interest to visitors. There are several good hotels in the major cities. In 1997, there were approximately 239,379 foreign tourist arrivals, almost 50% from Europe. In 1995 (the latest budget figures available), tourist receipts totaled $36 million.

In 2002, the US Department of State estimated the cost of staying in Yaounde at about $190 or less, depending upon the choice of hotel. Daily expenses in Douala were estimated at $145, and in smaller towns costs are estimated at $48.

[48]FAMOUS CAMEROONIANS

Ahmadou Ahidjo (1924–89) was president of Cameroon from 1960 until 1982. Paul Biya (b.1933), after having served as prime minister since 1975, became president in 1982. William-Aurélien Eteki Mboumoua (b.1933) was OAU secretary-general during 1974–78 and foreign minister of Cameroon during 1984–87. The best-known literary figures are the novelists Ferdinand Oyono (b.1928) and Mongo Beti (1932–2001).

[49]DEPENDENCIES

Cameroon has no territories or colonies.

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CAPE VERDE

Republic of Cape Verde
República de Cabo Verde

CAPITAL: Praia

FLAG: The flag consists of two white horizontal stripes above and below a red horizontal stripe in the lower half of a blue field. A circle of ten gold stars (representing major islands) is centered around the red stripe on the hoist side.

ANTHEM: *É Patria Amada (This Is Our Beloved Country)*.

MONETARY UNIT: The Cape Verde escudo (CVE) is a paper currency of 100 centavos. There are coins of 20 and 50 centavos and 1, 2½, 10, 20, and 50 Cape Verde escudos, and notes of 100, 500, and 1,000 Cape Verde escudos. CVE 1 = $0.00995 (or $1 = CVE 100.41) as of May 2003.

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: New Year's Day, 1 January; National Heroes' Day, 20 January; Women's Day, 8 March; Labor Day, 1 May; Children's Day, 1 June; Independence Day, 5 July; Assumption, 15 August; Day of the Nation, 12 September; All Saints' Day, 1 November; Immaculate Conception, 8 December; Christmas Day, 25 December.

TIME: 10 AM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Cape Verde, containing an area of 4,033 sq km (1,557 sq mi), is situated in the Atlantic Ocean about 595 km (370 mi) west of Dakar, Senegal. Comparatively, the area occupied by Cape Verde is slightly larger than the state of Rhode Island. Extending 332 km (206 mi) SE–NW and 299 km (186 mi) NE–SW, it consists of 10 islands and five islets, divided into a northern windward group (Barlavento)—Santo Antão, São Vicente, Santa Luzia (uninhabited), São Nicolau, Sal, Boa Vista, and two islets—and a southern leeward group (Sotavento)—Brava, Fogo, São Tiago, Maio, and three islets. The total coastline is 965 km (600 mi).

Cape Verde's capital city, Praia, is located on the southeastern coast of São Tiago Island.

[2]TOPOGRAPHY

The island chain is of volcanic origin. Fogo has the only active volcano, Pico do Cano (Mount Fogo), which reaches 2,829 m (9,281 ft) above sea level. Peaks on Santo Antão and São Tiago reach 1,979 m (6,493 ft) and 1,392 m (4,567 ft), respectively. All but three of the islands are quite mountainous, with prominent cliffs and deep ravines. High ground and southwestern slopes support lush vegetation because of moisture condensation. Only four islands have year-round running streams. Mindelo on São Vicente is the principal port, but there are several other fine harbors.

[3]CLIMATE

A cold Atlantic current produces an arid atmosphere around the archipelago. There are two seasons: December–June is cool and dry, with temperatures at sea level averaging 21°C (70°F); July–November is warmer, with temperatures averaging 27°C (81°F). Although some rain comes during the latter season, rainfall is sparse overall. Accumulations are generally around 13 cm (5 in) annually in the northern islands and 30 cm (12 in) in the south. The archipelago is subject to cyclical droughts; a devastating drought began in 1968 and was broken only briefly in 1975, 1978, 1984, and 1986.

[4]FLORA AND FAUNA

There are trees typical of both temperate and tropical climates, depending on elevation. The only native mammal is the long-eared bat.

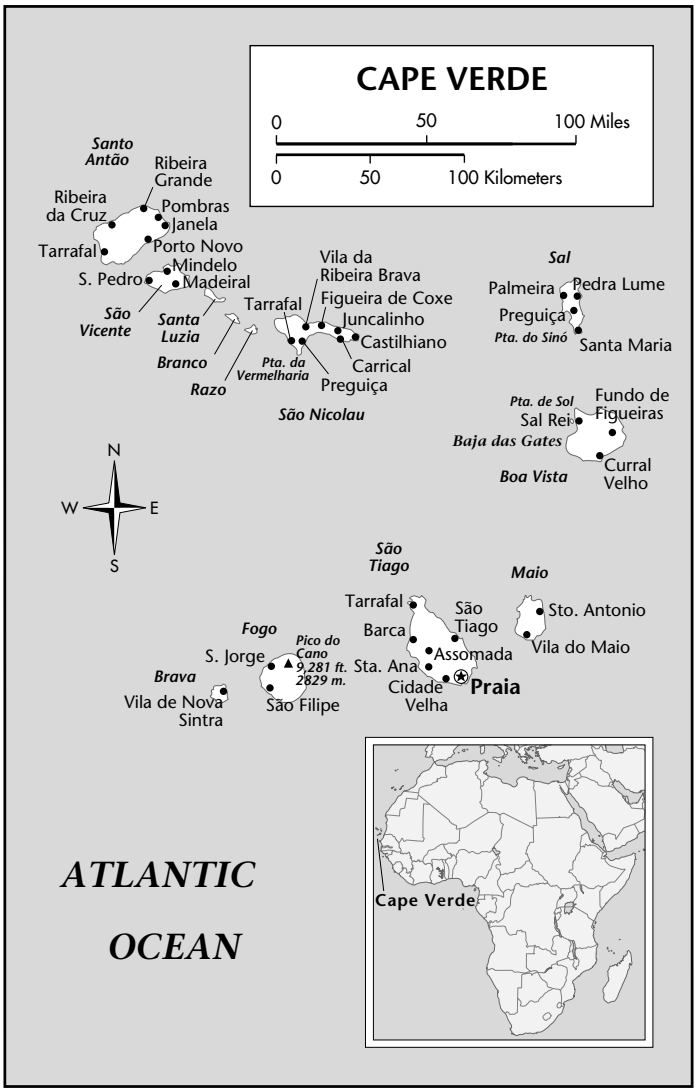
[5]ENVIRONMENT

Much of the land used for raising crops or livestock is too arid or steep for these purposes, resulting in soil erosion. Drought contributes to Cape Verde's land problems along with cyclones, volcanic activity, and insect infestation. The intense demand for wood as fuel has led to the virtual elimination of native vegetation. By 1978, nearly all indigenous plants in farmed areas and within a half-day's walk of small villages had been removed. The land and water supply is adversely affected by insecticides, pesticides, and fertilization. In 2000, about 74% of the population had access to safe drinking water. A resource still almost untapped is an estimated 80–90 million cu m of underground water, but the investment required to exploit it would be very large in relation to Cape Verde's resources.

As of the mid-1990s, endangered species in Cape Verde included the Mediterranean monk seal, the northern bald ibis, the green sea turtle, and the hawksbill turtle. In a total of 103 bird species, three are endangered. Several types of reptile and 14 plant species out of 659 total species are currently considered threatened.

[6]POPULATION

The population of Cape Verde in 2003 was estimated by the United Nations at 463,000, which placed it as number 162 in population among the 193 nations of the world. In that year approximately 7% of the population was over 65 years of age, with another 43% of the population under 15 years of age. There were 91 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.01%, with the projected population for the year 2015 at 577,000. The population density in 2002 was 114 per sq km (296 per sq mi).



LOCATION: 14°48′ to 17°12′ N; 22°40′ to 25°22′ W.
TERRITORIAL SEA LIMIT: 12 miles.

It was estimated by the Population Reference Bureau that 62% of the population lived in urban areas in 2001. The capital city, Praia, located on São Tiago, had a population of 76,000 in that year. Mindelo, on São Vicente, had the second-largest population after Praia. According to the United Nations, the urban population growth rate for 2000–2005 was 3.1%.

[7]MIGRATION

Economic development has not kept pace with rapid population growth. This factor, in combination with the prolonged drought, has produced a sizable outflow of emigrants. By the early 1990s there were some 600,000 Cape Verdean emigrants in the US, Europe, Latin America, and other African countries. Some 325,000 were in the US alone—mostly in New England. Remittances to Cape Verde from emigrants enabled many of those who remained in the islands to survive the drought. In 1998, Cape Verde received some 2,000 Bissau Guineans when violence erupted in Guinea Bissau. Of these, about 1,500 left for other countries. At the end of 1998, some 500 refugees remained at two refugee centers, Trinidade and San Jorginho. Between May and August 1999, 500 refugees returned to Guinea Bissau. In 1999, the net migration rate for Cape Verde was -12.35 migrants per 1,000 population.

[8]ETHNIC GROUPS

About 71% of the inhabitants of Cape Verde are Creole, mulatto descendants of Portuguese colonists and their African slaves, who came, most often, from what is today Guinea-Bissau. Another 28% of the inhabitants are entirely African. There is a small minority (1–2%) of Europeans on the islands.

[9]LANGUAGES

Portuguese is the official language, but Crioulo, an archaic Portuguese dialect with a pronunciation that reveals African influences, is the spoken language of Cape Verde.

[10]RELIGIONS

Over 90% of the population of Cape Verde are nominally Roman Catholic. Protestant churches account for a small percentage with the largest denomination being the Church of the Nazarene. Other denominations include the Seventh-Day Adventists, the Church of Jesus Christ of Latter-Day Saints, Assemblies of God, and various Pentecostal and evangelical groups. There are also small groups of Muslims and Baha'i. Several African traditional religions are practiced, especially on São Tiago, with some traditional elements infused in other religions. Though there is no state religion, the Catholic Church seems to enjoy a somewhat privileged status, including officially observed religious holidays.

[11]TRANSPORTATION

There are about 1,100 km (683 mi) of all types of roadway on the islands, of which some 858 km (533 mi) are paved in 2002. In 1997, Cape Verde had 30 vehicles per 1,000 population. Commercial transportation is largely by coastal craft and domestic airlines. The ports of Mindelo on Sao Vicente and Porto Novo on Santo Antao are important as international fueling stops. The state-owned Companhia Nacional de Navigacao runs an interisland ferry service. As of 2002, the merchant fleet of Cape Verde consisted of four ships of 1,000 GRT or over, totaling 5,395 GRT. In November 1990, the IBRD announced the complete rehabilitation of two deepwater berths at Praia Port, which can now provide modern cargo handling techniques.

In 1975, the international airport on Sal was renamed the Amilcar Cabral International Airport, in honor of the former nationalist leader of the African Party for the Independence of Guinea-Bissau and Cape Verde. It is an important refueling point on many African flights with the second longest runway in Africa. In 2001, 242,800 passengers embarked or disembarked at Amicar Cabral. There are smaller airports on seven islands. In 2001 there were 9 airports total (with 3 airports reported to be non operational), and six of which had paved runways. A new airport is under construction in Praia and will accommodate mid-sized jet aircraft.The national airline is Air Transport of Cape Verde, which began service to Lisbon in 1985 and Boston in 1987.

[12]HISTORY

Cape Verde was probably discovered in 1456 by Luigi da Cadamosto, who at that time was in service to Prince Henry the Navigator of Portugal (Henrique o Navegador); the islands showed no signs of any previous human settlement. In 1462, São Tiago was the first island to receive settlers. Plantation agriculture was established by the Portuguese community and worked by African slaves, who were brought in from the adjacent Guinea coast. There was a population of free Africans and a population of Crioles on the island of São Tiago from an early period, and that island retains strong cultural ties with the African mainland.

The islands produced trade goods; especially important were cattle, cotton cloths (panos) made by slave women, and rum (grog). These goods were used to purchase slaves and consumer

items from slavers trading in the African interior. The economy of the islands suffered from colonial restrictions on the production of potentially competitive export commodities, as well as from cyclical drought. Between 1747 and 1960, an estimated 250,000 Cape Verdeans died of famine.

The phase out of the Atlantic slave trade and the abolition of slavery in the Portuguese Empire, coupled with an 1886 law providing for the settlement of former Cape Verde slaves on open lands, brought the end of Cape Verde's importance as a slave-trading center. The islands' historical role as a port of call (prior to the building of the Suez Canal) became important again in the mid-twentieth century, when they were used by Portuguese troops as a staging area for their African campaigns. Portuguese control of the islands was strong enough to keep the African Party for the Independence of Guinea-Bissau and Cape Verde (Partido Africano da Independência da Guiné e Cabo Verde—PAIGC) in exile until 1974.

The military coup in Portugal in April 1974 resulted in Portuguese decolonization in Africa, and an independence agreement was signed between Portuguese and PAIGC representatives on 30 December 1974, leading to the establishment of the two independent republics: the Republic of Guinea-Bissau on 24 September 1974 and the Republic of Cape Verde on 5 July 1975.

Cape Verde and Guinea-Bissau—where Luis de Almeida Cabral, a Cape Verdean, was president—were politically unified until a military coup in Guinea-Bissau toppled Cabral in November 1980. The Cape Verde wing of PAIGC subsequently broke its links with the mainland and temporarily abandoned the goal of unification and became known as the African Party for the Independence of Cape Verde (PAICV), dropping the G representing Guiné (the Portuguese designation for Guinea-Bissau). Diplomatic relations with Guinea-Bissau, severed at the time of the coup, were resumed in June 1982.

After 15 years of single-party rule by the African Party for the Independence of Cape Verde (PAICV), dissidents agitated to legalize an opposition party in 1990. A hastily assembled opposition coalition, the Movement for Democracy (MpD), won the 13 January 1991 parliamentary elections with 68% of the votes and 56 out of 79 seats in the National Assembly. In February, an independent candidate, Antonio Mascarenhas Monteiro, defeated the incumbent, Aristides Pereira, for the presidency with 72.6% of the vote. The governmental transition went smoothly and without violence. President Mascarenhas cooperated with the prime minister, Dr. Carlos Wahnon de Carvalho Veiga, and his party (MpD), who formed the government.

In 1992, the new constitution came into force, and the government began to privatize state-run industries. In 1994, during an MpD party conference, two leading politicians split with the party and formed the Party for Democratic Convergence (PCD). Legislative elections were again held in 1995, with the MpD winning 50 of the 72 seats (the assembly had been shrunk since the 1991 balloting). The PAICV won 21 seats and the PCD won one seat. On 18 February 1996, Monteiro was reelected to the presidency, and Veiga retained his post as prime minister.

On 11 and 25 February 2001, Pedro Pires (PAICV) was elected president, and inaugurated on 22 March 2001. Since 1 February 2001, Jose Maria Pereira Neves has served as prime minister. Pires was elected president with 49.43% of the vote to 49.42% of the vote for Carlos Viega of the MPD. The election was won by only twelve votes, but the results stood.

[13]GOVERNMENT

According to the 1980 constitution—the nation's first—the Republic of Cape Verde was a one-party state, under the guidance of the PAIGC; this party was replaced by the African Party for the Independence of Cape Verde (Partido Africano da Indepêndencia do Cabo Verde—PAICV) in January 1981, after the coup in Guinea-Bissau. The secretary-general of the PAICV and president of the republic, Aristides Maria Pereira, was elected to national office by the People's Assembly, the national legislative body. He was elected to a second five-year term in January 1986. He was replaced in a popular election on 17 February 1991, by President Monteiro.

The prime minister, who heads the government, is nominated by the Assembly, and appointed by the president. The Council of Ministers is appointed by the president on the recommendation of the prime minister. Presently, the unicameral National Assembly or Assembleia Nacional consists of 72 seats with members elected by popular vote to serve five-year terms.

The constitution was amended on 28 September 1990 to legalize opposition parties and revised again in 1992. It underwent a major revision on 23 November 1995, substantially increasing the powers of the president, and a further revision in 1999, to create the position of national ombudsman (Provedor de Justica). It guarantees human rights and includes the principle of the separation of powers, a market-based economy, and individual rights and liberties.

[14]POLITICAL PARTIES

The African Party for the Independence of Cape Verde (Partido Africano da Independência do Cabo Verde—PAICV) was the sole legal political party from 1975 until 1990. On 28 September 1990, the constitution was amended to legalize opposition parties. In the parliamentary elections held 13 January 1991, the PAICV was defeated by the Movement for Democracy (MpD), which garnered 68% of the vote. Through the 1990s and into the early 21st century, PAICV was the opposition in the National Assembly. In 1993 and 1994, divisions within the MpD led to the resignation of key members and the emergence of a new party, the Party for Democratic Convergence (PCD). In the 1995 legislative elections, the MpD won 50 seats; the PAICV, 21; and the PCD, 1.

Assembly elections were last held 14 January 2001 with the PAICV obtaining 47.3%, the MpD 39.8%, the Democratic Alliance for Change (ADM) 6%, and other 6.9%. The ADM was a coalition of three parties—the PCD, PTS, and the UCID. The number of seats held by party was PAICV 40, MPD 30, and ADM 2. The next parliamentary elections were scheduled for December 2005.

[15]LOCAL GOVERNMENT

The islands are divided into 17 districts (conçelhos) and 31 freguesias, which are subdivisions of conçelhos. The conçelhos are: São Nicolau, Sal, Boa Vista, Maio, Brava, São Vicente, Praia, Tarrafal, Santa Cruz, Santa Catarina, Ribeira Grande, Porto Novo, Paúl, Calheta, Mosteiros, São Domingos, and São Filipe.

[16]JUDICIAL SYSTEM

In the preindependence period, Cape Verde was subject to the Portuguese civil and criminal codes. Most provisions of these codes remain in effect. A Supreme Tribunal of Justice hears appeals from subregional and regional tribunals. Informal popular tribunals serve as courts of the first instance for minor disputes.

The 1992 constitution provides for a judiciary independent from the executive branch. The Supreme Tribunal (Court) of Justice has a minimum of five members, one appointed by the president, one appointed by the National Assembly, and three appointed by the Supreme Council of Magistrates. The Ministry of Justice and Labor appoints local judges.

Criminal defendants are presumed innocent and have the right to counsel, to public, non-jury trial, and to appeal.

[17]ARMED FORCES

The active armed forces numbered approximately1,200 in 2002. Of these, 1,000 were in a two-battalion army. The coast guard, which numbered 100, had two patrol boats. The air force, which numbered less than 100, had no combat aircraft. The military budget totaled $9.3 million in 2001, or 1.6% GDP.

[18]INTERNATIONAL COOPERATION

On 16 September 1975, the Republic of Cape Verde was admitted to the UN. It belongs to the ECA and all the nonregional specialized agencies except IAEA and IFC. It is also a member of the African Development Bank, ECOWAS, G-77, and the AU. Cape Verde is a member of the WTO and a signatory to the Law of the Sea.

[19]ECONOMY

Commerce, transport and public services accounted for almost 70% of GDP in 2001. Tourism was regarded as one of the most important growth sectors for the islands, along with transportation infrastructure. Construction was also thriving in the early 2000s. Only 11% of the GDP was accounted for by agriculture and fishing in 2001, which supplies the country's export market. Tuna and lobster are the main fishing products. Bananas, maize, and beans are key crops, with cassava, sweet potatoes, coconuts, dates, and sugar cane also produced on small, low-technology farms for domestic consumption. Cape Verde is drought-prone, and less than 10% of food requirements are met by local producers. Salt, pozzolana (a volcanic rock used in cement production), and limestone are mineral resources.

Remittances from Cape Verdeans living abroad supplemented GDP by more than 20% in 2002. The government established tax incentives to attract emigrants' investment in Cape Verdean enterprises. Total debt in 2001 amounted to almost half of the country's annual GDP. Cape Verde runs a high trade deficit.

Perhaps Cape Verde's most important asset is its strategic economic location. It is an important refueling location for international air (Amilcar Cabral International Airport on the island of Sal) and ocean traffic (at the port of Porto Grande, at Mindelo on São Vicente island). In 1997, a four-year World Bank-sponsored project designed to upgrade the port facilities at Porto Grande was completed. Two new ports were also built on the islands of Maio and Boavista.

The government aimed to develop the private sector, liberalize trade, and attract foreign investment in 2003. Political stability and transparency have helped Cape Verde's economic development. The World Bank in 2002 funded a study of the potential of Cape Verde's light industrial manufacturing sector.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Cape Verde's gross domestic product (GDP) was estimated at $600 million. The per capita GDP was estimated at $1,700. The annual growth rate of GDP was estimated at 3%. The average inflation rate in 2001 was 3%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 11% of GDP, industry 17%, and services 72%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $72 million or about $169 per capita and accounted for approximately 13.2% of GDP. Worker remittances in 2001 totaled $78.68 million. Foreign aid receipts amounted to about $171 per capita and accounted for approximately 13% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $1,559. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 8%. It was estimated that in 2000 about 30% of the population had incomes below the poverty line.

[21]LABOR

The unemployment rate stood at an estimated 21% in 2001. All workers are free to form and join unions of their choosing without interference from the government. There are two umbrella union organizations: The Council of Free Labor Unions and the National Union of Cape Verde Workers, which together have 30,000 members. The government generally respects the worker's right to strike.

The law allows children as young as 14 to work with certain applicable restrictions. There is no established minimum wage, however, most private employers pay their workers what an entry-level government official would make, approximately $120 per month in 2002. The legal workweek is limited to 44 hours for adults. Larger employers generally respect this restriction, but agricultural and domestic laborers work longer hours.

[22]AGRICULTURE

The most widespread agricultural activity of the islands is gardening for domestic consumption. Garden crops include corn, cassava, sweet potatoes, and bananas. Only about 11.1% of the land area is suitable for crop production. Frequent droughts often exacerbate an ongoing water shortage. Agriculture employed about 24% of the active population and contributed 12% to GDP in 2000. Estimated 1999 production figures were sugarcane, 13,000 tons; corn, 10,000 tons; bananas, 6,000 tons; coconuts, 5,000 tons; mangoes, 5,000 tons; cassava, 3,000 tons; and potatoes, 2,000 tons. Only the islands of São Tiago, São Vicente, São Nicolau, and Santo Antão have conditions suitable for raising cash crops. Bananas, the only agricultural export, are grown on irrigated land. Sugarcane, another cash crop, is used on the islands to produce rum.

Agriculture has been the focus of development aid programs since the 1960s, but progress has been frustrated by drought, locusts, overgrazing, and archaic cultivation methods. Approximately 85–90% of food needs are met by imports; agricultural imports had a value of $82.9 million in 2001.

The PAIGC nationalized a few large-scale irrigated agricultural operations and began a program of land reform and cooperative agriculture; sharecropping was abolished. During 1976–80, 7,200 rainwater dikes were built. Torrential rains in 1984 destroyed much of this work, but by 1986, 17,000 dikes and 25,000 stone retaining walls had been completed. There has been little land redistribution, despite a 1982 law distributing farms over five hectares (12.5 acres)—1 hectare (2.5 acres) if irrigated—among the tenants if the land is not directly farmed by the owners.

[23]ANIMAL HUSBANDRY

Periodic droughts have significantly lowered the capacity of the islands to pasture livestock. In 2001 there were an estimated 200,000 pigs, 110,000 goats, 22,000 head of cattle, 14,000 asses, 9,000 sheep, and 3,000 mules. Total meat production in 2001 was 8,400 tons (up from 5,000 tons in 1996), with pork accounting for over 80%.

[24]FISHING

The cold Canary Current, running adjacent to the islands, is an ideal environment for many kinds of marketable fish, and the fishing and fish-processing industries in the islands offer the best potential for expansion. São Vicente and Brava each have processing plants, and a fish-freezing plant was opened at Mindelo in 1991. The total catch in 2000 was 10,821 tons,

entirely from marine fishing. Maritime resources are underexploited; of the estimated 50,000 tons of fish, lobster, and other marine products available for harvest, only some 1,500 tons of marine products reach the market annually, either for domestic consumption or export.

[25]FORESTRY

Forests on the island have been cut down for fuel, and the drought damaged many wooded areas. Large-scale reforestation is under way as part of a program of water-resource development. There are about 1,000 hectares (2,470 acres) of forest plantations. A total of 4.3 million trees were planted during 1978–83.

[26]MINING

Mining's contribution to Cape Verde's economy was minimal, and the geological potential of the islands remained largely unexplored. Pozzolana (a volcanic rock used in pulverized form in the manufacture of hydraulic cement) from four mines on Santo Antão and salt were the only minerals exploited commercially, salt being a leading industry. In the mid-1990s, about 4,000 tons of salt and 5,000 tons of pozzolana were quarried. Sal and Boa Vista had sea-salt refineries and deposits of calcareous rocks, used in paving, building ornaments, and tile production. There were also deposits of kaolin, clay, gypsum, and basalt.

[27]ENERGY AND POWER

In 2000, the islands produced about 41 million kWh of electricity, entirely from thermal sources. In the same year, electricity consumption was 38.1 million kWh. Installed capacity totaled about 7,000 kW in 2001. Electra, the public electricity utility, maintains thermal power plants on Praia, Mindelo, and Sal; local councils operate 12 rural power plants. Ten wind generators of 30 kW each were in operation on Mindelo in 1991. Petroleum products were imported.

[28]INDUSTRY

After 1993, the industrial sector in Cape Verde was born, with garment and shoe production factories. Industry accounted for about 20% of GDP in 2000. Besides the salt refining, Cape Verdean manufactures include frozen and canned fish, tobacco, bread and biscuits, and soft drinks. Rum is produced from locally grown sugarcane. The government announced in 2002 that it was launching an initiative to increase investment in infrastructure, which will aid the construction industry. The African Development Bank granted Cape Verde a $3.3 million loan to finance its economic reform programs that year, including privatizing industries. Also in 2002, the government announced that an Italian company was going to undertake oil exploration on the island of São Antão.

[29]SCIENCE AND TECHNOLOGY

No information is available.

[30]DOMESTIC TRADE

As of 2003, over 70% of the economy was based on the service sector, with commerce, transportation, and public services as the strongest segments. However, the majority of the workforce lives and works in the rural sector employed in agriculture or fishing, which accounted for only about 10% of the GDP in early 2003. Most consumer goods are imported and sold or distributed in the major centers of Praia and Mindelo by EMPA, a state wholesale-retail company that controls the prices of many basic consumer goods. Nearly 20% of the GDP is supported by remittances from expatriates.

Since 1991, the government has pursued economic policies which promote privatization and a market economy. In particular, the government has sought ways to encourage foreign investment and to expand tourism

Business hours for banking, government, and industry are 8 AM to 12 noon and 2 PM to 6 PM. Commercial/retail hours are generally from 8 AM to 12:30 PM and 3 PM to 7 PM. Some establishments are open on Saturdays from 9 AM to 1 PM.

[31]FOREIGN TRADE

Cape Verde has been increasingly dependent upon imports, especially foodstuffs and manufactured goods, a situation that has led to a severe trade imbalance. Chronic drought exacerbates the problem. About 90% of food had to be imported in 1999. In 2000 exports were valued at only $10.9 million, while imports amounted to $237 million.

Major commodity export items were bananas and fish. Cape Verde's fishing resources were estimated to contain a potential of 43,000 to 50,000 tons per year, but only one-third of these resources were utilized in 1999. Other exports include transport containers, shoes, and garments. About half of Cape Verde's trade was done with Portugal in 1999. Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Portugal	8.6	114.1	-105.5
United States	1.3	10.7	-9.4
Spain	0.4	6.5	-6.1
Germany	0.2	6.7	-6.5
Italy	0.1	5.6	-5.5
United Kingdom	n.a.	8.2	n.a.
Netherlands	n.a.	14.2	n.a.
Japan	n.a.	12.6	n.a.
France	n.a.	11.1	n.a.
Belgium	n.a.	7.5	n.a.

[32]BALANCE OF PAYMENTS

Cape Verde's massive annual trade deficit is only partially offset by remittances from Cape Verdeans employed abroad. Annual payment deficits were substantial and could be met only through foreign assistance. The average import growth rate between 1990 and 1995 was 14%, compared to a GDP growth rate of 4%. Debt in 2000 reached $301 million. Due to foreign investment, largely in free-zone enterprises, exports have risen in recent years. In 1992, banana, lobster, and fresh and frozen fish accounted for 92% of the country's exports, led by banana exports. In contrast, in 1999, shoe parts, shoes, and garments accounted for 76% of exports, led by shoe exports.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Cape Verde's exports was $273 million while imports totaled $218 million resulting in a trade surplus of $55 million. The International Monetary Fund (IMF) reports that in 1999 Cape Verde had exports of goods totaling $26 million and imports totaling $241 million. The services credit totaled $106 million and debit $117 million. The following table summarizes Cape Verde's balance of payments as reported by the IMF for 1999 in millions of US dollars.

Current Account	**-75**
Balance on goods	-215
Balance on services	-11
Balance on income	-9
Current transfers	159
Capital Account	**4**
Financial Account	**129**
Direct investment abroad	-0
Direct investment in Cape Verde	54
Portfolio investment assets	…
Portfolio investment liabilities	3
Other investment assets	-14
Other investment liabilities	86
Net Errors and Omissions	**-9**
Reserves and Related Items	**-50**

[33]BANKING AND SECURITIES

The Banco de Cabo Verde (BCV, Bank of Cape Verde) was the central bank before 1993, also acting as a commercial and development bank. This organization was supplemented by the Caixa Economica de Cabo Verde (CECV), a savings bank. Liberalization in September 1993 caused the division of the BCV into a central bank, which was privatized in 1999, and a commercial bank called the Commercial Bank of the Atlantic (BCA), which is still majority-state owned. In March 1993, the financial market was opened for private and foreign banks, as long as at least 50% of the workers were Cape Verdean nationals.

In 1999, four Portuguese banks opened offices in Cape Verde: Totta and Acores, Caixa Geral de Depositos, Banco Nacional Ultramarino (BNU), and Banco Mello. The fist totally private bank opened in 1999, the Banco Interatlantico.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $170.0 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $363.4 million.

In early October 1996, the Ministry of Economic Coordination held a conference in Praia to consider opening a stock exchange. With the help of GARSEE, a World Bank institution, the Capital Markets Implementation Committee was created (Comissão Instaladora do Mercado de Capitáis). The committee established the first stock exchange in Insophone, Africa in March 1999, in Praia. The president of the Lisbon Stock Exchange, José Lemos, assisted GARSEE with the $500,000 project. Operations were not expected to begin until the end of 1999.

[34]INSURANCE

There are two insurance companies in Cape Verde.

[35]PUBLIC FINANCE

About 44% of the 1998 Cape Verdean budget of $229 million was allocated to economic reforms (continued privatization), and natural resource, infrastructure, and social development. The government has supported market-oriented policies since about 1991, trying to attract foreign investment.

The US Central Intelligence Agency (CIA) estimates that in 2000 Cape Verde's central government took in revenues of approximately $112 million and had expenditures of $198 million. Overall, the government registered a deficit of approximately $86 million. External debt totaled $301 million.

[36]TAXATION

There are substantial tax incentives for foreign investors in Cape Verde. There is a consumption tax on non-priority goods, ranging between 5% and 60% for hard liquor.

[37]CUSTOMS AND DUTIES

Cape Verde is a member of the Economic Community of West African States (ECOWAS). In 1991, import tariffs were organized into a system of 10 ad valorem rates ranging between 5% and 50%. There is a customs tax of 7% and a consumption tax on luxury items ranging from 5 to 60%. The government intended in 1999 to completely remove import quotas. There are no export controls. The import of narcotics is prohibited and pharmaceuticals can only be imported by the government.

[38]FOREIGN INVESTMENT

Prior to 5 July 1975, Portuguese corporations were the principal investors in the islands. On that date, foreign corporate landholdings were nationalized by the government. During the 1990s, the shipbuilding and repair yard at Mindelo was jointly owned by the government and Portuguese investors; the fish freezing plant was jointly owned by the government and Dutch investors; and the clothing factory by the government and 107 Cape Verdean nationals living abroad. Private enterprise is now encouraged by the government and has been a major objective of the on-going privatization effort. In 1993, to further encourage investment by Cape Verdean emigrants, the government created favorable tax conditions for such investors. A 100% tax exemption was granted to the first five years of a foreign exportation operation. After five years, a foreign-owned exportation company must pay a 10% tax, which after 10 years was capped at 15%. Foreign-owned industrial endeavors received an exemption for the first three years of operation, with progressively higher customs duties afterwards (25%, 50%, and 75%). The tourism and fishing industries were also granted tax breaks. By the mid-1990s, most sectors of the economy were open to foreign investment, with highest priority given to light manufacturing, tourism and fishing.

In 1997, the inflow of foreign direct investment (FDI) was $11.6 million and fell to $8 million in 1998. However, the increase in privatization sales increased FDI flow to record levels of $53.3 million and $21.2 million, in 1999 and 2000, respectively. The economic slowdown in 2001 combined with the worldwide decline in FDI flows and tourism helped bring Cape Verde's FDI to a reported $700.000.

Most FDI has been in tourism (54%), with manufacturing accounting for 15.5% of FDI. The main sources recently have been Italy, Portugal, Spain (Canary Islands), and Hong Kong.

Cape Verde launched a stock exchange in 1999, but it has never been operative.

[39]ECONOMIC DEVELOPMENT

The development plan adopted in 1991 sought to transform Cape Verde into an open-market style economy. The development priorities include the promotion of the service-sector industries such as tourism, fishing, maritime services, and transshipping. In 1994, the government announced a five-year plan to develop the fishing industry, focusing mostly on lobster and tuna. A free-trade port was projected, and offshore banking was planned. In 1997, the government adopted a four-year development plan that focused on debt management and sustainable development. Cape Verde entered into an $11 million three-year Poverty Reduction and Growth Facility (PRGF) Arrangement with the International Monetary Fund (IMF) in April 2002. Economic growth and international reserves increased in 2002, and inflation fell. The fiscal deficit was lower than expected, the balance of payments was stronger, and investment increased. The government that came into office in 2001 focused on implementing tight monetary policies and improving the social and economic infrastructure. A new tax package was scheduled to be implemented in 2003.

[40]SOCIAL DEVELOPMENT

Old age, disability, and survivorship pensions are provided for employed persons with a special system for public employees. The system is funded with contributions from the insured person as well as the employer. Cash and medical benefits are provided for sickness, maternity, and work injury. Family allowances are payable to low income families with children under the age of 14.

The constitution bans sex discrimination, although social discrimination and violence against women persist. The penal code was amended to broaden the definition of sexual abuse and increase penalties. Domestic violence against women is commonplace and societal values discourage reporting these criminal offenses. Discrimination in the workplace continues in hiring, pay, and promotion. Women are often unaware of their rights and suffer unjust treatment in inheritance, family, and custody issues.

The government and nongovernmental organizations have been working to highlight the problems of child abuse and

abandoned children. Human rights are generally respected by the Cape Verde authorities although there have been some reports of abuses by police.

41 HEALTH

Malnutrition (exacerbated by prolonged drought), influenza, and malaria are the major health problems in Cape Verde. The Portuguese government carried out a program of smallpox, yellow fever, and tuberculosis prevention throughout the 1960s. In 1986, there were two hospitals and 60 dispensaries. In the 1990s there were 1.5 hospital beds per 1,000 people. In 1996 there were 0.2 physicians, 0.6 nurses, and 0.02 dentists per 1,000 people.

There was an estimated birth rate of 27.8 per 1,000 people in 2002 and average life expectancy was 69.5 years. The overall death rate was 7 per 1,000, and the infant mortality rate was 51.9 per 1,000 live births. In 1990, there were 220 cases of tuberculosis per 100,000 inhabitants and from 1991 to 1994, 83% of children had been vaccinated against measles. As of 1999, the number of people living with HIV/AIDS was estimated at 775 and deaths from AIDS as of 2001 were estimated at 225.

42 HOUSING

Housing on the islands varies greatly, from the elegant, Mediterranean-style homes of Europeans and middle-class Cape Verdeans to the simple timber and mud-block houses of peasants. At last estimate, approximately 95% of all housing units were one-floor dwellings. External walls were mostly of stone and clay, stone and cement, or all stone. Water supply was delivered by pipes, wells, tanks and cisterns, and other sources. As of 2000, only about 76.7% of the population had access to safe drinking water. At least 54% did not have access to imporved sanitation systems and 50% did not have access to electricity. About 15% of families were homeless.

43 EDUCATION

In the pre-independence period, education in the country followed the Portuguese system. Education under the independent government has been patterned after the program of popular education carried out in the liberated areas of Guinea-Bissau. The program stresses universal literacy and primary skills, with advanced education geared toward agricultural and technical skills for production. In 1998, primary schools had 91,177 students and 3,219 teachers, with a student to teacher ratio of 29 to 1. Secondary schools had 31,602 students and 1,372 teachers in the same year. As of 1999, 99% of primary-school-age children were enrolled in school, while 48% of those eligible attended secondary school. Primary education is compulsory and lasts for six years. Projected adult illiteracy rates for the year 2000 stand at 26.5% (males, 15.7%; females, 34.7%). As of 1999, public expenditure on education was estimated at 4.4% of GDP.

44 LIBRARIES AND MUSEUMS

Reliable information on government-owned libraries is unavailable; however, the city of Praia is home to a privately maintained technical and scientific library of 10,000 volumes. There is also a historical museum in the city.

45 MEDIA

In 2002, Cape Verde had 60,935 main line telephones with an additional 28,119 cellular phones in use throughout the country. There were 11 FM radio stations in 1998 and 3 television stations by 2002. In 2002, there were about 100,000 radios and 15,000 television sets nationwide Broadcasts are in Portuguese and Crioulo. One Internet Service Provider offered service for 8,000 users in 2001.

There are no daily newspapers. The government-run *Novo Jornal-Cabo Verde* (2002 circulation 5,000) is published twice per week. Other periodicals include the weekly *A Semana* (5,000) and *Boletim Informativo* (1,500).

The Constitution of Cape Verde provides for free expression, and the government is said to uphold this right generally. Government authorization is not needed to establish newspapers, other printed publications, or electronic media.

46 ORGANIZATIONS

Cooperative organizations in agriculture, marketing, and labor have been formed. The Chamber of Commerce, Industry, and Services is located at Praia and the Chamber of Commerce, Industry, Agriculture, and Services of the Barlavento is located on Sao Vincente. Mass organizations for youth and women are generally tightly controlled by the government. Scouting organizations are available for youth.

47 TOURISM, TRAVEL, AND RECREATION

Tourism is a potentially important source of revenue for the picturesque islands and has increased steadily since the mid-1980s. The number of hotels and other accommodations has grown from 24 in 1985 to 40 in the early 1990s. In 1995 there were 1,436 hotel rooms with 2,681 beds and an occupancy rate of 60%. Tourist arrivals in 1997 numbered 45,000 with receipts totaling $15 million. In 2000, the number of tourist arrivals grew to 83,259. The majority of visitors come from Europe. The ruins at Cidade Velha on São Tiago and the beaches at Baia das Gates on Boa Vista hold considerable tourist interest. Water sports are becoming extremely popular.

The US Department of State estimated the cost of staying in Praia at $168 per day in 2002. On São Tiago, the average daily expenses were $66.

48 FAMOUS CAPE VERDEANS

Aristides Maria Pereira (b.1923) was the cofounder, with Amilcar Cabral (1921–73), of the PAIGC. He became PAIGC secretary-general after Cabral's assassination. Pereira was the first president of the independent Republic of Cape Verde, a position he held until 1991. Luis de Almeida Cabral (b.1931), a brother of Amilcar, became the first president of Guinea-Bissau; after being ousted, he went into exile in Cuba. Antonio Mascarenhas Monteaio was president (1991–2001). Cesaria Evora (b.1941) gained an international reputation as a blues singer in the 1990s.

49 DEPENDENCIES

The Republic of Cape Verde has no territories or colonies.

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CENTRAL AFRICAN REPUBLIC

République Centrafricaine

CAPITAL: Bangui

FLAG: The national flag consists of four horizontal stripes (blue, white, green, and yellow) divided at the center by a vertical red stripe. In the upper left corner is a yellow five-pointed star.

ANTHEM: *La Renaissance (Rebirth)*.

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr), which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. The CFA franc is issued in coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs, and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Anniversary of President Boganda's Death, 29 March; Labor Day, 1 May; National Day of Prayer, 30 June; Independence Day, 13 August; Assumption, 15 August; All Saints' Day, 1 November; Proclamation of the Republic, 28 November; National Day, 1 December; and Christmas, 25 December. Movable religious holidays include Easter Monday, Ascension, Pentecost Monday.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Located entirely within the tropical zone of Central Africa, the Central African Republic has an area of 622,984 sq km (240,535 sq mi), extending 1,437 km (893 mi) E–W and 772 km (480 mi) N–S. Comparatively, the area occupied by Central African Republic is slightly smaller than the state of Texas. Entirely landlocked, it is bordered on the north by Chad, on the east by Sudan, on the south by the Democratic Republic of Congo (DROC—the former Zaire) and the Republic of the Congo (ROC), and on the west by Cameroon, with a total boundary length of 5,203 km (3,233 mi). The Oubangui and Mbomou rivers form much of the southern border; the eastern border coincides with the divide between the watersheds of the Nile and the Zaire rivers. The Central African Republic capital city, Bangui, is located in the southwestern part of the country.

[2]TOPOGRAPHY

The land consists of an undulating plateau varying in altitude from 610 to 762 m (2,000–2,500 ft). Two important escarpments are evident: in the northwest is a high granite plateau (rising to 1,420 m/4,659 ft), which is related to the Adamawa Plateau of Cameroon; in the northeast the Bongos Range rises to 1,368 m (4,488 ft) and extends into Sudan.

Soils are complex: sands and clays predominate, sometimes covered with a lateritic layer, over granite and quartz rocks. The land is well drained by two river systems: the Ubangi and its tributaries in the south, and the tributaries of the Chari and Logone rivers in the north.

[3]CLIMATE

The climate is tropical, with abundant rainfall of about 178 cm (70 in) annually in the south, decreasing to about 86 cm (30 in) in the extreme northeast. There is one rainy season (December–March) and one long, hot, dry season (April–November). Floods are common. Temperatures at Bangui have an average minimum and maximum range from 21°C (70°F) to 34°C (93°F).

[4]FLORA AND FAUNA

The tropical rain forest in the southwest contains luxuriant plant growth, with some trees reaching a height of 46 m (150 ft). Toward the north, the forest gradually becomes less dense, with wider patches of grassland, and eventually gives way to the rolling hills of the savanna, interrupted by taller growths along riverbeds. Almost every animal of the tropics is found, including the elephant; its ivory was once a major source of wealth but has declined in economic importance. The southwest has a colorful variety of butterflies.

[5]ENVIRONMENT

The most significant environmental problems in the Central African Republic are desertification, water pollution, and the destruction of the nation's wildlife due to poaching and mismanagement. The encroachment of the desert on the country's agricultural and forest lands is due to deforestation and soil erosion. The nation has 141 cu km of renewable water resources, but its tap water is not safe to drink.

The Central African Republic reports major losses in its elephant population. In 1979, it was disclosed that three-quarters of what had been the nation's elephant population at independence (40,000–80,000) had been killed so that the tusks could be sold for ivory. In the mid-1990s, it was estimated that 90% of the nation's elephant population had been eliminated over the previous 30 years, 85% since 1982. Elephant hunting is now banned. Endangered species in the Central African Republic included the black rhinoceros and northern square-lipped rhinoceros. There are 13 national parks and wildlife reserves. As of 2000, in addition to the loss of the elephant population, 11 other species of mammals in a total of 209 were threatened. Two types of birds in 537 total species were endangered along with one species of reptiles from a total of 129. Of the nation's 3,600 plant species, one was threatened with extinction.

[6]POPULATION

The population of Central African Republic in 2003 was estimated by the United Nations at 3,865,000, which placed it as number 123 in population among the 193 nations of the world. In that year approximately 4% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 95 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.29%, with the projected population for the year 2015 at 4,586,000. The population density in 2002 was 6 per sq km (15 per sq mi), but large areas in the east are almost uninhabited.

It was estimated by the Population Reference Bureau that 41% of the population lived in urban areas in 2001. The capital city, Bangui, had a population of 622,000 in that year. Other cities include Berbérati (82,492), Bouar (95,193), and Bambari (87,464). According to the United Nations, the urban population growth rate for 2000–2005 was 3.0%.

The prevalence of AIDS/HIV has had a significant impact on the population of Central African Republic. The United Nations estimated that 12.9% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Both internal and external migration is mainly seasonal. About 25,900 Sudanese and 21,500 Chadian war refugees were in the country in 1995. As of 1999, there were 34,831 Sudanese refugees and 3,590 Chadians, a residual group of the influxes in 1994 and 1998. Refugees from the DROC also arrived in the Central African Republic in January and July 1999. Many settled on their own; however, the government was attempting to relocate all to the Boubou refugee camp. Repatriation efforts were underway in 1999. Some 1,500 Chadians were ready to return home, and some 500 from the DROC had requested assistance to return to Kinshasa. The net migration rate for the country in 2000 was 0.5 migrants per 1,000 population. The total number of migrants was 59,000, of which 95% were refugees. The government views the emigration level as too high.

[8]ETHNIC GROUPS

The people belong to more than 80 ethnic groups, which are classified according to geographic location. The Baya (33%) to the west and the Banda (27%) in the east central region and are estimated to be the most numerous groups. In the savanna live the Mandjia, accounting for 13% of the population, the Sara, accounting for 10%, and the Mboum, accounting for 7%, each with several subgroups. In the forest region are the Pygmies (Binga) and some Bantu groups, including the Mbaka, who account for another 4% of the population. About 4% of the population are Yakoma. There were about 6,500 Europeans in 1998, including 3,600 French.

[9]LANGUAGES

Many languages and dialects are spoken, including Arabic, Hunsa, and Swahili, but Sangho, the language of a group living on the Ubangi River, is spoken by a majority and is the national language. French is the official language of government and is taught in the schools.

[10]RELIGIONS

Though about 50% of the population are Christians, it is believed that most of these followers incorporate traditional indigenous elements into their faith practices. Catholic and Protestant missions are scattered throughout the territory. Islam is followed primarily in the north. About 25% of the population are Protestant, another 25% are Roman Catholic, and 15% are Muslim. Traditional indigenous beliefs are practiced by about 35%. Though freedom of religion is constitutionally mandated, the government prohibits religious fundamentalism and intolerance. The Unification Church has been banned since the mid-1980s. The practice of witchcraft is considered a criminal offense, however, prosecution is generally made only in conjunction with other criminal activity, such as murder.

[11]TRANSPORTATION

Transportation is limited to river, road, and air, with river transportation the most important for movement of freight. Some 900 km (559 mi) of the 7,080 km (4,400 mi) of inland waterways are navigable year-round, including the Ubangi River up to Bangui, and the Sangha to Nola, 100 km (62 mi) north of the Congo border. The important Oubangui River route leads to the Zaire River port of Brazzaville, Congo, where a rail line travels to the Atlantic port of Pointe-Noire. The Lobaye and several tributaries of the Chari and Logone rivers are partly navigable, but service is irregular during the dry season. The port of Kilongo (at Bangui) is the largest in the country. Both Kilongo and the port of Nola are being enlarged to accommodate steadily increasing maritime traffic.

In 2002, the country had 23,810 km (14,796 mi) of roads, of which only 429 km (267 mi) were paved. A rehabilitation project, begun in 1974 and completed ten years later, centered on three highways running north, west, and south from Nola. Some 5,300 passenger cars and 6,300 commercial vehicles were in use in 2000. There are no railroads.

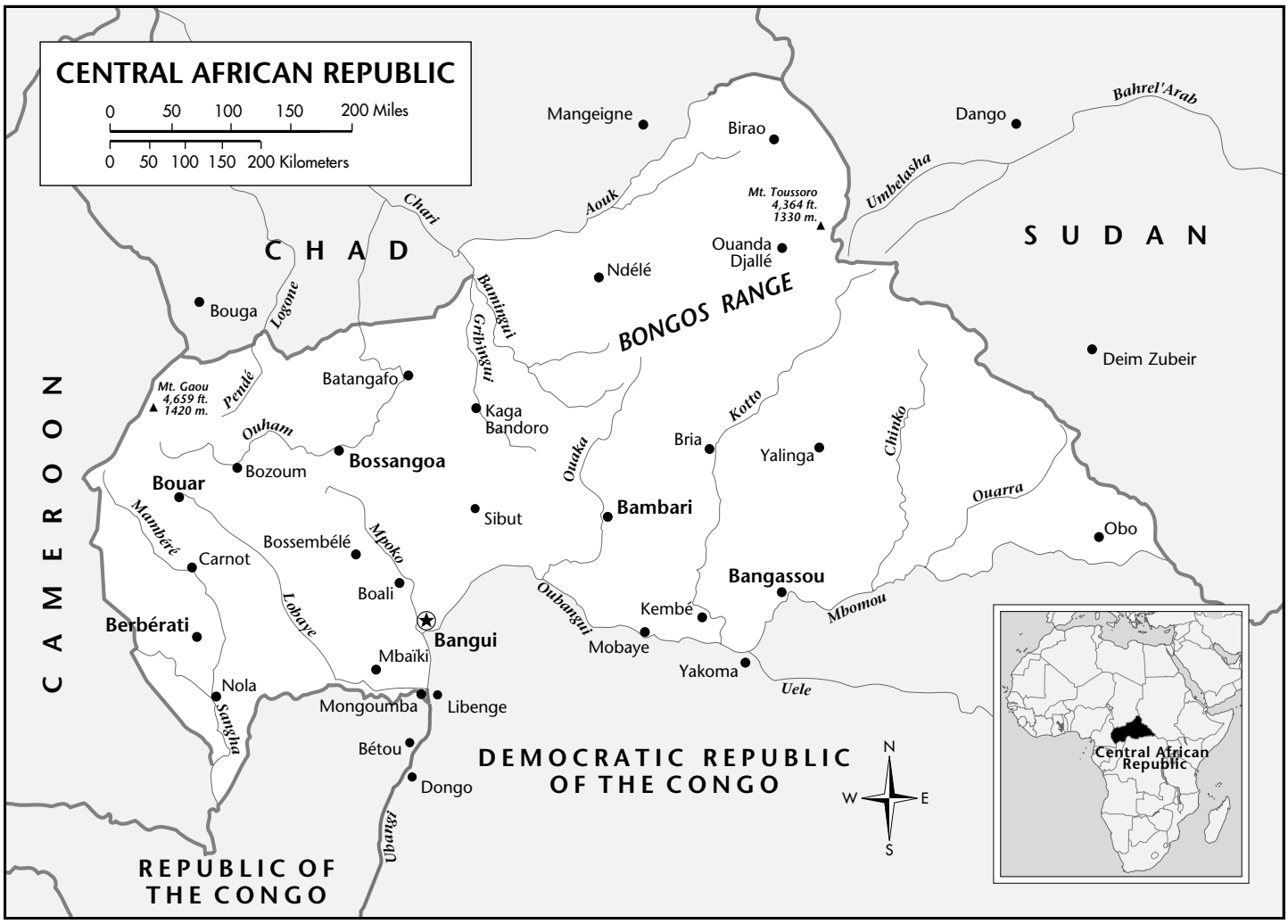
In 2001, there were 51 airports, 3 of which had paved runways. There is an international airport at Bangui-Mpoko. Five airlines provide international transport. The Republic is also a partner in Air Afrique. Inter-RCA provides domestic service. In 2001, 46,400 passengers were carried on domestic and international flights.

[12]HISTORY

Before its colonial history, the area now known as the Central African Republic was settled by successive waves of peoples, mostly Bantu. Both European and Arab slave traders exploited the area in the 17th, 18th, and 19th centuries, and slave raids and intertribal wars were frequent until the French conquest. In the 19th century, the main population groups, the Baya and the Banda, arrived from the north and east, respectively, to flee the slave trade.

The French explored and conquered the country, chiefly from 1889, when an outpost was established at Bangui, to 1900, as part of a plan to link French colonies from the Atlantic to the Nile. The strongest and most sustained opposition to the French came from Sultan Senoussi, who was finally defeated in 1912. Isolated local revolts continued well into the 20th century, however. The strongest and bloodiest of these, known as the War of Kongo-Wara, lasted from 1928 to 1931.

The territory of Ubangi-Shari was formally established in 1894, and its borders fixed by treaties between the European colonial powers. The western border with the German Cameroons was fixed by a convention with Germany in 1884; a convention of 1887 with Belgium's King Leopold II delineated the southern border with the Independent State of the Congo; the eastern border with the Sudan was fixed by an 1899 convention. These boundaries were drawn with little knowledge of the human geography of the area, so ethnic groups were sometimes separated into different territories. From 1906 to 1916, Ubangi-Shari and Chad were merged as a single territory. In 1910, Gabon, Middle Congo, and Ubangi-Shari (including Chad) were constituted administratively as separate colonies forming parts of a larger French Equatorial Africa. Ubangi-Shari's resources were exploited by French companies, and abuses of the forced labor system were common.



LOCATION: 2°13′ to 11°2′ N; 14°25′ to 27°26′ E. BOUNDARY LENGTHS: Chad, 1,199 kilometers (745 miles); Sudan, 1,167 kilometers (725 miles); Democratic Republic of the Congo, 1,577 kilometers (980 miles); Republic of the Congo, 467 kilometers (290 miles); Cameroon, 822 kilometers (511 miles).

In 1940, the colony quickly rallied to the Free French standard raised at Brazzaville, Congo. After World War II, the territory elected Barthélémy Boganda as its first representative to the French Parliament in Paris. In a referendum on 28 September 1958, Ubangi-Shari voted to become an autonomous republic within the French community. The Central African Republic was proclaimed with Boganda as president on 1 December 1958. On 30 April 1959, Minister of the Interior David Dacko was elected to succeed Boganda, who had died in a plane crash on 29 March. The country declared itself an independent republic on 13 August 1960, with Dacko as president. In 1961, the constitution was amended to establish a presidential government with a single-party system.

On 1 January 1966, a military coup d'etat led by Col. Jean-Bédel Bokassa overthrew Dacko (Bokassa's cousin), abolished the constitution, and dissolved the National Assembly. Bokassa, who became president in 1968 and president for life in 1972, proclaimed himself emperor of the newly formed Central African Empire on 4 December 1976. A year later, on that date, he crowned himself emperor in a lavish ceremony at an estimated cost of $25 million—a quarter of the nation's annual export earnings.

On 20 September 1979, Dacko, with French support, led a bloodless coup that overthrew Bokassa while he was out of the country. The republic was restored, and Bokassa, who took refuge in Côte d'Ivoire and France, was sentenced to death in absentia for various crimes, including cannibalism. Moreover, an African judicial commission reported that he had "almost certainly" taken part in the massacre of some 100 children for refusing to wear the compulsory school uniforms. In January 1981, six of his supporters, including two sons-in-law, were executed.

A new constitution allowing free political activity was approved by referendum in February 1981. A month later, Dacko was elected, polling a bare majority against four rivals. Violence followed the election, which the losers charged was fraudulent. Economic conditions failed to improve, and Dacko was overthrown on 1 September 1981 by a military coup led by army chief of staff Gen. André Kolingba. Kolingba became chairman of the ruling Military Committee for National Recovery, and the constitution and all political activities were suspended. The Kolingba regime survived an attempted coup in 1982 and an aborted return by Bokassa in 1983. On 21 November 1986, Kolingba was elected unopposed to a six-year term as president, and a new constitution was adopted establishing a one-party state. The new ruling party, the Central African Democratic Party (Rassemblement Démocratique Centrafricaine—RDC), nominated a list of 142 of its members, from which voters elected 52 to the new National Assembly on 31 July 1987.

Bokassa made an unexpected return in October 1986 and was retried. On 12 June 1987, he was convicted of having ordered the murders of at least 20 prisoners and the arrest of the

schoolchildren who were murdered. He was sentenced to death, but this was commuted to a life term in February 1988. He was released from prison on 1 September 1993, as a result of an amnesty. He died of a heart attack in Bangui on 3 November 1996 at age 75.

In April 1991, under pressure from France, the IMF, and local critics, Kolingba agreed to legalize opposition parties, many of which had already formed a united front to press for further reforms. Elections were held on 25 October 1992, but widespread irregularities led to the Supreme Court dismissing the results for both the National Assembly and the presidency. Elections were rescheduled, and on 19 September 1993 citizens elected Ange-Félix Patassé as head of the Movement for the Liberation of the Central African People (MLPC), president. A new National Assembly of 85 members was elected. Patasse's party won only 33 seats, and Kolingba's RDC won 14 seats. Despite some irregularities, an international observer delegation certified the validity of the outcome.

The transition from military to elected government proceeded smoothly although the economy faltered. The human rights picture improved although the security forces still exercised arbitrary power. In 1994 a new constitution instituting democratic reforms was approved through a national referendum.

In recent years, the government has been beset by military unrest. In 1993, there were two brief mutinies. Three mutinies followed in 1996 over nonpayment of salaries (up to 12 months salary arrears for civil servants and 9 months for the army), with ethnic and political violence spreading into 1997. The French army assisted to quell the mutinies, which left over 100 people dead and hundreds more injured.

With mediation from four heads of neighboring states, the government and mutineers reached an agreement, the Bangui Accord, in January 1997. The accord included the necessary elements for the comprehensive settlement of the crisis. An 800-strong Inter-African Peace Force (MISAB) composed of six French-speaking countries, approved and supported by the UN and French government, was deployed in the country in February 1997. On expiry of the largely successful (UN) mandate of MISAB and the withdrawal of French soldiers in April 1998, the UN deployed a peacekeeping force (1,498 military personnel) called MINURCA. Its mandate was mainly to monitor implementation of the Bangui Accord. MINURCA succeeded in maintaining security, stability, and an environment conducive for peaceful elections.

On 22 November and 13 December 1998 parliamentary elections were held, overseen by MINURCA. The ruling MLPC won 47 of the 109 seats of the National Assembly, but the opposition formed a parliamentary majority. Patassé won the presidential elections held on 19 September 1999, taking 51.6% of the vote. His runner-up, Kolingba, got 19.3%. Despite opposition allegations of rigging and irregularities, the UN and other international observers declared both elections generally free and fair.

On 15 February 2000, MINURCA successfully completed its mission and the withdrawal of UN troops. It was replaced by a UN Peace Building Office, with a one-year mandate in support of the new government's efforts to consolidate peace and national reconciliation, strengthen democracy, promote national reconstruction and economic recovery. A degree of stability has returned to the country. However, many observers believe that durable peace in the Central African Republic will depend on the successful restructuring of the armed forces.

On 28 May 2001, Kolingba led an unsuccessful coup attempt against Patassé; at least 59 were killed and 15,000 fled Bangui in 10 days of violence. Chadian and Libyan troops, and rebel troops from the Congolese Liberation Movement (MLC) from the Democratic Republic of the Congo, aided Patassé in suppressing the coup attempt. Economic instability followed the aborted coup. Former army chief of staff, François Bozizé, was accused of being involved in the coup attempt, and in November, fighting broke out between government forces attempting to arrest Bozizé, and Bozizé's supporters. Thousands fled the fighting; Libya, Chad, and the United Nations intervened to attempt to resolve the conflict. Bozizé fled to Chad.

In May 2002, the government lifted its curfew imposed after the May 2001 coup attempt, in an effort to demonstrate the return of peace and security to the country. However, in October, Bozizé's supporters led an armed insurrection against the government. There were 6 days of heavy fighting in Bangui, but Libyan forces aided Patassé's troops in suppressing the rebellion.

On 15 March 2003, Bozizé took power in a coup, capturing Bangui, declaring himself president, suspending the constitution and dissolving parliament. Patassé had been in Niger for a meeting of African heads of state; he subsequently went to Cameroon. Bangui was ravaged by 2 days of looting and violence, in which at least 13 people were killed. Bozizé stated he would replace the National Assembly with a transitional council formed by political parties, former heads of state, and others, including human rights groups. He stated he would hold elections, but did not specify when they would be held.

13 GOVERNMENT

The 1959 constitution was suspended after the January 1966 coup, and the National Assembly was dissolved. An imperial constitution issued in December 1976 lapsed with Bokassa's fall in 1979. A new constitution was promulgated on 6 February 1981 after 97.4% of the voters had approved it in a referendum. It provided for the election of a president and National Assembly by universal adult suffrage, and it allowed multiple parties. It was suspended after the military coup of 1 September 1981. All executive and legislative power was assumed by the ruling Military Committee for National Recovery (Comité Militaire pour le Redressement National), headed by Gen. André Kolingba. This committee was disbanded in 1985. A new constitution adopted by plebiscite on 21 November 1986 established a one-party state and a 52-member National Assembly; simultaneously, Kolingba was elected unopposed to a six-year term as president. The National Assembly provided a forum for debate, but it had little substantive impact on government policy.

In 1991, Kolingba was forced to legalize opposition parties. After the Supreme Court invalidated a 1992 election, new elections were conducted successfully in September 1993. For the 1993 elections, the unicameral National Assembly was enlarged to 85 members. Kolingba was defeated. A new president, Ange-Félix Patassé, was installed and a graceful transition to multi-party democracy took place. The new coalition government was headed by the MLPC and included members of three other parties. The Economic and Regional Council advises the National Assembly. Constitutional reforms passed by referendum in 1994 and instituted in 1995 and 1996 created a stronger prime minister, a constitutional court, and created regional assemblies. On 15 March 2003, former army chief François Bozizé seized power in a coup, declared himself president, dissolved parliament, and suspended the constitution.

Prior to the March 2003 coup, the constitution provided for an independent judiciary, although it was subject to executive interference. The president could veto legislation, although the legislature could override his veto, and he could rule by decree under special conditions. Members of the National Assembly served five-year terms. Suffrage was universal at age 21. After his assumption of power, Bozizé indicated he would appoint a transitional council to replace the National Assembly, and that elections would soon be held. He did not indicate when those elections would be held, however.

The ruling MLPC emerged from the November and December 1998 elections with 47 seats out of the expanded 109-member national assembly. The RDC got 20 seats, and nine other parties and independents shared the remaining 42 seats. The opposition had a parliamentary majority, which was reversed with the defection of an opposition member of parliament to the government side and its allies. In June 1999, the new Prime Minister Anicet Goerges Dologuele of MLPC formed a 25-member cabinet in which four portfolios went to the opposition. In the previous government of national unity the opposition had 10 cabinet positions.

[14]POLITICAL PARTIES

The Movement for Social Evolution of Black Africa (Mouvement d'Évolution Sociale de l'Afrique Noire—MESAN) was founded by Barthélémy Boganda in September 1949. Boganda, himself a deputy in Paris for some years, constantly fought for greater internal autonomy and an end to French administration.

Internal antagonism to Boganda came particularly from those who resented his electoral laws, which made it difficult to contest any seats with MESAN. In the election of 25 September 1960, MESAN received 80% of the votes, while the newly founded Movement for the Democratic Evolution of Central Africa (Mouvement d'Évolution Démocratique de l'Afrique Centrale—MEDAC) received 20%. MEDAC was dissolved by the government in February 1961. In December 1962, a constitutional amendment recognized MESAN as the sole party in the republic, but with the military coup d'état in January 1966 all political activity was banned. MESAN was revived in 1972 by Jean-Bédel Bokassa.

After Bokassa's fall, the single-party system was maintained, but the name of the party was changed to the Central African Democratic Union (Union Démocratique Centrafricaine—UDC) in 1980. The February 1981 constitution allowed other parties, and five competed in the presidential election of 15 March 1981. President David Dacko, the UDC candidate, received 50.2% of the vote. His chief opponent was Ange-Félix Patassé of the Movement for the Liberation of the Central African Republic (Mouvement pour la Libération du Peuple Centrafricain—MLPC), who received 38.1%. Following the military coup of 1 September 1981, all political activity was suspended. The MLPC was formally banned on 6 March 1982 after an unsuccessful coup that the government blamed on Patassé. Patassé subsequently fled to Togo.

The Central African Democratic Party (Rassemblement Démocratique Centrafricaine—RDC), the sole legal political party adopted by the Kolingba regime, held its founding assembly in February 1987. The same year three opposition parties in exile in Paris, including the MLPC, established a coalition called the United Front.

In 1991, opposition parties were legalized and in October 1992, multiparty elections were held. The Supreme Court invalidated the results and on 19 September 1993, new elections led to Kolingba's defeat. His old nemesis, Patassé, became president and the MLPC gained 33 of the 85 seats in the National Assembly. The RDC won 14 seats.

Other parties in the government coalition included the Liberal Democratic Party, the Alliance for Democracy and Progress, and the David Dacko Movement (an informal grouping of supporters of the ex-president). In opposition, along with the RDC, were the Consultative Group of Democratic Forces (CFD), an alliance of 14 opposition groups; the Social Democratic Party; and the National Convention.

The second half of Patassé's term of office was dominated by army mutinies, ethnic and political unrest, and international efforts to restore peace and stability. A record 849 candidates from 29 parties and 118 independents contested the parliamentary elections that were held in November and December 1998. Patassé's MLPC won 47 of the 109 seats; Koringba's RTC had 20; Dacko's MDD (Movement for Democracy and Development) got 8; and Goumba's FPP (Patriotic Front for Progress) won 7 seats. Eleven of the 29 contesting parties won seats to the National Assembly. Parliamentary majority went to the opposition.

The defection of a National Assembly member from the 10-party opposition grouping called the Union of Forces Committed to Peace (UFAP) in December 1998, gave the MLPC and its political allies a one-seat majority in the house. Opposition parties vehemently protested this development, but the Constitutional Court upheld it. The opposition went on to boycott the inauguration of the National Assembly, and only mediation from MINURCA and the international community helped to end the boycott. The reported withdrawal of two parties (with nine National Assembly members) from UFAP to join the government in October 1999, and inactivity of the MDD in the grouping would undermine UFAP so much as to threaten its survival.

Pattasé was reelected for a second presidential term with a narrow majority of 51.6% of the vote and sworn in as president on 22 October 1999. Kolingba came second (19.3%), Dacko third (11.1%), and Goumba fourth (6%) in the 10-candidate contest.

The National Assembly was dissolved in March 2003 after François Bozizé seized power in a coup. Bozizé indicated he would establish a transitional council, and that elections would be held, without specifying when.

[15]LOCAL GOVERNMENT

The republic is divided into 16 prefectures, 69 subprefectures, and the autonomous commune of Bangui. In 1988, local elections created 176 municipal councils, each of which were headed by a mayor appointed by the president.

[16]JUDICIAL SYSTEM

There are several civil courts, criminal courts, and a court of appeal situated in Bangui. At the apex is a Supreme Court, also located in Bangui, the members of which are appointed by the president.

There are also provisions for a High Court of Justice, a body of nine judges created to try political cases against the president, members of congress and government ministers, which has never convened.

The 1994 constitution reorganized the judiciary, which consists of regular and military courts. A Constitutional Court was formed in 1996 to determine if laws passed by the National Assembly conform to the constitution: three of its judges are appointed by the president, three by the president of the National Assembly, and three by fellow judges. New courts of justice were created in 1997 in both urban and rural areas, and a juvenile court in 1998. The functioning of these courts is undermined by inefficient management, shortage of trained personnel, increasing salary arrears, and a general lack of material resources. The legal system is based on the French civil law system. Criminal defendants are presumed innocent and have the right to counsel, to public trial, and to confront witnesses. Trials are public and frequently broadcast on national radio.

In 2001, the lone operating criminal court met only once for a period of two months due to lack of funds; there was a large backlog of criminal cases. In 2003, François Bozizé seized power in a coup and suspended the constitution.

[17]ARMED FORCES

The army, numbering about 1,400 personnel in 2002, had three main battle tanks. The 150-man air force had no combat aircraft or helicopters. The paramilitary gendarmerie numbered around

1,000. The nation spent $29 million on defense in 1996, or 2.2% of gross domestic product.

[18]INTERNATIONAL COOPERATION

On 26 September 1960, the Central African Republic was admitted to UN membership; CAR is a member of ECA and all the nonregional specialized agencies except IMO. In 1959, together with Chad, the Congo, and Gabon, it formed the Equatorial Customs Union (Union Douanière Equatoriale—UDE), a customs union in which merchandise, property, and capital circulated freely. The UDEAC, a subregional common market including the UDE nations and Cameroon, became operative in January 1966, superseding UDE. As of the late 1990s, the country is also a member of the African Development Bank, G-77, and African Union, and is a signatory to the Lomé Convention and the Law of the Sea treaty, as well as a member of the WTO.

[19]ECONOMY

The Central African Republic (CAR) has a basically agricultural economy supplemented by the export of diamonds. Agriculture engages about 85% of the workforce and produces about half of GDP. Food crops—manioc (tapioca), corn, millet, bananas, and rice—are grown on low-technology farms for domestic consumption. Coffee, tobacco, timber and cotton are the CAR's principal export crops. The large forest reserves support growth in timber exports; timber accounted for 38% of export earnings in 2001. Livestock production grew in the early 1990s as the northern limit of the tsetse fly zone retreated south. Diamond output leads the mining sector, with sales of uncut diamonds contributing approximately 39% of export revenues in 2001. Published figures on production levels for diamond mines are considered unreliable, due to widespread smuggling and mine owner's attempts to minimize their exposure to export taxes. It is possible there are oil deposits along Cameroon's northern border with Chad. The country suffers as a result of its isolation from its major markets, deteriorating transportation infrastructure, and largely unskilled workforce. The communication network also is limited.

Economic growth stagnated between 1989 and 1991, severely affected by declining world prices for its exports. In 1994, the CFR franc was devalued. This had the effect of increasing diamond, timber, coffee, and cotton exports, resulting in a 5% growth in GDP. On the other hand, imports rose in price, driving inflation to 45% in 1994. By 2001, the inflation rate had dropped to 3.6%, with a GDP growth rate of 1.8%. The country runs both budget deficits and trade deficits, has a large debt burden and limited foreign direct investment, and, as of 2002, had seen a decline in per capita GNP in the last 30 years. World Bank and IMF programs to support investments in livestock, agriculture, and the transportation sectors have not been successful. As such, the World Bank and IMF as of 2003 were concentrating on poverty reduction programs and reform plans to refuel the economy, including the privatization of state-owned enterprises and corruption-fighting measures.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 the Central African Republic's gross domestic product (GDP) was estimated at $4.6 billion. The per capita GDP was estimated at $1,300. The annual growth rate of GDP was estimated at 1.8%. The average inflation rate in 2001 was 3.6%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 55% of GDP, industry 20%, and services 25%. Foreign aid receipts amounted to about $20 per capita and accounted for approximately 8% of the gross national income (GNI). The richest 10% of the population accounted for approximately 47.7% of household consumption and the poorest 10% approximately 0.7%. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings.

[21]LABOR

The vast majority of the labor force is engaged in subsistence farming, herding, and fishing. The unemployment rate was approximately 8% in 2001, with up to 23% unemployed in the capital city of Bangui.

The General Union of Central African Workers, the only central union since 1964, was dissolved in May 1981 by the Dacko regime, which formed the government-backed Confederation of Central African Workers. This body existed chiefly on paper, however, and had no collective-bargaining authority. In 2002, there were five labor federations. The two main ones were the Organization of Free Public Sector Unions and the Labor Union of Central African Workers (USTC). Unions have the right to strike after certain conditions are met.

The 40-hour week has been established for non-agricultural workers. Labor tribunals with equal representation for workers and employers settle individual disputes, and advisory labor commissions intervene in the settlement of collective disputes. Labor offices provide free employment services. The government sets minimum wage laws sector by sector. In 2002, agricultural workers had a minimum of $12 per month while office workers were promised $28 per month. The minimum wage promises a family the basic essentials, but provides little else. There are general safety and health standards, but the Ministry of Labor and Civil Service has never defined them or enforced them. Although the labor code prohibits the employment of children under the age of 14, child labor is a common practice especially in rural areas.

[22]AGRICULTURE

Agricultural output is dominated by subsistence crops. Agriculture (including forestry and fisheries) accounted for 54% of GDP in 2001, and it employed about 74% of the labor force. The FAO estimates that about 2,020,000 hectares (4,991,000 acres, or 3.2% of the total land area) are arable or under permanent crops, and 3,000,000 hectares (7,400,000 acres, or 4.8% of total land area) are in permanent pasture. The CAR is nearly self-sufficient in food production and has potential as an exporter.

Manioc, the basic food crop, is raised on about 200,000 hectares (494,000 acres); output was about 579,000 tons in 1999. Bananas are the second major food crop. Production was 115,000 tons in 1999, while plantain production was 82,000 tons. Other food crops in 1999 included 95,000 tons of corn, 12,000 tons of millet, and 29,000 tons of sorghum. Some tropical fruits are produced in small quantities, including 22,000 tons of oranges and 2,000 tons of lemons and limes in 1999. An oil-palm plantation covering 2,500 hectares (6,200 acres) opened in 1986 at Bossongo, 35 km (22 mi) sw of Bangui. In 1999, production of palm oil totaled 7,000 tons.

The first commercial cotton production in French Equatorial Africa began in Ubangi-Shari in 1924. Cotton is grown in the Bamingui and Gribingui river valleys. In 1969–70, 58,000 tons of seed cotton were produced, a national high, but production quickly slumped: in 1999, it totaled 35,000 tons.

Another important cash crop is high-quality coffee, which is cultivated on the plateaus along with sisal and tobacco; coffee production was 9,900 tons in 2001/2002; coffee exports were valued at $2.8 million in 2001.

Production of peanuts, which are cultivated in conjunction with cotton, was an estimated 110,000 tons in 1999.

[23]ANIMAL HUSBANDRY

Although most of the Republic is in the tsetse fly belt, some animal husbandry is carried on. In 2001 there were an estimated 3,200,000 head of cattle, 2,763,000 goats, 707,000 pigs, and 234,000 sheep. About 96,000 tons of meat were produced in 2001, with beef accounting for 62%. Cow's milk production was around 63,000 tons the same year. There were an estimated 4,389,000 chickens in 2001 when some 1,400 tons of eggs were produced. Honey production amounted to 13,000 tons in 2001.

[24]FISHING

Fishing is carried on extensively along the rivers, but most of the catch is sold or bartered on the DROC side of the Ubangi. In 1950, the government began a fish-farming program, and by the end of 1968 there were almost 12,000 ponds. The 2000 fish catch was about 15,000 tons.

[25]FORESTRY

There are 22.9 million hectares (56.5 million acres) of forest (37% of the total land area), but only 3.4 million hectares (8.4 million acres) of dense forest, all in the south in the regions bordering the DROC. The CAR's exploitable forests cover 27 million hectares (68 million acres), or 43% of the total land area. Transportation bottlenecks on rivers and lack of rail connections are serious hindrances to commercial exploitation. Most timber is shipped down the Ubangi and Zaire rivers and then on the Congo railway to the Atlantic. More than a dozen types of trees are felled, but 95% of the total is composed of obeche, sapele, ebony, and sipo.

A dozen sawmills produced 703,000 cu m (25 million cu ft) of sawn logs and veneer logs in 2000. The government is encouraging production of plywood and veneer. Roundwood removals were estimated at 3 million cu m (106 million cu ft) in 2000. Competition from lower-cost Asian and Latin American loggers has hurt the local industry, which is encumbered with high transportation and labor costs. In 2000, the country exported $39.6 million of roundwood and $16.3 million of sawn wood.

[26]MINING

Diamond mining was the country's leading industry and top export commodity in 2002. Mining accounted for about 4% of GDP and 40%–50% of export earnings. Diamonds were discovered in alluvial deposits in various parts of the country in 1935 and 1947. Production, which reached 609,360 carats in 1968, was estimated at 530,000 carats in 2000, 75% of gem quality. Sizable quantities were smuggled out of the country. About 60% of the nation's diamonds came from the upper Sangha region. Gold production, which began in 1930 and peaked at 521 kg in 1980, fell to 26 kg in 1982; it was 100 kg in 2000. Diamonds and gold were still mined in alluvial deposits, by about 40,000 artisanal miners, primarily in the Bandas and the Bogoin-Boali greenstone belts.

Uranium was discovered in 1966 in the Bakouma region in the eastern part of the country, and there was further prospecting in the Berbérati and Bangassou areas; exploitation has not occurred, because of high start-up costs and poor transportation. Reserves were estimated at 18,000 tons. Iron deposits estimated at 3.5 million tons have been exploited, but production has ceased. The country also had deposits of nickel, graphite, ilmenite, lignite, monazite, rutile, manganese, cobalt, tin, copper, china clay, and limestone. The lack of adequate transportation and industrial infrastructure hindered the development of the nation's mineral industry. Little of the country's 400,000-sq-km Precambrian terrane has been explored using modern exploration techniques.

[27]ENERGY AND POWER

Wood supplies 80% of the country's energy needs. Electric power production was 104 million kWh in 2000 (all from fossil fuels), and consumption was 330 million kWh. Bangui is supplied by two hydroelectric generators and one thermal plant. A new dam on the Mbali (a joint project with Democratic Republic of the Congo), which permits year-round hydroelectric generation, opened in late 1991. Total installed capacity was 40,000 kW (about 50% hydroelectric) in 2001.

Exxon drilled an exploratory oil well in 1985, but further work was deemed economically infeasible. Any oil production would depend on the connection of a pipeline from Chad to Douala, Cameroon. In 1994, the Central African Republic's average daily fuel imports included 530 barrels of distillate fuel oil, 500 barrels of jet fuel, 470 barrels of kerosene, and 370 barrels of gasoline.

[28]INDUSTRY

Industry contributed 20% of GDP in 2001. Textile and leather manufacturing are the leading industries. The largest single factory is a joint-venture textile complex (51% French owned) in Bangui, which handles spinning, weaving, dyeing, and the manufacture of blankets. All cotton produced in the country is ginned locally, with cotton-ginning plants scattered throughout the cotton-producing regions. Refined sugar and palm oil also are produced, as are soap, cigarettes, beer, bottled water, and soft drinks. Other light industries are paint, bricks and utensil manufacture, and motorcycle and bicycle assembly. Manufacturing primarily serves local needs. The Central African Republic (CAR)'s total annual diamond production is estimated at $100 million. The CAR is the world's 10th largest producer of diamonds, and the industry is well-regulated. There are seven major diamond exporting companies operating in the country. Most diamond mining is artisanal.

[29]SCIENCE AND TECHNOLOGY

Among the research institutes in the Central African Republic are a study center on animal sleeping sickness in Bouar, and an agricultural institute in M'Baiki. The National Institute of Textile Research and Food Crops is in Bambari. The Pasteur Institute in Bangui conducts research on various diseases. French institutes include the Institute of Scientific Research for Cooperative Development, at Bangui, and the experimental station of Maboké, in M'Baiki, under the direction of the National Museum of Natural History in Paris. The University of Bangui has faculties of science and technology, health science, a polytechnic institute, and a research institute for mathematics teaching. The Central School of Agriculture is located in Boukoko, and the Territorial School of Agriculture is in Grimari. In 1987–97, 32 technicians and 56 scientists and engineers per million people were engaged in research and development. Also, in 1987–97, science and engineering students accounted for 30% of college and university enrollments.

[30]DOMESTIC TRADE

A vast majority of the population is employed in agriculture, which accounts for about 55% of the GDP (2001 est.). Light industries, primarily in Bangui, include food processing, textiles, cigarettes, a brewery, and a diamond-cutting facility. Most local produce and imports are sold at markets in towns and villages. Company agents and independent middlemen buy export crops at local markets or directly from the producers for sale to large companies. Most commercial businesses are controlled by French and Lebanese owners. The government fosters the distribution of agricultural products through a monopolistic state trading company.

A chamber of commerce at Bangui promotes trade and provides information to business firms. Advertising is found in local newspapers, company publications, and handbills and on billboards and radio. Normal business hours are from 7 AM to noon and 2:30 to 6:30 PM, Monday through Friday. Saturday hours are from 7 AM to noon.

31 FOREIGN TRADE

Diamonds are the largest Central African commodity export, sold either for jewelry (35%), or natural abrasives (35%). Many diamonds are smuggled out of the country, so exact figures are difficult to compile. Agricultural exports are cotton (14%) and coffee (2.6%). Another 5% can be attributed to the manufacture of motor vehicles and parts.

In 1996 the Central African Republic's imports were distributed among the following categories:

Consumer goods	10.6%
Food	8.6%
Fuels	8.1%
Industrial supplies	29.4%
Machinery	13.9%
Transportation	24.8%
Other	4.8%

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Belgium	147	8	139
Spain	19	1	18
France	8	55	-47
Lebanon	7	2	5
Italy	6	2	4
Cameroon	5	19	-1
Congo, Dem. Rep. Of	2	1	1
United States	2	5	-3
Japan	1	6	-5
Germany	1	3	-2

32 BALANCE OF PAYMENTS

The Central African Republic's frequent deficits in trade and services are financed mainly through international aid. In the early 1980s, the Republic faced a severe balance-of-payments problem caused by low world prices for its exports and high fuel import costs. A structural adjustment program was begun in 1986 (and further developed in 1988 and 1990) to curb the public sector and to promote private-sector investment in an effort to decrease the reliance on infusions of foreign aid. In 1998, the IMF approved a three-year structural adjustment program equivalent to $66 million (subsequently augmented and extended), which expired in 2002.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of the Central African Republic's exports was $166 million while imports totaled $154 million resulting in a trade surplus of $12 million.

The International Monetary Fund (IMF) reports that in 1994 the Central African Republic had exports of goods totaling $146 million and imports totaling $131 million. The services credit totaled $33 million and debit $114 million. The following table summarizes the Central African Republic's balance of payments as reported by the IMF for 1994 in millions of US dollars.

Current Account	**-25**
Balance on goods	15
Balance on services	-81
Balance on income	-23
Current transfers	63
Capital Account	**...**
Financial Account	**53**
Direct investment abroad	-7
Direct investment in Central African Republic	4
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	8
Other investment liabilities	48
Net Errors and Omissions	**-15**
Reserves and Related Items	**-13**

33 BANKING AND SECURITIES

In November 1972, a new central bank, the Bank of the Central African States (Banque des États de l'Afrique Central-BEAC), replaced the existing Central Bank of the States of Equatorial Africa and Cameroon, which had been controlled by French interests. This move was designed to strengthen the monetary solidarity and sovereignty of the Central African Republic and other member African nations, which would now control part of their foreign exchange and monetary policies. France continues to guarantee the convertibility of the CFA franc.

Other banks are the International Bank for Occidental Africa (20% state owned) and the Union Bank of Central Africa (60% state owned). The state has a one-third share in the Bank of Agricultural Credit and Development, established in 1984. By late October 1996, the efforts of the prime minister (and minister of finance and economics), Jean-Paul Ngoupandé, and reformist colleagues to rescue government finances and public sector management were impressing the IMF, the World Bank, and France. Hopes were rising that the country might eventually secure an agreement with the IMF for an Enhanced Structural Adjustment Facility (ESAF). Only with an ESAF in place can the Central African Republic (CAR) look forward to large-scale, longer-term economic aid commitments or the granting of debt relief from the Pan's Club of its official bilateral creditors.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $135.3 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $149.6 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

There is no securities market.

34 INSURANCE

In 1986, one state enterprise (SIRIRI) and eight foreign companies were represented in the Central African Republic, including La Mutuelle du Mans, Mutuelle Générale Française-Accidents, the Reliance Marine Insurance Company, Union Centrafricaine d'Assurances et de Réassurances, and l'Union des Assurances de Paris (IARD). In the same year, over 99% of all premiums paid were for nonlife insurance. Motor insurance is compulsory.

35 PUBLIC FINANCE

A rapidly expanding civil service, nationalization of enterprises, and expensive short-term borrowing in the 1970s led to large budget deficits, which were made even worse in the early 1980s by falling commodity prices. The Central African Republic and the IMF have worked together since 1980 to attempt to better manage the economy. The 1980 austerity plan focused on stabilizing budget and foreign deficits by concentrating on agricultural production. The 1982 Recovery Plan, also conducted

within IMF frameworks, led to a formal structural adjustment plan in 1987.

A second structural adjustment plan was agreed to in 1990, at a time when political instability began to affect the government's ability to reach its targets. Goals of the IMF-sponsored program were a reduction of the number of government employees and their salaries, price-policy reforms, and privatization of the parastatal sector. In 1999, the IMF loaned the Central African Republic $11 million to fund unpaid government salaries and continue economic reforms that were launched in 1998. The government owed about nine months of unpaid salaries to 20,000 civil servants and army soldiers, and was behind in payments of grants for students and retirement benefits for pensioners.

The US Central Intelligence Agency (CIA) estimates that in the mid-1990s the Central African Republic's central government took in revenues of approximately $638 million and had expenditures of $1.9 billion including capital expenditures of $888 million. Overall, the government registered a deficit of approximately $1.3 billion. External debt totaled $881 million.

[36]TAXATION

Current information is unavailable.

[37]CUSTOMS AND DUTIES

In 1959, the four territories of French Equatorial Africa joined the Equatorial Customs Union (Union Douanière Equatoriale—UDE), within which goods and capital flowed without obstruction. The UDE was expanded in December 1964 to include Cameroon and together they formed the Central African Customs and Economic Union (Union Douanière et Economique de l'Afrique Centrale—UDEAC). The Republic therefore had no customs system of its own. In early 1968, the Central African Republic left the UDEAC to join an economic union with Zaire and Chad, but in December 1968 it returned to the UDEAC. As of 1993, the Central African Republic was a member of both UDEAC and CEEAC.

The UDEAC covers the entire range of commodity trade and bans all import and export taxes between member states. Goods and merchandise originating in member states are exempt from various taxes except in special circumstances. The gains derived from import duties in member states go into the state budgets, but to offset the advantages gained by transit trade, especially to coastal countries, a share of import duties is deposited in a common fund. There is a uniform customs tariff levied against all third parties, but since the UDEAC countries are associated with the common market, imports from EU countries receive a reduction in customs duties. Imports from outside the franc zone require a license. Customs evasion through the smuggling of goods across the Democratic Republic of the Congo and Cameroon borders is a serious problem. Such goods are sold at 10–40% off the price of legitimate items, depriving the government of significant revenue.

[38]FOREIGN INVESTMENT

Until the late 1980s, almost all foreign investment in the Central African Republic was by the French government and private French firms. For many years, the territory had been worked by French concessionaires who obtained privileges in the area by decree. But with the decline of concessions, interest in private investment diminished. Foreign investment was further discouraged by the nationalization without compensation of private textile, oil distribution, and river transport interests in 1974.

In the early and mid-1980s, in an attempt to revitalize the nation's sagging economy, the Kolingba government reaffirmed its interest in foreign investment, stressing joint partnerships between private business and government. A 1982 investment code provided liberal incentives, including priority in the allocation of foreign exchange for the import of equipment and raw materials.

As of the late 1990s, the Central African Republic continued to be heavily dependent on foreign assistance. The World Bank, European Union, UN Development Program, and the African Development Fund all provided grants; one-fourth of all development assistance continued to come from France, followed by Japan, Germany, and the United States.

Armed insurrections in May 2001, October 2002, and March 2003, ending in the government's forceful overthrow by coup on 15 March 2003, have taken the Central African Republic off the map in terms of foreign investments.

[39]ECONOMIC DEVELOPMENT

The 1981–85 five-year plan called for CFA Fr233,117 million in expenditures, including CFA Fr83,363 million for rural transport and CFA Fr54,935 million for agriculture and livestock raising. The 1986–90 plan called for CFA Fr261.4 billion in spending (86% from foreign sources), with 53% for infrastructure and 35% for rural and regional development. Development expenditures are financed almost exclusively by foreign donors. The World Bank extended a $30-million loan in 1986.

In 1986, the government began a structural adjustment program (SAP) to improve agricultural production, to encourage early retirement among government workers, and to privatize government enterprises. Phase two of this program began in 1988, and phase three in 1990. The goals of phase three—particularly in privatizing utilities and fuel distribution—had not been met by the mid-1990s. Although the state-owned water company had been privatized, no changes were accomplished with either the electric utility or fuel distribution monopoly.

The 1994 devaluation of the CFA (Communauté Financière Africaine) franc made products such as coffee, timber, cotton, and diamonds more attractive on the world market. On the other hand, prices for imports also rose, creating a period high inflation in 1994. By 1995, the inflation rate had dropped to levels near the prevailing rate prior to devaluation.

As of 2000, the estimated external debt was $881.4 million. The International Monetary Fund (IMF) and World Bank have encouraged the Central African Republic to privatize state-owned business enterprises, address corruption, and streamline labor and investment codes. Economic reforms are tailored to alleviate poverty. In 2000–01, the government set annual targets of 5% growth and 2.5% inflation. The inflation rate increased to 4% in 2001, however, and the growth rate fell below 2%. An IMF Poverty Reduction and Growth Facility (PRGF) Arrangement, approved in 1998 expired in January 2002. The Central African Republic introduced a value-added tax (VAT), and the state-owned petroleum company (PETROCA) was liquidated. At the beginning of 2002, wage payments fell approximately 20% short of commitments, and many civil servants were owed 16 months of pay during the Patasse administration, and for 14 months of pay during the Kolingba administration.

[40]SOCIAL DEVELOPMENT

A social insurance program provides benefits to all employed persons. Old-age pensions are payable at age 55 (men) or 50 (women). Disability pensions come to 30% of average monthly earnings. There is also a survivor pension available for those who are pensioners at death or meet other qualifications. Other payments include prenatal allowances, a lump sum payable at the birth of each of the first three children, and if the mother is employed, a recuperation allowance for 14 weeks. The government's commitment to social welfare and health was neglected in the 1990s because of a lack of funds. The majority of the population work in the agricultural sector and therefore are not covered by these programs.

The constitution mandates that all persons are equal, although in practice women face widespread discrimination. Single, widowed, and divorced women are not considered to be heads of household. In 1998, a new family code that strengthened women's rights was enacted by the National Assembly. Polygyny remains legal and is widely practiced. A 1996 decree banned female genital mutilation, which is practiced in some rural areas. Spousal abuse and violence is a widespread problem.

The government's human rights record remains poor. Indigenous pygmies face discrimination despite constitutional provisions. Freedom of speech and press are restricted. Arbitrary arrests and detention are common, police beat and torture detainees, and prison conditions are harsh.

41 HEALTH

Mobile crews treat local epidemic diseases, conduct vaccination and inoculation campaigns, and enforce local health regulations. They conduct research on sleeping sickness, malaria, and other tropical diseases and devise prophylactic methods best suited to the rural population. The most common diseases are bilharziasis, leprosy, malaria, tuberculosis, and yaws. The Central African Republic is a yellow fever endemic zone country. The Pasteur Institute at Bangui cooperates actively with vaccination campaigns. All medicine, antibiotics, and vaccine imports must be authorized by the Ministry of Health.

As of 1999, it was estimated that there were fewer than 0.05 physicians and 0.9 hospital beds per 1,000 people. Average life expectancy was 43 years in 2000. Also in 2000, 60% of the population had access to safe drinking water and 31% had adequate sanitation. In 1999, there were 415 reported cases of tuberculosis per 100,000 people.

The country has a birth rate of 38 per 1,000 people. The infant mortality rate in 2000 was 96 per 1,000 live births. As of 1999, the immunization rates for children up to one year old were as follows: diphtheria, pertussis, and tetanus, 33% and measles, 39%.

The Central African Republic is one of several African nations with a high incidence of AIDS. At the end of 2001 the number of people living with HIV/AIDS was estimated at 250,000 (including 12.9% of the adult population) and deaths from AIDS that year were estimated at 22,000. HIV prevalence in 1999 was 13.84 per 100 adults.

42 HOUSING

The Central African Real Estate Investments Society makes small loans for the repair of existing houses and larger loans (amounting to almost the total cost of the houses) for new construction. Interest rates are low, and repayment extends over a long period. Because of their higher credit ratings, salaried civil servants and employees of large trading companies receive most of the loans.

Loans are made to mutual self-help groups and others for the construction of waterworks or electrical distribution systems and to individuals for the purchase of refrigerators, furniture, and other household equipment.

In 2000, about 60% of the population had access to improved water systems; 31% had access to improved sanitation systems.

43 EDUCATION

The educational system is patterned on that of France, but changes designed by the government are being introduced gradually to adapt the curriculum to local needs. Education is provided free in government-financed schools. There are a few mission schools operated by religious groups; they receive little government aid but must comply with government guidelines. Education is compulsory between ages 6 and 14. Primary education lasts for six years; secondary lasts for seven years (four years of lower secondary followed by three years of upper secondary). Adult illiteracy rates for the year 2000 are projected at 53.5% (males, 40.4%; females, 65.5%). As of 1999, public expenditure on education was estimated at 1.9% of GDP.

In the mid-1990s, there were nearly 230,000 primary-school pupils and more than 50,000 secondary-school pupils. As of 1999, 53% of primary-school-age children were enrolled in school. The pupil-teacher ratio at the primary level was 77 to 1 in 1999.

Specialized institutions include two agricultural colleges, a national college of the performing and plastic arts, and the University of Bangui, founded in 1969.

44 LIBRARIES AND MUSEUMS

The French Institute of Scientific Research for Development and Cooperation maintains a research collection of 18,000 volumes in Bangui. The Agricultural Research Center in Mbaïki has a library of 2,800 volumes. There is a municipal library in Bangui as well as a Roman Catholic mission library. The University of Bangui library has 26,000 volumes.

The Barthélémy Boganda Museum in Bangui (founded in 1964) includes collections on the ethnography, archaeology, and natural history of the country. There are regional natural history and anthropology museums in Bouar and M'Baiki. The Labasso Museum in Bangassou (1975) features archaeological and anthropological exhibits from the Nzakara and Zandé areas.

45 MEDIA

Bangui is linked by satellite for telephone communication with France, the UK, the US, and Greece. The Republic has radiotelephone, telegraphic, and telex links with Paris. In 1997 there were more than 10,000 main line telephones and about 570 cellular phones in use.

Broadcasting services are government owned and operated by Radio–Télévision Centafrique. Television transmissions are available only in Bangui. Broadcasting is in Sango and French. In 2000, there were about 80 radios and 6 television sets for every 1,000 people. There were only 1,500 Internet subscribers and one Internet Service Provider in 2001.

The nation's first daily newspaper, the government controlled *E Le Songo,* began publication in 1986. Its circulation in 1995 was 2,000.

The Centrafrique Presse, was created by the government in 2001 to reflect the views of the ruling MLPC. *Echo de CentrAfrique* is a private daily newspaper but seems to be linked to the ruling party. *Le Citoyen, Be Afrika,* and *Le Democrate* are the most widely read private newspapers; however, many private papers publish sporadically. The official news agency is Agence Centrafricaine de Presse. *The Agence Centrafricaine de Presse* (ACAP) bulletin appears sporadically.

The constitution provides for freedom of speech and of the press. In 2000, the president dissolved the High Broadcast Council, which had been created to regulate the media. However, the government still seems to control much media and its content.

46 ORGANIZATIONS

The Chamber of Agriculture, Livestock Raising, Water, Forests, Hunting, and Tourism and the Chamber of Commerce, Industry, Mines, and Handicrafts have their headquarters at Bangui. In rural areas, cooperatives promote the production and marketing of agricultural products. There is a major teachers union called the National Union of Teachers and School and University Administrators of the Central African Republic (NUTSUACAR). The National Olympic and Sport Committee (CNOS) coordinates about eight national youth sports groupings. Youth scouting organizations are active and there are a few Catholic youth organizations as well.

[47]TOURISM, TRAVEL, AND RECREATION

The main tourist attractions are hunting, fishing, the waterfalls, and the many varieties of wild animals. Of special interest are the falls at Boali and Kembé, the megaliths of Bouar, and the Pygmies at Mongoumba. In 1997, there were 227 hotel rooms with 347 beds to accommodate the 17,000 tourists visiting the country. In 1998, only 7,748 tourist arrivals were recorded. Visitors must have a visa, a certificate indicating that they have been inoculated against yellow fever.

In 2000 the US Department of State estimated the cost of staying in Bangui at $151 per day. In smaller towns, these costs can drop significantly to about $50 per day, for hotel, food and other basic expenses.

[48]FAMOUS CENTRAL AFRICANS

Barthélémy Boganda (1910–59), a dynamic leader of Central African nationalism, worked toward independence and attained virtually complete political power. The first president of the independent Central African Republic was David Dacko (b.1930), who served from 1960 to 1966 and again from 1979 to 1981. Jean-Bédel Bokassa (1921–96) overthrew Dacko in 1966, proclaimed himself emperor in 1976, and was himself ousted by Dacko in 1979. Gen. André Kolingba (b.1936) seized power in 1981, and he served as president until he was defeated in the 1993 elections by Ange-Felix Patassé.

[49]DEPENDENCIES

The Central African Republic has no territories or colonies.

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CHAD

Republic of Chad
République du Tchad

CAPITAL: N'Djamena (formerly Fort-Lamy)

FLAG: The flag is a tricolor of blue, yellow, and red vertical stripes.

ANTHEM: *La Tchadienne* begins "Peuple Tchadien, debout et à l'ouvrage!" ("People of Chad, stand up and set to work!").

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr), which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. The CFA franc is issued in coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; National Holiday, 11 January; Labor Day, 1 May; African Independence Day, 25 May; Independence Day, 11 August; Assumption, 15 August; All Saints' Day, 1 November; Proclamation of the Republic, 28 November; Christmas, 25 December. Movable religious holidays include 'Id al-Fitr, 'Id al-'Adha', Milad an-Nabi, Easter Monday, Ascension, and Pentecost Monday.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

A landlocked country situated in northern Central Africa, the Republic of Chad has an area of 1,284,000 sq km (495,755 sq mi), extending 1,765 km (1,097 mi) north–south and 1,030 km (640 mi) east–west. Comparatively, the area occupied by Chad is slightly more than three times the size of the state of California. It is bounded on the north by Libya, on the east by the Sudan, on the south by the Central African Republic, on the southwest by Cameroon, and on the west by Nigeria and Niger, with a total boundary length of 5,968 km (3,708 mi).

The Aozou Strip of Chad, an area along the northern border of about 114,000 sq km (about 44,000 sq mi), was occupied and annexed by Libya in 1973. In February 1994, the International Court of Justice rejected Libya's claim to the territory. Armed clashes broke out in 1983 with Nigeria over several islands in Lake Chad that had emerged as the water level fell.

Chad's capital city, N'Djamena, is located in the southwestern part of the country.

[2]TOPOGRAPHY

The country's most marked feature is Lake Chad, which is situated at the foot of a gently sloping plain and is surrounded by vast marshes. Fed chiefly by the Chari and Logone rivers. The surface area of the lake varies from about 9,842 to 25,641 sq km (3,800–9,900 sq mi). From this low point of 230 m (750 ft) above sea level, the land rises to a maximum of 3,415 m (11,204 ft) at Emi Koussi, an extinct volcanic peak in the Tibesti Mountains of northern Chad. The center of the country is primarily a shallow bowl known as the Bodélé Depression.

[3]CLIMATE

The three chief climatic zones are the Saharan, with a wide range of temperatures between day and night; the Sahelian, a semidesert; and the Sudanic, with relatively moderate temperatures. Extreme temperatures range from –12° to 50°C (10°–122°F); at N'Djamena the average daily maximums and minimums are 42°C (108°F) and 28°C (73°F) in April and 33°C (91°F) and 14°C (57°F) in December. The rains last from April (in the south) or July (farther north) through October. Average annual rainfall is about 76 cm (30 in) at N'Djamena. In the far south, it is as much as 122 cm (48 in), but at Faya-Largeau in the north, it averages only 2.5 cm (1 in). A severe drought affected two-thirds of the country from 1967 through 1973 and again in the early 1980s, especially 1984.

[4]FLORA AND FAUNA

Animal and plant life correspond to the three climatic zones. In the Saharan region, the only flora is the date-palm groves of the oases. Palms and acacia trees grow in the Sahelian region. The southern, or Sudanic, zone consists of broad grasslands or prairies suitable for grazing. Elephants, lions, buffalo, hippopotamuses, rhinoceroses, giraffes, antelopes, leopards, cheetahs, hyenas, snakes, and a variety of birds are found in the savanna country.

[5]ENVIRONMENT

With two national parks, five game reserves, and one Wetland of International Importance, 9% of Chad's natural areas are protected. The chief environmental problem is increasing desertification after a decade marked by below-normal rainfall and periodic droughts. Warring factions in Chad have damaged the environment and hampered the efforts of the government to address environmental problems for 25 years. Locust swarms periodically cause crop damage. The availability of fresh water is also a major problem. Safe drinking water is available to 31% of urban dwellers and 26% of the rural population. About 82% of the nation's renewable water resources are used for farming activity.

Elephant herds were reported greatly decimated in the 1970s. As of the 2000, endangered species in Chad included the black rhinoceros, Dallon's gerbil, and African wild ass. The Sahara oryx, also called the scimitar-horned orynx, is extinct in the wild.

Of 134 species of mammals in Chad, 14 are threatened with extinction. Three bird species out of 370 are also threatened. One reptile out of five and five plant species out of 1, 600 are in danger of extinction.

[6]POPULATION

The population of Chad in 2003 was estimated by the United Nations at 8,598,000, which placed it as number 86 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 48% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.96%, with the projected population for the year 2015 at 12,138,000. The population density in 2002 was 7 per sq km (18 per sq mi), but almost half of the area is desert, and almost half the population lives in the southwestern 10% of Chad.

It was estimated by the Population Reference Bureau that 24% of the population lived in urban areas in 2001. The capital city, N'Djamena, had a population of 998,000 in that year. Other cities include Sahr (formerly Fort-Archambault), 129,600; Moundou, 117,500; and Abéché, 95,800. According to the United Nations, the urban population growth rate for 2000–2005 was 4.2%.

[7]MIGRATION

At least 200,000 Chadians fled the country during the civil war in 1979–81, mostly to Cameroon and Nigeria. About 150,000 returned in 1982. In 1983, up to 200,000 of the estimated 700,000 Chadians in Nigeria were expelled as part of a general expulsion of foreigners. Beginning in 1983, tens of thousands of Chadians fled from Libyan-controlled northern Chad and other areas of the country. The government of Chad reported that more than 152,000 Chadians returned home between November 1985, when a general amnesty was proclaimed, and the end of June 1987. As of 1995, there were 42,900 Chadian refuges in Cameroon; 21,500 in the Central African Republic; 2,100 in the Congo; 2,000 in Niger; and 1,300 in Nigeria. In 1997, there were only 4,400 Chadian refugees still in Sudan. A total of some 10,500 Chadian refugees were repatriated from the Central African Republic, between April 1995 and September 1997, and Niger, between December 1997 and January 1999. The Chadian government, in agreement with UNHCR, decided to facilitate the repatriation of another 55,000 Chadian refugees between 1999 and the end of 2000.

As of 2000 there were 41,000 migrants living in Chad, of which 43% were refugees. The net migration rate for that year was 2.7 per 1000 population. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The basic population of Chad derives from indigenous African groups, whose composition has been altered over the course of years through successive invasions from the Arabic north. The present population is a mixture of at least 200 ethnic groups.

The population can be broadly divided between those who follow the Islamic faith and the peoples of the south, by which is meant the five southernmost prefectures. The Arab invaders brought Islam, perhaps as early as the 8th century, and today their descendants form a relatively homogeneous group, localized in the regions of Chari Baguirmi and Ouaddai, but mostly seminomadic. Muslim indigenous groups include Arabs, Toubou, Hadjerai, Fulbe, Kotoko, Kanembou, Baguirmi, Boulala, Zaghawa, and Maba. Some indigenous groups, such as the Salamat and the Taundjor, were largely Arabized by intermarriage over the years. Other Muslim peoples include the Fulani, the great sheep and goatherders of Chad.

Among the non-Muslim indigenous peoples, the most important (and the largest single group in Chad) are the Sara, about 30% of the population. They live in the valleys of the Chari and Logone rivers and are farmers of considerable skill. Others include the Ngambaye, Mbaye, Goulaye, Moundang, Moussei, and Massa.

There are about 150,00 non-indigenous inhabitants, of whom about 1,000 are French.

[9]LANGUAGES

More than 120 languages and dialects are spoken by the different ethnic groups, but Arabic is commonly spoken in the north and Sara and Sango languages in the south. French and Arabic are the official languages.

[10]RELIGIONS

In 1998, an estimated 54% of the people were Muslims, 33% were Christians, and the remainder were followers of indigenous religions, mostly animism. Most of the people of northern Chad are Muslims. Islam, brought both from Sudan and from northern Nigeria, spread through the area around Lake Chad long before the coming of Europeans. Protestant and Catholic missionaries have been in the territory only in this century. A majority of the nation's Muslims are of the mystical Tidjani sect (also known as Sufism). Some indigenous religions elements are also incorporated into this Muslim practice. About 5% to 10% of the nation's Muslims are considered fundamentalists. Most of the people of southern Chad are Christian, with a majority of Roman Catholics. Protestants tend to be affiliated with evangelical groups. Followers of two minority religions, the Baha'i and Jehovah's Witnesses, also have small communities in the country. The people of the south, particularly those living in the valleys of the Chari and Logone rivers, follow African traditional religions.

Though there is no state religion, a majority of the senior government officials are Muslim. Certain Muslim and Christian holidays are officially observed.

[11]TRANSPORTATION

Chad suffers from poor transportation both within the country and to outside markets; its economic development depends on the expansion of transport facilities. During the rainy season, the roads become impassable and the economy slows down almost to a standstill. There are no railways.

In 2002 there were an estimated 33,400 km (20,754 mi) of roads, of which only 450 km (280 mi) were paved. In 1992 there were about 8,720 passenger cars and 12,350 commercial vehicles in use, including trucks and buses. The main export routes are to the Nigerian railhead of Maiduguri and the Cameroonian railhead of Ngaoundéré. A bridge across the Chari, linking N'Djamena to Kousséri, Cameroon, was completed in 1985. In the same year, a US$19.2 million loan for road rehabilitation was provided by the IDA.

Most rivers flow but intermittently. On the Chari, between N'Djamena and Lake Chad, transportation is possible all year round. In September and October, the Logone is navigable between N'Djamena and Moundou, and the Shari between N'Djamena and Sarh. Total waterways cover 4,800 km (3,000 mi), of which 2,000 km (1,250 mi) are navigable all year.

Chad had 49 airports in 2001, seven with paved runways. Air Tchad (60% state owned) provides internal service to 12 locations but suffers from lack of fuel and equipment. The international airport at N'Djamena was damaged in fighting in 1981, but is now served by several international carriers including Air Afrique, which is partly owned by Chad. Another major airport, developed as a military staging area, is located at Sarh. In 1997, scheduled airlines in Chad carried 93,000 passengers on domestic and international flights.

12 HISTORY

Fine prehistoric rock engravings and paintings can be found in northern Chad, dating from between 5000–2000 BC. As early as the 8th century AD, Arabs entered from the north and their records tell of the existence of great African empires—Kanem, Bornu, Baguirmi, and Ouaddai—between the 9th and 16th centuries. By the end of the 19th century, many small states south of Lake Chad became vassals of the northern sultanates, which conducted a flourishing slave trade.

Europeans began exploration of Chad in the 19th century. Chad was explored in part in 1822 by Dixon Denham and Hugh Clapperton, two British travelers. More detailed explorations were carried out by Heinrich Barth (1853) and Gustav Nachtigal (1870–71). In the decade after 1890, French expeditions gradually expanded French control of the lands to the south and east of Lake Chad. Completed conquest of the territory was achieved by 1913. The borders of Chad as they presently stand were secured by conventions between France and Germany (1894) and France and the UK (1898). In 1910, Gabon, Middle Congo, and Ubangi-Shari (which included Chad) were constituted administratively as colonies; together they formed French Equatorial Africa. Chad was separated in 1916 and became a colony in 1920.

On 26 August 1940, during World War II, French officials in Chad rallied to the Free French standard, making Chad the first colony to do so. N'Djamena, formerly Fort-Lamy, was an important Allied air base on the route to the Middle East, and from there Col. Philippe Leclerc's troops departed to fight in the North African campaign. After 1945, Chad became one of the territories of French Equatorial Africa in the French Union, and in the referendum of 28 September 1958 the territory of Chad voted to become an autonomous republic within the French Community. On 26 November 1958, the territorial assembly became a constituent assembly and proclaimed the autonomous Republic of Chad. On 11 August 1960, Chad achieved full independence, with François (later Ngarta) Tombalbaye as head of state and prime minister. On 4 April 1962, a new constitution was proclaimed, and a new government formed with Tombalbaye as president.

After 1965 there was full-scale rebellion in the Muslim north country, largely the result of Muslim resentment toward the Christian- and animist-oriented government in N'Djamena. Prominent in the rebellion was the National Liberation Front (Front de Libération Nationale—FROLINAT). In late 1968, President Tombalbaye requested and received the aid of French troops in combating the rebels. French troops were officially withdrawn from Chad in 1972 although technical advisers remained. In 1973, Libya, a major source of covert aid for the rebels, occupied and annexed the Aozou Strip in northern Chad.

On 13 April 1975, Tombalbaye's 15-year rule was ended with his assassination in an army coup. Gen. Félix Malloum became the new president. Like his predecessor, Malloum was a Southerner whose rule was opposed by the Muslim north. In 1976, however, a faction led by Hissène Habré split with FROLINAT and eventually formed the Armed Forces of the North (Forces Armées du Nord—FAN). Goukouni Oueddei, with Libyan support, emerged as head of FROLINAT, but a FROLINAT advance south was stopped by additional French troops in 1978. In a government shuffle, Malloum named Habré prime minister in 1978, but the two broke in early 1979 as antagonism between Muslims and Southerners intensified. After Habré's FAN seized control of the capital, Malloum resigned as president on 23 March 1979 and fled the country. In April Habré became defense minister and Oueddei interior minister in a coalition government, which in August was reconstituted with Oueddei as president. In November it became the interim Government of National Unity, representing 11 armed factions, with Oueddei remaining as president and Habré as minister of defense.

Fighting between FAN and government forces broke out in March 1980, and Habré was dismissed from the cabinet in April. France withdrew its forces from Chad in May, and the FAN occupied Faya-Largeau in June, as well as holding part of N'Djamena. By October, Libya had intervened on Oueddei's behalf, and, in December, an estimated 7,000 to 10,000 Libyan troops completed the conquest of Chad by occupying N'Djamena. Habré's forces fled to eastern Chad and the Sudan.

Libya's action and talk of a union with Chad angered other African leaders and France, and Oueddei himself may have become alarmed at the growth of Libyan influence. At Oueddei's request, Libyan troops withdrew in November 1981 and were replaced by a 3,600-man OAU peacekeeping force. These troops did nothing, however, to halt the FAN's subsequent advance from the east. On 7 June 1982, Habré's forces occupied the capital, and Oueddei fled to Algeria. Habré declared himself president of Chad on 19 October 1982.

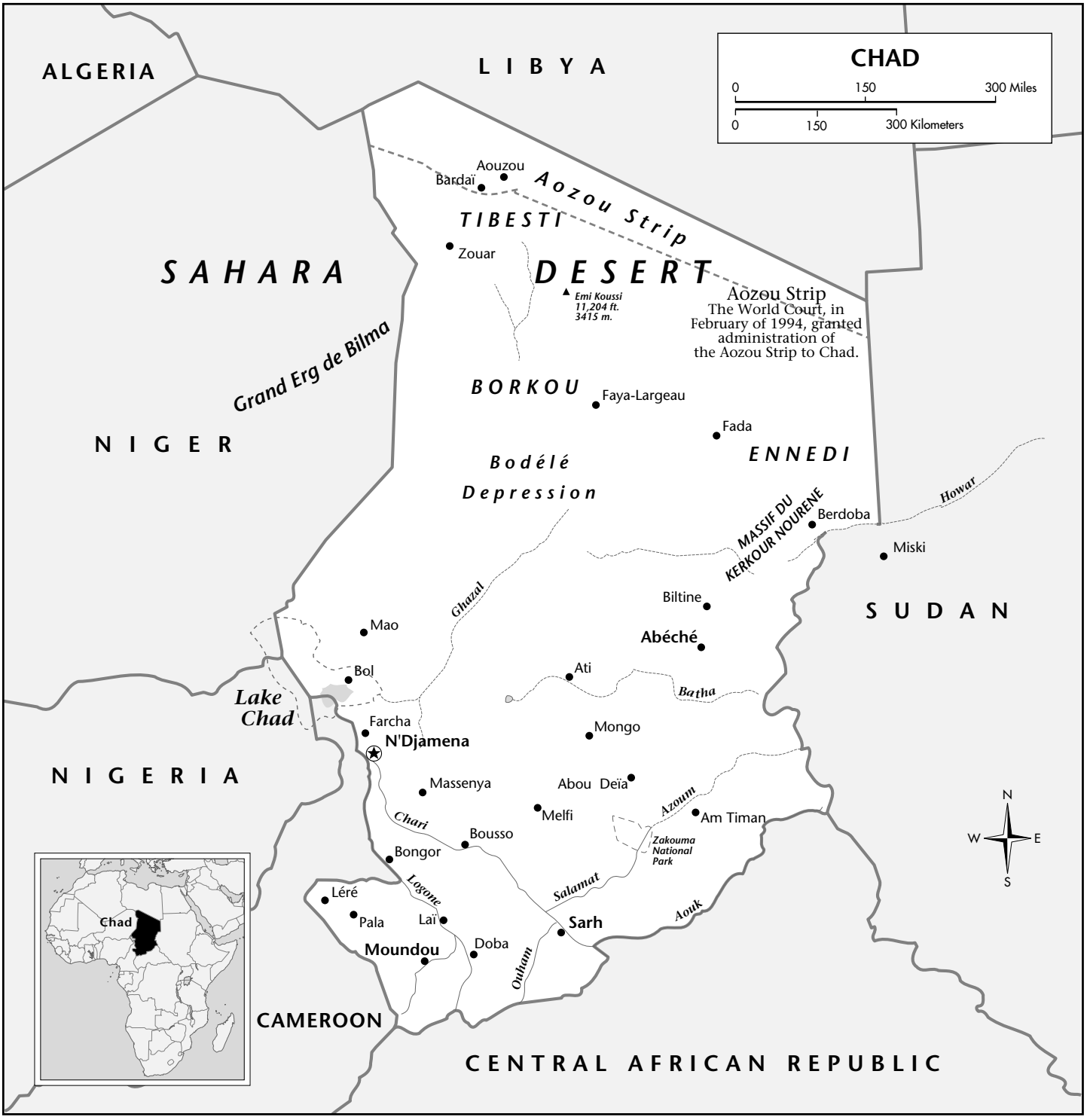
By early 1983, the Habré regime had extended its control to southern Chad, but was meeting increasing difficulties in the north. Ousted president Oueddei formed a rival government and, with a rebel army of about 3,000, captured the northern town of Faya-Largeau on 10 August 1983, with the support of Libyan aircraft and artillery. France and the United States rushed supplies to Habré, and France sent 2,000 to 2,500 troops. Zaire sent in another 2,700. As of early 1984, Chad was effectively partitioned, with a chain of French military posts stretching across the center of the country. To the south, the Habré regime was consolidating its position. France subsequently moved its defensive line 100 km (60 mi) to the north. Northern Chad, however, remained under the control of Libya and Oueddei's rebel forces, and there were growing fears that Libya was moving to annex the area.

A November 1984 agreement between France and Libya called for both countries to withdraw their forces from Chad, but although France complied, Libya reneged. French troops returned in 1985 to help repulse an enemy offensive. On 8 August, Aozou, and with it the entire disputed strip, fell to Chad, but a Libyan counteroffensive recaptured the settlement on 28 August. However, after a damaging Chadian raid on an air base within Libyan territory on 5 September, Libya agreed to a cease-fire, effective 11 September. During 1987 fighting, Chad captured $500 million to $1 billion worth of Libyan military equipment, most of it intact. US-supplied Stinger missiles allowed Habré's forces to neutralize Libya's air force.

The struggle for Chad took another twist in November 1990. After a three-week campaign by guerrillas loyal to an ex-army commander, Idriss Déby, the Habré regime fell. Déby was supported by Libya and Sudan, but he also was backed by the United States, France, and Nigeria. A French force of 1,200 assisted Déby against pro-Habré rebels, who were eventually put down in 1993.

In May 1992, Déby appointed a new prime minister, Joseph Yodoyman, who formed a new cabinet that included several opposition figures. Parties were legalized and, by the end of 1992, 28 parties had registered. In April 1992, Yodoyman stepped down. He died in November..

A Sovereign National Conference that lasted from January to April 1993 brought together a diverse group of government, economic, military, and special interest representatives. It confirmed Déby as Chief of State, established a new transitional government, elected 57 counselors to a Higher Transitional Council (a quasi-legislative body), and adopted the Transitional Charter, an interim constitution. This government was given a one-year mandate. Late in 1993, a technical commission of jurists was constituted, which began work on a new constitution, an electoral code, and a charter for political parties. In April 1994



LOCATION: 7°26′ to 23°N; 13°28′ to 2°E. BOUNDARY LENGTHS: Libya, 1,054 kilometers (655 miles); Sudan, 1,360 kilometers (845 miles): Central African Republic, 1,199 kilometers (745 miles); Cameroon, 1,047 kilometers (651 miles); Nigeria, 88 kilometers (55 miles); Niger, 1,175 kilometers (730 miles).

Déby's mandate was extended by 12 months, and the work of the jurists was continued. Elections were scheduled for April 1995 but were postponed. The Transitional Council submitted a proposed constitution in 1994 calling for a directly elected president, a bicameral legislature, and a constitutional court.

Chad's long-standing territorial dispute with Libya over the Aozou Strip was taken up by the International Court of Justice in June 1993. On 3 February 1994, the Court rejected Libya's claim to Chadian territory. Libyan withdrawal was slow, but was fully completed by May 1994. French forces remained in the area despite Libyan protests. In December 1994 the government announced an amnesty for exiled opposition politicians and for political prisoners, excluding Habré. Opposition activity expanded afterwards, but Déby was accused of sponsoring harassment despite the amnesty. Opposition forces coalesced early in 1995, to form the Political Parties Concentration (CPP), which, joining with Western nations—notably France—began calling for changes in the administration of the Transitional Council. In March, ignoring such demands, the Transitional Council expanded its mandate to govern the country and

removed the sitting prime minister. In August, the chairman of the Transitional Council resigned amid allegations of fiscal mismanagement. Later that month, the Council sponsored raids of opposition parties, and the government briefly detained a prominent opposition leader. Elections and the required constitutional referendum continued to be postponed.

In March 1996 the government signed a cease-fire agreement with 13 opposition parties for the constitutional referendum and following elections to take place. The agreement was brokered by Gabon in Franceville, with assistance from the Central African Republic and Niger. Though an election timetable was established and proceeded, numerous opposition groups, and particularly those who wished a federal governmental system rather than a unitary one, urged a boycott of the referendum polling. Despite these calls and opposition in the southern part of the country, 63.5% of the voters on 31 March 1996 agreed to adoption of the constitution

The presidential elections could then proceed. Twenty men presented their candidacies for the presidency, though five were rejected on terms of residency requirements. The first round of voting took place on 2 June 1996 with Déby garnering 43.8% of the votes. The second round, held on 3 July was contested between Déby and Wadal Abdelkader Kamagoué, representing the URD (Union pour le renouveau et la démocratie), who had taken 12.4% of the voters in the first round. Déby was inaugurated as president on 8 August.

Legislative elections, though delayed again, took place in January and February 1997, with 658 candidates representing 49 political parties in polling for 125 national assembly seats. The President's party, the MPS (Patriotic Salvation Movement) took 63 seats, the URD (Union for Renewal and Democracy) 29, the UNDR (National Union for Democracy and Renewal) 15, and the UDR (Union for Democracy and the Republic) 4. As of early 2003, Haroun Kabadi was prime minister, appointed in June 2002.

Much of Déby's presidency since his 1996 inauguration has been engagement in negotiations or armed conflict with continuing dissident groups in the northern and southern regions of the country. Due to the desire to see the oil revenues from southern oil fields brought into production, his government has been particularly eager to bring a cessation to hostilities in the south, with uneven success. Outbreaks of violence continue to be reported in both the northern and southern regions. The Tibesti MDJT (Movement for Democracy and Justice in Chad), led by Déby's former defense minister, Youssouf Togoimi, began an armed rebellion against the government in 1998.

The Chadian security forces continue to be charged with human rights violations by various internal and international rights organizations. In October 1996 Amnesty International also accused France of participating in these violations in Chad. Despite various disagreements over the years, France continues to see maintenance of an armed force in Chad as essential for security due to Chad's strategic position as a border state of Libya and Sudan. Déby's government also continues to be accused of harassing the opposition, including detentions, prosecutions, and jail terms. Chadian forces have taken part in the UN peacekeeping mission in the Central African Republic in 1998 and in the Democratic Republic of the Congo from September of that year.

In January 1998 Déby's government stated its intention of requesting extradition of Hissène Habré from Senegal in order to prosecute him for human rights abuses and embezzlement of government funds. In a separate approach toward Habré, the Chadian Truth Commission, which spent 15 months studying charges against the former president, has pressed for his criminal trial in Senegal, where he has lived in exile since his ouster in 1990. They are joined by several international human rights organizations. The Commission, in a 1992 report, estimated that Habré's forces killed 40,000 Chadians, most of the deaths being attributed to his National Security Service. Senegal indicted the former president on torture charges in February 2000 and placed him under house arrest under the 1984 UN Convention against Torture. However, in March 2001, Senegal ruled it did not have jurisdiction to try Habré in Senegal on torture charges during his tenure in power in Chad.

On 20 May 2001, Déby won reelection as president with 63% of the vote in an election determined by credible sources to have been marked by fraud and vote-rigging. Six of the candidates opposing Déby were detained for questioning by the police, but were released within an hour. Although results from 25% of the polling stations were cancelled due to irregularities, Déby's reelection was confirmed and he was sworn in August for a second five-year term. During the campaign, Déby promoted a US$3.7 billion pipeline project from southern Chad to the coast of Cameroon, which is a joint venture between Exxon Mobil, Chevron Texaco, and Malaysia's Petronas. Exports were due to begin by 2004. The World Bank estimates that government income could increase by 40%–50% by 2004; Chad expects to receive between US$2.5 billion and $5 billion in direct revenues from royalties, taxes, and dividends, depending on the price of oil over the Chadian oilfield's 30-year life. Another US$3.5 billion was also expected in economic activity.

In November 2001, relations between Chad and the Central African Republic (CAR) broke down when the CAR army chief of staff, François Bozizé, fled to Chad after being accused of involvement in a failed coup attempt. Chad and the CAR accused each other of supporting dissidents in cross-border attacks. CAR President Ange-Félix Patassé claimed Chad was looking to annex part of the CAR's oil-rich north, as, according to Patassé, 85% of the rebels occupying the north and center of the country were Chadians. In March 2003, Bozizé took power in a coup in the CAR.

In January 2002, the Chadian government and Togoimi's MDJT reached a peace agreement, brokered by Libya. The accord provided for an immediate cease-fire, an amnesty for prisoners held by both sides, the integration of rebels into the national army, and government jobs for MDJT leaders. However, in May, fighting between the two forces broke out in the far north of the country, and 64 were killed. As of early 2003, skirmishing between government forces and the MDJT continued.

In January 2003, the government signed a peace agreement with the National Resistance Army (ANR), a rebel group operating in eastern Chad, near the border with Sudan and the Central African Republic. The accord provided for an immediate cease-fire and an amnesty for prisoners.

In legislative elections held on 21 April 2002, Déby's Patriotic Salvation Movement (MPS) took 102 of the 155 seats, while the Rally for Democracy and Progress (RDP) won 12 seats, and the ecologist Federation Party and Action for the Republic (FAR) took 11 seats. Twelve other political parties participated.

13 GOVERNMENT

According to the constitution of 1962, Chad was an indivisible, secular, democratic, and social republic with a president and National Assembly. One-party rule was established and presidential elections were held on 15 June 1969, the first by universal suffrage. An official announcement on 16 June stated that President Tombalbaye, being the only candidate, had been reelected for a further seven years by 93% of the voters.

The National Assembly was dissolved after the coup of 13 April 1975 that ousted Tombalbaye. A provisional constitution, which came into force 16 August 1975, was abolished on 23 March 1979, when President Malloum fled. In October 1982, a National Consultative Council was formed, with two representatives from each prefecture and two from N'Djamena.

This body was to draft a new constitution by 1990, but it was replaced in the Déby coup on 1 December 1990.

The three-month-long national conference in early 1993 established a new transitional government with a 57-member higher transitional council (elected by the 254 conference delegates) and a transitional charter.

Work on a new draft constitution began near the end of 1993, and a provisional document was drafted and made public in 1994. The constitution, approved in a March 1996 referendum, mandates a directly elected president serving a five-year term, a bicameral legislature, and a constitutional court. The 1996 presidential election under this constitution returned Idriss Déby to the presidency, and 1997 legislative elections brought an absolute majority to Déby's MPS party, with three opposition parties sharing the remaining 62 seats. Déby was reelected in May 2001, and his MPS party won an overwhelming majority in the April 2002 elections for the National Assembly. As of early 2003, a Senate, provided for in the constitution, had not yet been created; however, members are to serve six-year terms. Members of the National Assembly are elected for four-year terms in 25 single-member and 34 multi-member constituencies.

[14]POLITICAL PARTIES

Prior to independence, Chad was split politically. The Northerners, predominantly Muslim, were supporters of the Party of African Reunion (Parti de Regroupement Africain). The non-Muslim southern farmers were supporters of the Chad Progressive Party (Parti Progressiste Tchadien— PPT). In 1958, the Legislative Assembly of Chad was controlled by PPT members, who had a majority of 42 of the 65 seats. In the election of 31 May 1959, the PPT obtained 57 seats in the new Assembly, and François (later Ngarta) Tombalbaye of the PPT became prime minister. In February 1960, four smaller parties joined forces to form the opposition African National Party (Parti National Africain—PNA). In 1962, the PNA was dissolved, and Chad became a one-party state. In 1973, the name of the PPT was changed to the National Movement for Cultural and Social Revolution (Mouvement Nationale pour la Révolution Culturelle et Sociale—MNRCS). Following the 1975 coup, the MNRCS was banned, and the National Assembly was dissolved. As a consequence, all formal political activity ceased.

In 1984, Habré established the National Union for Independence and Revolution (Union Nationale pour l'Indépendence et la Révolution— UNIR), with a 14-member Executive Bureau headed by himself and an 80-member Central Committee. After the Déby coup, his Patriotic Salvation Movement (MPS) took over. Parties were legalized in 1992, and eventually 28 registered with the authorities. These parties continue to evolve, unite, disband, and reform.

Under the new constitution approved by voters in 1996 there are dozens of political parties and ideologically driven factions in the country, many of them more paramilitary than political.

[15]LOCAL GOVERNMENT

Chad is divided into 28 departments and 98 sub-prefectures, in addition to the city of N'Djamena. In many areas, the traditional chief still retains power as the head of his people.

[16]JUDICIAL SYSTEM

Since the 1990 coup, the structure and functioning of the judicial system was seriously disrupted. Because of the breakdown of law and order, the judiciary was unable to handle criminal cases. Interference by the government and by the military contributed to the breakdown. Many magistrates went out on strike in 1993 to protest difficult working conditions and nonpayment of salaries.

Traditionally, the legal system was based on French civil law and Chadian customary law. The judicial system consisted of four criminal courts, four magistrates' courts, four labor tribunals, 14 district courts (in major cities), 36 justices of the peace (in larger townships), and a court of appeal (the Appellate Court of N'Djamena). A Supreme Court was inaugurated in 1963 and abolished in 1975. A Court of State Security was established in 1976. Courts-martial, instituted early in the Déby regime to try security personnel, no longer operate and the remaining military magistrates sit as civilian judges on the N'Djamena Court of Appeals. In most rural areas where there is no access to these formal judicial institutions, sultans and chiefs preside over customary courts. Their decisions may be appealed to ordinary courts.

Under the transitional charter, the Appellate Court of N'Djamena was charged with responsibility for constitutional review as well as review of decisions of lower courts and criminal convictions involving potential sentences of over 20 years.

The new constitution, adopted in March 1996 by referendum mandates an independent judiciary. Though steps have been taken to follow these provisions, it is clear that there continues to be significant interference in the independence of the judiciary, including from the executive arm of the government. In 2000, the chief justice of the Supreme Court demoted two Supreme Court justices, reportedly because they made a decision which adversely affected the interests of the chief justice. The president names the chief justice and 15 councilors are chosen by the president and the National Assembly. Appointments to the bench are for life. A Constitutional Council has the power to review legislation, treaties, and international agreements prior to their adoption; nine judges are elected to the Constitutional Council for nine-year terms. A Superior Council of Magistrates is to act as a guarantor of judicial independence, and in 2001, sanctioned several justices for malfeasance.

[17]ARMED FORCES

In 2002, Chad's armed forces totaled about 30,350 individuals, with an estimated 25,000 in the army, 350 in the air force, the remainder in the Republican Guard. The gendarmerie and other paramilitary forces totaled about 4,500. Equipment includes 60 main battle tanks and two combat aircraft. About 950 French troops were based in Chad. Opposition forces including Western Armed Forces and Movement for Democracy and Justice in Chad, have unknown strength. Chad spent $31 million for defense in 2001, or 1.9% of GDP.

[18]INTERNATIONAL COOPERATION

Chad was admitted to UN membership on 20 September 1960 and is a member of ECA and all the nonregional specialized agencies except IAEA and IMO. It is also a member of the African Development Bank, G-77, and African Union. It is a signatory to the Law of the Sea and a member of the WTO. Chad, Cameroon, the Central African Republic, Niger, and Nigeria are members of the Lake Chad Basin Commission, formed in 1964.

[19]ECONOMY

Water-resource limitations are the critical factor influencing the Chadian economy. Much of the country is desert suitable only for very limited agriculture and livestock production, while the remainder is threatened by periodic drought. Petroleum and natron are the principal mineral resources. Key industry is centered on cotton processing. Periodic civil war has compounded Chad's chronic negative trade imbalance. It was estimated that the Chadian GDP grew by approximately 0.6% during 2000 and was forecast to grow considerably after oil from the Chad-Cameroon pipeline was expected to begin flowing in 2004.

Services was Chad's primary sector, accounting for 45% of GDP in 2000, but agriculture employs the majority of Chadians. Approximately 85% of the population engages in farming and

livestock, accounting for 38% of the GDP in 2000. Sorghum, millet, and groundnuts are the principal food crops, while cassava, rice, dates, maize, and wheat augment domestic consumption. While most groundnut production is consumed locally or turned into oil, Chadian groundnuts also make their way to Central African markets. Chad also has a successful sugar production agroindustry. Cotton is a principal export commodity, but the sector suffered considerably from a variety of ills. The 75% state-owned cotton company was reorganized in 1986, but a steady decline in international prices for cotton reduced foreign exchange earnings in the late 1980s. Cotton's share of total exports fell from 80% in 1990 to 40% in 1999.

Livestock production accounted for 12% of exports in 2000. Much of the industry is conducted following seasonal rain patterns and, as a result of the extended drought, is increasingly centered in the south.

In January 1994 France suddenly devalued the CFA franc, causing its value to drop in half overnight. Immediately, prices for almost all imported goods soared, including prices for food and essential drugs, like those to combat malaria. The devaluation, long expected in the investment community, was designed to encourage new investment, particularly in the oil sector, and discourage the use of hard currency reserves to buy products that could be grown domestically. In 1999, an American-led group (Exxon, Shell, and Elf) planned to produce 150,000 to 250,000 barrels of oil per day from fields in the Doba region in the south of Chad, from reserves estimated at one billion barrels. A pipeline was planned through Cameroon to refineries in that country. Smaller oil reserves north of Lake Chad were slated to be used by the government for power generation.

[20] INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Chad's gross domestic product (GDP) was estimated at $8.9 billion. The per capita GDP was estimated at $1,030. The annual growth rate of GDP was estimated at 8%. The average inflation rate in 2000 was 3%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 38% of GDP, industry 13%, and services 49%. Foreign aid receipts amounted to about $23 per capita and accounted for approximately 11% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $223. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 26%. It was estimated that in 2001 about 80% of the population had incomes below the poverty line.

[21] LABOR

Over 80% of all Chadian workers are involved in subsistence agriculture, animal husbandry, or fishing. In 1998, the economically active population was estimated at about four million. The National Charter specifically addressed the right of labor to organize, and workers are free to form and join unions of their choosing. Chadian law, however, does not specifically protect collective bargaining, nor is there a ban against antiunion discrimination. The minimum wage of $35 per month in 2002 was insufficient to support a worker and family. Children are not legally permitted to work until they reach 14 years of age and they rarely do so except in agriculture and herding Occupational safety and health standards are insufficiently enforced.

[22] AGRICULTURE

Only 2.6% of Chad's land is cultivated. Agriculture engaged 76% of the active population in 1999, and accounted for 39% of GDP. Prolonged periodic droughts and civil war and political instability have cut agricultural production and necessitated food relief. Because of drought, annual cereal production can widely fluctuate. Chad's cereal production totaled 1,400,000 tons in 1999.

Since the 1960s, cotton crops have accounted for a high percentage of Chad's export earnings. Cotton growing began about 1929 and spread gradually throughout southern Chad. Production was 103,000 tons in 1999, still far below the high of 174,062 tons in 1975–76. Production is dominated by the parastatal Coton-Tchad, which regulates output, operates the ginneries and cottonseed-oil works, and markets and exports both cotton and cottonseed. Chad's medium staple cotton is sold to 20 different countries; Germany, Portugal, and Japan are the principal customers. Although most cotton is exported, factories in Chad produce cottonseed oil for domestic consumption.

Production of peanuts has rapidly increased since the early 1990s, rising from an annual average of 164,000 tons during 1989–91 to an estimated 471,000 tons in 1999. Millet is the basic foodstuff (except in the Lake Chad area, where corn is the main cereal). Production of millet totaled 366,000 tons in 1999. Rice production was about 100,000 tons in 1999; corn production amounted to 173,000 tons that year. Other products, with 1999 production figures, include cassava, 275,000 tons; yams, 240,000 tons; and sweet potatoes, 65,000 tons. Sugarcane production on a French-managed irrigated estate of about 3,000 hectares (7,400 acres) on the Shari River yielded 28,000 tons of raw sugar in 1999.

[23] ANIMAL HUSBANDRY

About 35% of the total land area of Chad is given over to pastureland. In 2001 there were about 2.4 million sheep, 5.3 million goats, and six million head of cattle; more than 1.5 million cattle died during the 1984–85 drought. In 2001 there were about 725,000 camels, 364,000 asses, 205,000 horses, and five million chickens. Actual totals may have been considerably higher because herders are reluctant to declare the extent of their herds and flocks, because all full-grown animals are subject to taxation.

Live cattle, sheep, and goats are exported, with considerable smuggling, to Nigeria. Also important are exports of meat, hides, and skins. In 2001, about 119,000 tons of meat were produced. Livestock is Chad's second most important export, after cotton.

[24] FISHING

Fish, either fresh or dried, forms an important element in the diet of the people living in the major valleys. The catch from the Chari and Logone rivers and the Chad Basin was approximately 84,000 tons in 2000. Production is far below potential.

[25] FORESTRY

Chad has wooded areas covering more than 25% of its land area but no real forests. The only exportable forest product is gum arabic, the yield of which has averaged 300 to 400 tons a year. Roundwood removals were estimated at 6.6 million cu m (233 million cu ft) in 2000, 89% for fuel. Acacia trees were extensively planted in 1978.

[26] MINING

The mineral industry was poised to become a significant segment of Chad's economy as the Doba Basin petroleum project got under way, with exportation of crude oil scheduled to begin in 2004. The production of construction materials was a leading industry in 2002. In 2001, in addition to clay and salt, mineral

output included gold produced from a mine at Ganboké and placer deposits in the Mayo Dala Département (formerly the Mayo Kebbi Préfecture); gravel, sand, and silt from the Chari and Logone rivers; limestone from the Louga quarry; natron (soda ash, the natural form of sodium carbonate) from Lake Chad; and crushed rock from Dandi. The country's undeveloped mineral resources included bauxite, columbium (niobium)-tantalum, diatomite, graphite, kaolin, quartz, soapstone, tin, thorium, tungsten, and uranium. There were also occurrences reported of chromite, copper, diamond, iron, lead, nickel, titanium, and zinc. The government actively encouraged foreign investment in the development of domestic hydrocarbons, but Chad's landlocked geography and lack of infrastructure and water remained impediments to development.

[27]ENERGY AND POWER

Chad lacks both coal and sources of hydroelectricity. Continental Oil Co., in association with Shell Oil, struck oil in the Kanem area, north of Lake Chad, in 1978, and wells briefly produced 1,500 barrels a day (about 80% of national consumption) before fighting disrupted the operation in 1980. An Exxon-led consortium drilled eight wells in the south during 1985–86. In 1988, interest in the region renewed, and in November 1996 Exxon and the government of Chad signed an agreement outlining the development of oil reserves in the Doba basin. Reserves were estimated at 900 million barrels. As of late 2002, work was underway on development of the basin's oil fields and construction of a pipeline between Cameroon and Chad, with the aid of a $93 million loan from the World Bank. Production was expected to begin in early 2004. A second project to develop oil fields in the Sedigi Basin was still in the planning stages as of 2002. The World Bank has agreed to partially fund this project, which would include a pipeline to transport crude oil found north of Lake Chad to a planned refinery at N'Djamena. As of 2000, Chad imported 100% of its petroleum requirement from Cameroon and Nigeria. Oil provides nearly all of Chad's commercial energy.

All power plants are thermal. The two at N'Djamena provide most of the national output. As of 2002, only 2% of the households in Chad had access to electricity. Production of electricity rose from about 31 million kWh in 1968 to 92 million kWh in 2000, of which all was from fossil fuels. In the same year, consumption was 85.6 million kWh. Installed capacity in 2001 was 29,000 kW.

[28]INDUSTRY

The industrial sector accounted for about 13% of GDP in 2001. Because it lacks power and adequate transportation, Chad is industrially one of the least developed countries in Africa. Cotton processing is the largest activity. Cottonseed oil is processed at Sarh and Moundou. Coton-Tchad, the state-owned company that produces and exports cotton, is the country's main manufacturing concern, and many of its subsidiary operations (including oil and soap) were being privatized in 2002.

Other enterprises include several modern slaughterhouses, a flour mill complex, a sugar refinery, and textile plants. There are also rice and peanut oil mills, a brewery, a soft-drink plant, a soap factory, and a cigarette factory. Factories at N'Djamena also produce bicycles and mopeds, radios, and perfume.

The construction sector was growing in 2002, with investment in roads and schools, among other public works projects. There was interest in building a cement factory in the Mayo Kebbi region in 2002, and plans to produce detergent and establish assembly plants for agricultural equipment. If electrical costs could be reduced, light industry could be further developed.

Oil exploration in Chad began in the 1970s in the northern Lake Chad Basin and the Doba Basin in southern Chad. Chad's full hydrocarbon potential has yet to be fully determined. The Chad-Cameroon oil pipeline, with estimated production at 225,000 barrels per day, was due to be completed in 2004. There were plans in 2002 to build a refinery in N'Djamena, to make Chad self-sufficient in oil products. The development of Chad's petroleum sector is aimed in part at raising electricity output, which is crucial to Chadian industry. Only 2% of households in Chad are supplied with electricity.

[29]SCIENCE AND TECHNOLOGY

N'Djamena has an institute for cotton research, founded in 1939. The University of N'Djamena, founded in 1971, has faculties of sciences and of medicine and health. In 1987–97, science and engineering students accounted for 14% of college and university enrollments. There is a national telecommunications school in Sarh. Most research in Chad is dependent on foreign scientists and technicians; however, many foreign personnel were evacuated during the fighting of the early 1980s.

[30]DOMESTIC TRADE

As of 2002, more than 80% of the population was employed in agriculture, either in subsistence farming, herding or fishing. Most local produce is sold directly to consumers or to intermediaries and barter is common. Company agents and intermediaries buy export crops at local markets or directly from the producers for sale to large companies. Distribution is largely unstructured, except for a few international and local companies. Most sell through retail points. A large portion of produce is transported by animals and carts, but trucks operate as well.

The country's domestic economy continues to rely heavily on foreign investment from the European Union for both private and public sector concerns. Business hours are 7:30 AM 3:30 PM, Monday through Thursday, and 7:30 AM to 1:00 PM, on Friday. Commercial hours are generally from 7:30 AM to 12:30 PM and 4 PM to 8 PM. Offices are closed Friday afternoons during Muslim prayer time and on Sundays.

[31]FOREIGN TRADE

Cotton is Chad's primary export, making the economy's trade balance vulnerable to fluctuations in world cotton prices and the rising competition of synthetic materials. In 2000, exports totaled $172 million, and imports amounted to $223 million. Cotton accounted for 50% of exports that year, with cattle exports contributing 35%. Exports of textiles and fish products accounted for most of the remaining 15%. Leading imports in 1998 were machinery and transportation equipment, industrial goods, petroleum products, foodstuffs, and textiles.

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Portugal	40	4	36
Germany	25	2	23
Thailand	9	n.a.	n.a.
United States	7	4	3
France	5	67	-62
Spain	4	1	3
Belgium	3	14	-11
Nigeria	3	15	-12
India	n.a.	6	n.a.
Senegal	n.a.	7	n.a.

[32]BALANCE OF PAYMENTS

Normally Chad has a deficit in trade and services that is offset, or nearly offset, by foreign assistance, largely from France. France contributed over 30% of all international financial assistance to Chad between 1990 and 1996. Due to Chad's receipt of foreign aid, it was able to maintain a small budget surplus in 1998. Chad's current account deficits have ranged between 17% and 21% in recent years, figures deemed acceptable by international

financial institutions for developing countries. Chad's levels of external debt have been moderate, and the country has in general met its repayment schedule.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Chad's exports was $172 million while imports totaled $223 million resulting in a trade deficit of $51 million.

The International Monetary Fund (IMF) reports that in 1994 Chad had exports of goods totaling $135 million and imports totaling $212 million. The services credit totaled $55 million and debit $199 million. The following table summarizes Chad's balance of payments as reported by the IMF for 1994 in millions of US dollars.

Current Account	**-38**
Balance on goods	-77
Balance on services	-145
Balance on income	-7
Current transfers	191
Capital Account	**...**
Financial Account	**76**
Direct investment abroad	-1
Direct investment in Chad	27
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	1
Other investment liabilities	49
Net Errors and Omissions	**-33**
Reserves and Related Items	**-6**

[33] BANKING AND SECURITIES

As of 1999 there were six banks in Chad, including Banque de Developpement Tchadienne (BDT), Banque Tchadienne de Credits et de Depots (BTCD), Banque Meridien BIAO Tchad (BMBT, privately owned), Financial Bank Tchad, Banque Commercial du Chari (BCC), and the Banque Agricole du Soudan au Tchad (BAST). Estimated assets of Chad's banking system were about $100 million in 2002. Two major Chadian banks, BTCD and the BDT, were privatized in 1999. The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $189.2 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $202.7 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

There were no securities exchanges in Chad, but a financial market was planned between the member countries of the UDEAC (Cameroon, Central African Republic, Chad, Congo/Brazzaville, Gabon, and Equatorial Guinea) to open by December 2000.

[34] INSURANCE

In 1986, there were three local companies and about a dozen French companies providing insurance in Chad. The domestic insurance companies operating in 1999 included Societe Mutuelle d'Assurances des Cadres (SMAC), Faugere and Jutheau (les Assureurs Conseils Tchadiens), and Star Nationale.

[35] PUBLIC FINANCE

Customs duties are the principal revenue source. Privatization of government-owned enterprises continues under IMF restructuring plans. The government spent an estimated 20% of GDP in 1999, and has made incremental progress with structural reforms since 1995.

The US Central Intelligence Agency (CIA) estimates that in 1999 Chad's central government took in revenues of approximately $198 million and had expenditures of $218 million including capital expenditures of $146 million. Overall, the government registered a deficit of approximately $20 million. External debt totaled $1.1 billion.

[36] TAXATION

A graduated income tax is imposed on civil servants and others who are paid fixed salaries or who have sufficient income. A head tax is imposed on all other persons, the amount varying according to regional levels of prosperity. There is also a domestic turnover tax, and a corporate minimum tax. Further revenue is derived from business and professional licensing, from taxes on business transactions, real property, and profits, and from mining royalties.

In 1999, company taxes were 45% of corporate profit and 25% of rental properties income.

[37] CUSTOMS AND DUTIES

Customs duties, which are ad valorem, range from 5% on essential items to 30% for less essential products, in addition to an 18% value-added tax (VAT) applicable to all but the most basic goods. There is an extra tax on luxury products of 20% and automobiles had an excise tax of 51%. There are no quotas and import licenses are no longer required. Prohibited imports include live animals, arms and munitions, pornography, narcotics, illicit drugs, and explosives.

[38] FOREIGN INVESTMENT

Under the investment code issued in 1987, the government officially encouraged foreign private investment on two conditions: that the enterprise benefit the local population and that local materials be processed as far as possible. The code offers full foreign ownership to companies in Chad, except in national security or strategic industries. Benefits include preferential export duties and taxes, restrictions on the import of similar competitive products, preference in financial assistance from the Development Bank of Chad, and possible exemption from the sales tax and other fees and taxes for 15 years. The present government took over by coup after years of civil war in 1990 (and subsequently has won two elections in which international observers have charged fraud and intimidation) and political turmoil, compounded by Chad's environmental difficulties, has delayed significant foreign investments.

By far the most ambitious and innovative foreign investment project underway is the $3.7 billion Chad-Cameroon Petroleum Development and Pipeline Project, which entails drilling about 300 oil wells in Chad's Doha fields ($1.7 billion) and constructing a $2.2 billion, 1,070-km (670-mile) pipeline to carry the oil across Cameroon and out into the Atlantic to a floating storage and loading facility for shipment to Europe and the United States.

The Chad-Cameroon pipeline is the largest energy infrastructure project in Africa and has taken decades to bring about. Though the first discovery well in the Doha field was drilled in 1974, it was not until 1994 that Houston-based Exxon (now ExxonMobile) determined that at least one billion barrels of oil could be extracted, making investment profitable. Four years later a complex agreement had been reached between the oil companies (consisting of ExxonMobile (operator with 40% of private equity), ChevronTexaco (25% of private equity), and Petronas of Malaysia (35% of private equity), with Elf and Shell dropping out in 1999), the World Bank and other international financial institutions, and the Chad government.

The World Bank's contribution amounts to only 2.7% (including loans to Chad and Cameroon to finance their government's share in the project), but the sign of its support was essential for the participation of the other investors. The pipeline project has World Bank backing on condition that there not be

environmental damage and that the revenue be put into social welfare and development projects.

The government of Chad agreed to give up some of sovereign control by having project management and expenditure overseen by an independent nine-member oversight committee, with four members from outside institutions and five representing Chad's religious, political and community institutions. Revenues will go first to an escrow account in London, then to two commercial banks in Chad where the oversight committee is to see that 80% goes to priority areas (education, health, housing, and rural infrastructure) and 10% to a savings fund for the future, with the rest distributed according to a formula devised by the committee.

For their part, the oil companies have been obliged to make over 60 changes in the proposed pipeline route to accommodate social and environmental concerns and to offer a "Sears catalogue" of items (bicycles, sewing machines, plows, community wells) as compensation to villagers along the route. The Clinton administration put an Export-Import Bank loan guarantee of $158.1 million behind the pipeline and the Bush administration approved OPIC insurance up to $250 million for Houston-based Pride International, which is drilling oil wells for the project. The pipeline was due to begin operations in late 2004. Chad is expected to derive about $100 million a year in revenue from the sale of the oil from the three fields being developed, with a total of $2.5 billion over the estimated 28-year life of the project. Even before revenues began to flow, however, President Idriss Déby, in early 2003, dismissed the head of the oversight committee because the official opposed with the president's plans to use the revenue on such items as prisons and automobiles.

Foreign direct investment (FDI) in Chad in 1995 was only $7 million, or 0.6% of GDP, but from 1997 to 2000, the range was $15 million to $16 million. In 2001, FDI rose to $80 million as construction on the Chad-Cameroon pipeline got underway, eclipsing previous levels of foreign investment. Historically, Chad has depended upon FDI for over 50% of the capital in Chadian enterprises, the majority from France. Other sources of foreign investment include the United Kingdom, South Korea (gold mining), the Netherlands (MSI cellular telephone services), Egypt (Orascom cellular telephone services), Sudan (oil production and refining north of Lake Chad), and Libya (hotels and real estate investments).

[39]ECONOMIC DEVELOPMENT

Foremost among governmental objectives are the expansion and improvement of the transportation and telecommunications network, the expansion and diversification of agriculture, and the attainment of food self-sufficiency. These goals were far from being met in 2003, but a steadily increasing trade balance reflects a growing economy. Petroleum reserves promise future rewards.

Net loans and grants from international financial institutions and UN organizations in 1994 totaled $109 million. Chad received a total of $238 million in economic aid in 1995, including $41 million from the World Bank, $13 million in concessional aid from the African Development Bank, and $6 million in concessional support from the International Monetary Fund (IMF). In 1997, Taiwan committed $125 million, and $30 million was given by the African Development Bank. Chad was $1.1 billion in debt in 2000.

In 2000, Chad negotiated a $48 million (subsequently augmented to $62 million) Poverty Reduction and Growth Facility (PRGF) with the IMF, which was due to expire in December 2003. In 2001, the IMF announced Chad qualified for debt relief under the Heavily Indebted Poor Countries (HIPC) initiative. Chad expected to begin exporting oil in 2004, and the country aims to use its oil revenue to alleviate poverty. CotonTchad, the cotton parastatal, was being privatized in 2002.

[40]SOCIAL DEVELOPMENT

Social services were introduced in Chad very slowly and have been largely disrupted by warfare. Legislation calls for family allowances, funded by contributions by employers at a fixed percentage (6%) of the employee's wage. Other mandated payments include prenatal allowances, a lump sum payable at the birth of each of the first three children to assist in purchasing clothing and, if the mother is employed, a recuperation allowance for 14 weeks. Old-age and disability pensions are provided to salaried workers only.

The position of women in Chad is a subordinate one. While property and inheritance laws do not discriminate against women, tradition and local custom favors men. Women generally receive less education then men, and do not have equal job opportunities. Rural women do most of the strenuous agricultural work in the fields, and girls are often married as young as 11 or 12. Female circumcision, also known as female genital mutilation, is widespread. Domestic violence and abuse are common, and women have limited recourse.

The government's human rights record remains poor. A pattern of arbitrary violence continues, including arbitrary arrest and detention, torture, beatings, and other abuse. Prison conditions are life-threatening. The government continues to hold political prisoners, and restricts freedom of speech and religion.

[41]HEALTH

In 1987 Chad had 4 hospitals, 44 smaller health centers, 1 UNICEF clinic, and 239 other clinics—half under religious auspices. Many regional hospitals were damaged or destroyed in fighting, and health services barely existed in 1987. Public health care expenditures were estimated at 2.9% of GDP as of 1999. As of 1999, it was estimated that there were fewer than 0.05 physicians per 1,000 people, and 0.7 hospital beds

All medicine, antibiotic, and vaccine imports must be authorized by the Ministry of Health. The most common diseases are schistosomiasis, leprosy, malaria, spinal meningitis, tuberculosis, and yaws, as well as malnutrition. In 1999, there were 270 reported cases of tuberculosis per 100,000 people. Immunization rates in 1999 were very low for children up to one year of age: diphtheria, pertussis, and tetanus, 21%, and measles, 30%. In 2000, 27% of the population had access to safe drinking water and 29% had adequate sanitation.

Chad had a birth rate of 43 per 1,000 people in 1999. The infant mortality rate in 2000 was 101 per 1,000 live births. Maternal mortality has increased to one of the highest rates in Africa. Over 300 women died in childbirth or pregnancy per 100,000 live births, according to 1998 estimates. As of 2000, only 4% of married women (ages 15 to 49) used any form of contraception. In Chad, 1.9 million or 60% of the women underwent female genital mutilation in 1994. At that time there was no law prohibiting it.

The average life expectancy in 2000 was estimated at 48 years and the overall death rate was estimated at 15 per 1,000 as of 2002. At the end of 2001 the number of people living with HIV/AIDS was estimated at 150,000 and deaths from AIDS that year were estimated at 14,000. HIV prevalence in 1999 was 2.69 per 100 adults.

[42]HOUSING

Forty thousand buildings and homes were destroyed during the civil war. According to the latest available figures, the total housing stock numbered 700,000, with 7.2 people per dwelling. In 2000, about 27% of the population had access to improved water systems and only 29% had access to improved sanitation systems.

[43]EDUCATION

The educational system is patterned on France's, and the language of instruction is French. Private schools of an exclusively religious character (such as the catechism classes of Christian missions and the Muslim schools) receive no assistance from public funds, but the schools that conform to the officially prescribed educational programs are aided by government grants. Education is theoretically compulsory between ages 6 and 12. Primary education lasts for six years followed by either general secondary education, which lasts for another seven years, or technical and vocational secondary education, which last for six. As of 1999, public expenditure on education was estimated at 1.7% of GDP.

In 1997, there were 10,151 teachers and 680,909 pupils in primary schools, with a student to teacher ratio of 67 to 1. In secondary schools in the same year, there were 99,789 pupils and 2,792 teachers. As of 1999, 70% of primary-school-age children were enrolled in school, while 12% of those eligible attended secondary school. Projected adult illiteracy rates for the year 2000 stand at 46.4% (males, 33.1%; females, 59.2%).

In 1971, the University of Chad was officially opened in N'Djamena. The university had three faculties—sciences; law and economics; and letters and human sciences. There is a zoological and veterinary institute at Farcha, a national communications college in Sarh, and a national college of administration in N'Djamena. In 1996, all higher level institutions had 288 teaching staff and 3,274 pupils.

[44]LIBRARIES AND MUSEUMS

Many of the libraries in Chad are the small private collections of research institutes in N'Djamena. Among the largest are the Chadian National Institute for the Humane Sciences, with 3,200 volumes, and the Educational Documentation Center, with 3,300. Other notable libraries include the University of N'Djamena with about 12,000 volumes, the French Cultural Center in N'Djamena, with 12,000 volumes, and the United States Information Agency, also in N'Djamena, with 3,000 volumes.

The National Museum in N'Djamena was founded in 1962 and has an excellent collection on the natural history, archaeology, and ethnography of Chad. The Museum of Abeche, which was founded in 1962 and formally opened in 1984, features an ethnographical collection. Fort Lamy houses the country's premiere historical and public affairs museum with exhibits chronicling its fight for independence.

[45]MEDIA

Postal and telephone service are under the direction of the Minister of Posts and Telecommunications. There are direct telephone connections between N'Djamena and Paris and several African capitals. About 10,260 main line telephones were in service in 2000. In 2002, there were an additional 20,000 cellular phones in use. Radiodiffusion Nationale Tchadienne and Tele–Tchad have broadcasting stations in N'Djamena that broadcast in French, Arabic, and seven African languages. In 1998, there were 2 AM and 3 FM radio stations and 1 television station. In 2000 there were 236 radios and 1 television set for every 1,000 people. Internet access is rare with only one Internet Service Provider serving about 1,000 users in 2000.

The government press agency publishes the daily news bulletin *Info-Tchad* (circulation about 1,500 in 1999). Other publications include the weekly *N'Djamena Hebdo* (1999 circulation 9,500), and the monthly *Tchad Et Culture* (3,500).

The Constitution and Transitional Charter ensure freedom of speech and the press, and the government is said to respect these rights. The Higher Council on Communications (mandated by the CNS) promotes free access to the media.

[46]ORGANIZATIONS

The Chamber of Commerce, Agriculture, and Industry at N'Djamena has branches at Sarh, Moundou, Bol, and Abéché. In rural areas, cooperatives promote the production and marketing of agricultural products. Fishermen and artisans also maintain cooperatives. Self-help tribal societies have grown rapidly, particularly in the larger towns, where members of ethnic groups act together to assist newcomers and to maintain links with those remaining in traditional areas. The Student Association of the University of Chad (AEUT) is one of the largest student organizations affiliated with the National Union of Chadian Students and Pupils (UGEST). Church youth organizations are active, as are chapters of various scouting organizations.

[47]TOURISM, TRAVEL, AND RECREATION

Visitors must have valid passports and visas, as well as evidence of a yellow fever vaccination. There were approximately 43,000 tourist arrivals in Chad in 2000. The country had 677 hotel rooms with 1,250 beds in that year. Most tourists are attracted by hunting and the Zakouma National Park.

In 2002, the US Department of State estimated the daily cost of staying in N'Djamena at $239. Daily expenses in smaller towns can be significantly lower, at about $50 per day.

[48]FAMOUS CHADIANS

Ngarta Tombalbaye (1918–75) was the first president of the independent Republic of Chad. Gen. Félix Malloum (b.1932) became chief of state after the 1975 coup, but was ousted in 1979. Goukouni Oueddei (b.1944) served (1979–82) as president and subsequently led a Libyan-backed rival government in northern Chad. Hissène Habré (b.1942), a Muslim military leader, seized the capital in 1982 and became president. Idriss Déby (b.1950) seized power in 1990 after a French-supported invasion from Sudan.

[49]DEPENDENCIES

Chad has no territories or colonies.

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COMOROS

Federal Islamic Republic of the Comoros
République Fédérale Islamique des Comores;
Jumhuriyat al-Qumur al-Ittihadiyah al-Islamiyah

CAPITAL: Moroni

FLAG: Four equal horizontal bands of yellow (top), white, red, and blue with a green isosceles triangle based on the hoist; centered within the triangle is a white crescent with the convex side facing the hoist and four white, five-pointed stars placed vertically in a line between the points of the crescent.

ANTHEM: No information available.

MONETARY UNIT: The Comorian franc (Co Fr) is the equivalent of the Communauté Financière Africaine franc (CFA Fr), which has been pegged to the euro since January 1999 at a rate of 655.957 CFA francs to 1 euro. The Comorian franc is issued in notes of 500, 1,000, and 5,000 Co Fr. Co Fr1 = $0.00223 (or $1 = Co Fr448.183) as of May 2003.

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: New Year's Day, 1 January; Second Coup d'État, 13 May; Independence Day, 6 July; Admission to UN, 12 November; Christmas Day, 25 December. The principal Muslim holidays are observed.

TIME: 3 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

The Comoros are located at the northern entrance of the Mozambique Channel, between the eastern shore of the African continent and the island of Madagascar, which lies about 480 km (300 mi) to the SE. Comparatively, the area occupied by the Comoros Islands is slightly more than 12 times the size of Washington, D.C. The islands have a combined area of 2,170 sq km (838 sq mi), of which Grande Comore (Njazídja), the largest and northernmost island, comprises 1,148 sq km (443 sq mi); Mohéli (Mwali), lying to the S of Grande Comore, 290 sq km (112 sq mi); and Anjouan (Nzwani) to the E of Mohéli, 424 sq km (164 sq mi). There are also several small islands. The Comoros extend about 180 km (110 mi) ESE–WNW and 100 km (62 mi) NNE–SSW, with a total coastline of 340 km (211 mi). Mayotte, the fourth major island in the Comoros Archipelago, covering an area of 374 sq km (144 sq mi), is claimed by the Comoros but remains under French territorial administration. The capital city Moroni, is located at the western edge of the island of Grande Comore.

[2]TOPOGRAPHY

The islands are volcanic in origin, and their highest peak, Mt. Kartala (2,360 m/7,743 ft), located near the southern tip of the island of Grande Comore, is an active volcano. In the center of Grande Comore lies a desert lava field; to the north, a number of volcanic peaks rise from a plateau nearly 600 m (2,000 ft) in altitude. The island of Anjouan, to the southeast, has steep hills reaching heights of nearly 1,500 m (5,000 ft) in a central volcanic massif. Mohéli, to the west of Anjouan, has wide and fertile valleys, with a ridge in the center that reaches about 580 m (1,900 ft) above sea level, and a thick forest cover.

[3]CLIMATE

The climate in the Comoros is humid and tropical, with coastal temperatures averaging about 28°C (82°F) in March and 23°C (73°F) in August. The monsoon season lasts from December to April. Rainfall in January averages 42 cm (16.5 in), and in October, the driest month, 8.5 cm (3.3 in). Cyclones and tidal waves are frequent in the summer.

[4]FLORA AND FAUNA

The rich volcanic soils on the islands foster the growth of a profuse vegetation. Beyond the coastal zones, where mangroves predominate, there are coconut palms, mangoes, and bananas, and above them is a forest zone, with many varieties of tropical hardwoods. Broom, lichens, and heather grow on the highest peaks. The animal life is similar to that found on Madagascar. Comorian waters harbor the coelacanth, a rare primitive fish once thought to have been extinct for 70 million years. Fossil remains of the coelacanth dating back 400 million years have been found.

[5]ENVIRONMENT

Although Mohéli has large tracts of fertile land not yet cultivated, parts of Anjouan are so densely populated that farmers have been forced to extend cultivation to the higher slopes, leading to deforestation and soil erosion, especially when crops are cultivated on slopes without adequate terracing. Population growth has also increased the demand for firewood, threatening the remaining forest areas. Soil erosion is aggravated by lack of terracing. Comoros has about 0.2 cu mi of water, of which 47% is used for agricultural purposes, 48% is used in urban centers and for domestic purposes, and 5% is used in industry.

As of the mid-1990s, endangered species in the Comoros included the Anjouan sparrow hawk and Anjouan scops owl. Six of the 17 species of mammals in Comoros were endangered. Three types of birds in a total of 99 species and three plant species in a total of 416 were also endangered.

[6]POPULATION

The population of Comoros in 2003 was estimated by the United Nations at 768,000, which placed it as number 154 in population among the 193 nations of the world. In that year approximately 5% of the population was over 65 years of age, with another 46% of the population under 15 years of age. There were 101

males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.83%, with the projected population for the year 2015 at 1,042,000. The government considers the country's high growth rate a major constraint to social and economic development. The population density in 2002 was 275 per sq km (713 per sq mi).

It was estimated by the Population Reference Bureau that 33% of the population lived in urban areas in 2001. The capital city, Moroni, had a population of 44,000 in that year. According to the United Nations, the urban population growth rate for 2000–2005 was 4.1%. Grande Comore, the largest island, has the largest populace, followed by Anjouan and then Mohéli.

[7]MIGRATION

About 40,000 Comorians live in France and 25,000 in Madagascar. About 16,000 were expelled from Madagascar in 1977–78, following a massacre there of Comorians in December 1976. The net migration rate in 1999 was zero. In 2000 there were 18,000 migrants living in Comoros. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The islands' indigenous population consists almost entirely of persons of mixed African, Malagasy, Malay, and Arab descent. Ethnic groups include the Antalote, Cafre, Makoa, Oimatsaha, and Sakalava. Small numbers of Indians, Malagasy, and Europeans play an important part in the economy.

[9]LANGUAGES

French and Arabic are the official languages. The main spoken language, Shaafi Islam (Shikomoro or Comoran), is akin to Swahili but has elements borrowed from Arabic. Other languages spoken include French, Malagasy, Swahili, Arabic, and Makua (an African language).

[10]RELIGIONS

Islam is followed by about 99% of Comorians. Almost all Comorians are Sunni Muslims. Only about 300 persons—approximately 1% of the population—are Christian, all of whom reportedly converted to Christianity within the last half of the 1990s. Following a 1999 military coup, the May 2000 constitution did not allow for freedom of religion. The December 2001 constitution does provide for this freedom, however, it also makes Islam the state religion and the government tends to discourage the practice of other faiths. The practice of Christianity is particularly restricted. There are two Roman Catholic churches and one Protestant church. Since before the 1999 coup, the government has restricted the use of these churches to noncitizens only. Harassment and social discrimination of Christians is widespread.

[11]TRANSPORTATION

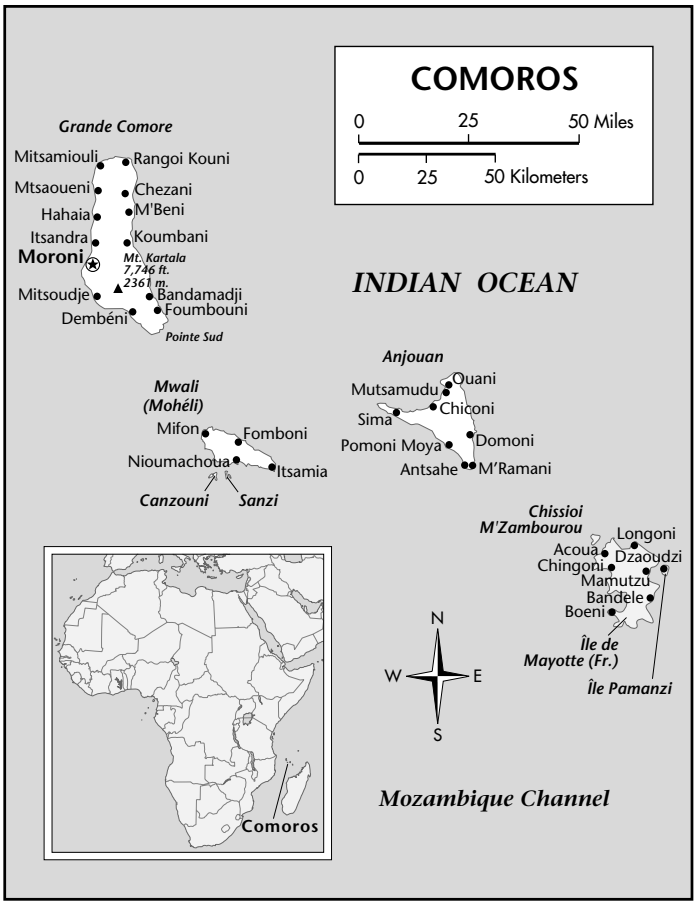
Each island has a ringed road, and there were some 880 km (547 mi) of roads in 2002, with 673 km (418 mi) paved. There is an international airport at Hahaia, on Grande Comore; other islands have smaller airfields. There were a total of four airports, all with paved runways, in 2001. Air Comores (51% owned by Air France) provides regular interisland flights. Air France and Air Madagascar provide service to Madagascar; Air Mauritius provides service to Mauritius; and South African Airways makes a weekly stop. In 1997, 83,000 passengers traveled on international and domestic flights. While there is no merchant marine, there is regular ship service between the Comoros and Madagascar. There is a year-round port at Dzaoudzi, off the island of Mayotte. Until recently, the other ports, at Moroni and Mutsamudu, could accommodate only small ships; larger vessels had to anchor offshore and be loaded and unloaded by dhows. Expansion of the port of Mutsamudu to allow direct access to Anjouan was completed in 1985.

[12]HISTORY

The Comoros are an archipelago of four small Indian ocean islands that lie between East Africa and the northwestern coast of Madagascar. The four islands are called Ngazidja (formerly Grande-Comore), Nzwani (formerly Anjouan), Mwali (formerly Moheli), and Mayotte. In all likelihood they were visited in antiquity by Phoenician sailors. The first settlers were probably Melanesian and Polynesian peoples, who came to the Comoros by the 6th century AD; later immigrants arrived from East Africa, Arab lands, Indonesia, Persia, and Madagascar. The Portuguese discovered the islands about 1503, and Frenchmen first landed in 1517. The Englishman James Lancaster visited the islands toward the end of the 16th century; at that time, and for many years afterward, Arab influence predominated over that of Europeans. Malagasy invasions also took place in the 16th century. In 1843, a Malagasy who ruled over Mayotte ceded the island to France, and in 1865, a Malagasy ruler of Mohéli signed a friendship treaty with France. A French protectorate was placed over Anjouan, Grande Comore, and Mohéli in 1886, and in 1908 the islands were joined administratively with French-ruled Madagascar. In World War II, the islands were occupied by a British force and turned over to the Free French. The Comoros were granted administrative autonomy within the Republic of France on 9 May 1946, acquiring overseas territorial status, and on 22 December 1961 achieved internal autonomy under special statute. This status was amended on 3 January 1968 to give the territory greater internal autonomy.

On 11 December 1958, the Territorial Assembly voted to remain in the Republic, but the cause of independence, championed by the Comoro National Liberation Movement, based in Tanzania, was eventually embraced by the ruling coalition on the islands. An agreement for independence within five years was signed in Paris on 15 June 1973, and in a referendum held on 22 December 1974, a large majority on all islands except Mayotte voted in favor of independence. The vote was ratified by the French parliament, which decided that each island should vote separately on a new constitution. On 6 July 1975, nevertheless, the Comoros legislature unilaterally declared independence for all the islands, including Mayotte. The French government, rejecting the Comorian claim to Mayotte, ordered a separate referendum for the island. As preparations were made for the 1976 referendum, relations between France and the Comoros deteriorated. The Comorian government nationalized all French administrative property and expelled French officials. With strained French-Comorian relations as the backdrop, Mayotte voted on 7 February 1976 to remain part of France. The UN General Assembly, however, backed the Comorian claim to Mayotte in 1976 and 1979 resolutions.

Considerable domestic turmoil accompanied the birth of the new nation. The first Comorian government took power on 6 July 1975 and was led by Ahmed 'Abdallah. It unilaterally declared independence from France and was overthrown within a month on 3 August 1975 with the aid of foreign white mercenaries. A National Executive Council led by Prince Said Mohammed Jaffar was created. Jaffar was the leader of a group that favored a more conciliatory policy toward Mayotte and France. In January 1976 he was replaced by 'Ali Soilih who led a military coup that toppled Jaffar a year earlier. In 1977 Soilih's government changed the French names of the four islands (Grande-Comore, Moheli, Mayotte, and Anjouan) to Ngazidja, Mwali, Mahore, and Nzwani. Four unsuccessful coup attempts were launched during Soilih's rule. However, on 13 May 1978, Soilih was overthrown and killed by mercenaries led by Bob Denard, whose previous exploits in Zaire and elsewhere made him infamous throughout Africa. Denard reinstalled the nation's



LOCATION: 43°1′ N to 44°32′ E; 11°21′ W to 12°25′ S.
TERRITORIAL SEA LIMIT: 12 miles.

first president, Ahmad ‘Abdallah, who had been living in exile in Paris. Denard remained the true power behind ‘Abdallah. Their government was close to right-wing elements in France and to South Africa, where the Comoros served as a conduit for supplies to the Renamo rebels in Mozambique. Soon after the coup, France agreed to restore economic and military aid, which had been suspended during the Soilih regime. Most African countries were, however, unhappy with the role of mercenaries in toppling the Soilih government and the Comoros were expelled from the OAU (Organization of African Unity).

In September 1978, Denard and his mercenaries were asked to leave the Comoros due to the international stigma their presence caused the Island nation. This was a façade, as Denard remained the true power on the islands; however, the ruse did succeed in getting the Comoros back into the OAU. A new constitution was approved on 1 October 1978 by 99.31% of the voters. The new constitution created a Federal Islamic Republic in which each island was granted increased autonomy. On 22 October, ‘Abdallah, the only candidate, was elected president with a reported 99.94% of the valid votes.

Chronic economic problems were worsened in January 1983 by tropical cyclone Elena, the worst in 30 years. The damage was estimated at CO FR200 million; up to 80% of the crop was damaged.

‘Abdallah was reelected unopposed with 99.4% of the vote in September 1984. There were coup attempts in 1985 and 1987. Elections to the Federal Assembly were held in March 1987. By 1989, however, resentment for the overbearing influence of Denard and his men grew. Even ‘Abdallah grew disenchanted and, with the backing of France and South Africa, he moved to displace Denard’s mercenaries. Before this could be implemented, however, on 26 November 1989 a member of the Presidential Guard (many suspect Denard) assassinated ‘Abdallah. This unit was included European mercenaries and was under the command of Denard.

Said Mohamed Djohar, head of the Supreme Court, was appointed interim president pending a presidential election. With the help of Paris and Pretoria, on 15 December 1989, he forced Denard to relinquish power in exchange for safe passage to South Africa.

In January 1990, demonstrators protested the postponement of the presidential election that was scheduled for February. A French peacekeeping force enabled the government to lift political restrictions and conduct the presidential election as originally scheduled. The election was held on 18 February, but it was abandoned following allegations of fraud. On 4 March, fresh elections were held in which no single candidate for the president received a majority of the votes. In a run-off election held one week later, Djohar won with 55% of the vote to the UNDC’s (Union Nationale pour la Democratie aux Comores) Mohammed Taki Abdulkarim’s 44%. In March, Djohar appointed a government that included two of his opponents in the previous presidential election. Price Said Ali Kemal, a lawyer and grandson of the last Sultan of Comoros was one of the former Presidential hopefuls who was made part of the coalition government. Djohar’s coalition government survived three coup attempts and several ministerial defections. One coup attempt was launched on August 1990, by army rebels with help from European mercenaries. Another coup was attempted a year later and involved the president of the Supreme Court Ibrahim Ahmed Halidi, who announced that he was dismissing President Djohar and assuming the role of president. The bloodless coup received support from opposition parties who saw Djohar as corrupt and viewed the presidency itself as being vested with too much power. The coup was thwarted, however, and Djohar responded by ordering the arrest of several supreme court members, including Halidi, and imposing a month long state of emergency. Djohar pledged to seek constitutional reforms and reshuffled his Cabinet, bringing in disgruntled opposition members.

In January 1992, amid continued unrest, a new transitional government of national union was installed, as constitutional reforms were debated and prepared for referendum. In May 1992, 18 opposition political parties demanded the resignation of Djohar’s son-in-law, Mohamed M’Changama, as Minister of Finance following allegations of corruption. Djohar responded by creating a new government, however, his son-in-law his Ministerial position. The new constitution was voted on in June and was passed overwhelmingly. Legislative elections were supposed to be held shortly after, but Djohar delayed, despite considerable public protest, including one in which security forces joined in, calling for elections. Amid heightened political unrest and a deteriorating economic situation, Djohar conceded and balloting commenced in November and December 1992. The Federal Assembly was badly divided (the largest party had 7 of the 42 seats) and could reach no consensus with the president on his choice of ministers. Governments fell frequently. On 18 June 1992, Djohar dissolved the National Assembly. In the long-delayed and controversial December 1993 legislative elections, supporters of Djohar won 24 of the 42 seats in the Assembly. Members of the opposition parties rejected Djohar’s appointment of Mohamed Abdou Madi as Prime Minister as they contested the validity of both the election results and the choice of Djohar’s son-in-law as president of the Assembly. They accused the Ressemblement pour la Democraie et le Renouveau (RDR: Djohar’s new party) of being “usurpers.” On 17 January, the main opposition parties agreed to coordinate their actions in a Forum for National Recovery (FRN), as Djohar’s government grew increasingly authoritarian. Demonstrations became frequent. A public sector strike began in April 1994 and grew

quite acrimonious, and lasted until January 1995. In April, Djohar dismissed the Prime Minister after the latter accused him of corruption. Civil order continued to deteriorate as 1995 provincial elections were repeatedly postponed and as government after government collapsed. Djohar, however, remained in power, influenced by his son and Said Mohamed Sagaf, his son-in-law, who held various ministerial posts.

By September 1995 conditions had deteriorated badly, and Bob Denard, from exile, staged a coup that resulted in the arrest of President Djohar. Denard appointed a close associate, Captain Ayouba Combo, as the leader of a provisional government called the Transitional Military Committee. The Transitional Military Committee released political prisoners and in October transferred authority to two civilians, Mohammed Taki and Said Ali Kemal. Although France had for some time been displeased with Djohar's authoritarian ways, they were very unhappy with Denard's action and, after being asked to intervene by Djohar's prime minister, Mohamed Caabi El Yachroutu, landed 1,000 troops and ousted the coup leaders. El Yachroutu assumed the post of interim president—Djohar had fled the country—and scheduled new elections for 1996.

Presidential elections were held on 6 March 1996 and a runoff on 16 March. Mohammed Taki Abdulkarim won with 64% of the vote. Legislative elections on 1 and 8 December of that year resulted in an Assembly situated as follows: National Rally for Democracy, 36; National Front for Justice, 3; independents, 4.

On 23 November 1996 an Ethiopian airliner carrying 175 people was hijacked over East Africa, then ran out of fuel, and crashed into the sea just off a beach on the Comoros, killing at least 58.

In July 1997, security forces killed two people after separatists on Nzwani raised the French flag, blocked roads, and engaged in demonstrations demanding a return of French rule. Unrest quickly spread throughout Nzwani and Mwali. On 3 August 1997, separatists on the island of Anjouan (Nzwani) declared independence from the central government and were soon joined by the island of Mwali. In early September 1997, President Taki dispatched the army in an unsuccessful attempt to reunify the islands. Hoping to find a peaceful solution to the situation, the OAU intervened in favor of a negotiated settlement. In October, despite the objections of the Taki's government, a referendum was held on Nzwani in which 99% of those voting supported independence. France, for its part, rejected demands by the islands to reestablish its sovereignty.

In November 1998, President Mohamed Taki, died shortly after returning from a trip to Turkey and Spain. Interim President Ben Said Massounde took power in Ngazidja (Grande Comore). A month later, a reported assassination attempt on Nzwani (Anjouan) island leader Foundi Abdullah Ibrahim led to heavy fighting in the island. At least 60 people were reported killed. The assassination attempt and fighting was thought to have been instigated by Chamasse Said Omar, a political opponent of Ibrahim who was upset that the Nzwani leader wanted to negotiate a new relationship with the government of Ngazidja.

On 30 April 1999, interim President Massounde was toppled in a bloodless coup, and was replaced by Colonel Azali Assoumani on 6 May 1999. The coup was triggered by unresolved issues in the negotiations with the separatist islands that would have given them greater autonomy within a political union of the three islands. The autonomy proposal, which caused widespread resentment on Ngazidja, erupted in rioting in which residents from the other islands were targeted and blamed for the harsh economic conditions on the main island. As the secession stalemate continued, the government announced on 21 March 2000 that it had foiled the country's 19th coup attempt since independence while Assoumani was in Saudi Arabia. Among the suspected plotters were two sons of the assassinated first President Ahmed 'Abdallah.

Assoumani pledged to resolve the secessionist crisis through a confederal arrangement named the 2000 Fomboni Accord. In December 2001, voters approved a new constitution, and Assoumani resigned his post on 16 January 2002 to run for president in the 14 April 2002 elections. He was elected with 75% of the vote and was sworn in 26 May 2002. In the interregnum, his prime minister, Jamada Madi Bolero was appointed interim president and Djaffar Salim the interim deputy prime minister.

Following the election, the confederal arrangement went into effect, and the three islands of Moheli, Anjouan, and Grande Comore assumed authority over most of their own affairs. However, power struggles continued over the authority of certain ministries. In February 2003 the central government arrested a dozen soldiers and two local ministers in connection with an alleged coup attempt. The accused were said to be linked closely to the island government of Grande Comore. In April traders organized a strike on Grande Comore to protest double taxation by the island and union governments. A congress on the Comoros was scheduled for June 27 in Pretoria to end the crisis, and to discuss organization of local elections and finalization of the constitution. However, union president Assoumani was not expected to attend, casting doubt on the viability of the process and Assoumani's political future.

[13]GOVERNMENT

Immediately prior to independence, the Comoros had partial autonomy and were governed by a 31-member Council of Ministers responsible to a Chamber of Deputies. The territory was represented in the French parliament by one senator and by two delegates to the National Assembly. A high commissioner represented the French president. After independence was declared, the Chamber of Deputies was reconstituted as a National Assembly. After the August 1975 coup, the National Assembly was abolished; supreme power was subsequently vested in the National Council of the Institutions, headed by President 'Ali Soilih.

The constitution of 1978, the first for the Comoros, established a Federal Islamic republic. Under this document, as amended in 1982, the president was elected to a six-year term, and there was an elected federal assembly of 42 members. A new constitution was adopted in June 1992, and again in December 2001. The president and 42-member federal assembly are elected by universal suffrage for five-year terms (the president may not serve more than two terms). A 15-member Senate is chosen by regional councils for six-year terms. The prime minister is appointed by the president, as is the cabinet—the Council of Ministers. The constitution stipulates that only parties that win six seats in the federal assembly (two from each island) are permitted to be in the opposition, but if no party accomplishes that, the second most successful party will be in the opposition.

Following the secession and subsequent breakup of the republic in 1997, the Islands created a union consisting of semi-autonomous islands led by their own presidents in addition to the president of the federal government, who retains control over defense, economic policy, and foreign affairs. The three island presidents are also vice presidents of the union. Differences in constitutional interpretation over issues such as rights to revenue generation remained unresolved by late June 2003, and threatened to delay legislative elections indefinitely. The next presidential elections were scheduled for April 2007.

[14]POLITICAL PARTIES

In February 1982, the Comorian Union for Progress (Union Comorienne pour le Progrès—UCP) was established as the only legal party; in March; UCP members won 37 of 38 seats in the National Assembly in contested elections that also involved independents. In March 1987, UCP candidates won all 42 seats.

Despite earlier assurances of a free ballot, few opposition candidates were allowed to run, and dissidents were subject to intimidation and imprisonment.

The UCP (known as Udzima) had been President Djohar's party until November 1991. But it had no seats in the Assembly. On 10 September 1993, it merged with the Union for Democracy and Decentralization (UNDC), the largest party in the Assembly with just seven seats. Before the dissolution of the Assembly in June 1993, the Islands' Fraternity and Unity Party (CHUMA) had three seats, and the MDP/NGDC had five seats. No other party had more than two seats. Djohar hastily created his own party, the RDR, to contest the December 1993 elections. After 1993, the party distribution in the Assembly was RDR and its coalition partners, 24 seats, and the UNDC and its allies, 18 seats.

A coup in September 1995 overthrew the Djohar government. A transitional government was set up after French military intervention removed the coup-plotters, and new elections were held in December 1996, resulting in a National Assembly situated as follows: National Rally for Development, 36; National Front for Justice, 3; independents, 4.

[15]LOCAL GOVERNMENT

Under the federal system, each of the main islands has its own president and elected legislature. The governors, formerly elected, were appointed by the president after the constitution was amended in 1982. There are also four municipalities: Domoni, Fomboni, Moroni, and Moutsamoudou.

[16]JUDICIAL SYSTEM

The legal system incorporates French and Islamic law in a new consolidated code. Most disputes are settled by village elders or by a court of first instance. The High Council as the High Court of Justice (Cour Suprème) resolves constitutional questions, supervises presidential elections, and arbitrates any case in which the government is accused of malpractice. The High Council also reviews decisions of the lower courts, including the superior court of appeals at Moroni. The High Council consists of two members appointed by the president, two members elected by the Federal Assembly, and one elected by the Council of each island; others are former presidents of the republic. Lower courts of the first instance are located in major towns. Religious courts on the islands apply Muslim law in matters relating to social and personal relationships.

The judiciary is largely independent of the executive and legislative branches. The 1996 constitution provides a number of safeguards including equality of all citizens before the law. However, it does not mention right to counsel.

The island of Mayotte (Mohere) has been administered by France ever since the Comoros unilaterally declared independence in July 1975. The Comoros claims Mayotte and officially represents it in international organizations, including the United Nations. The constitution of Mayotte states that the island is to be ruled by a Prefect assisted by a Secretary-General and a General Council of 19 members.

[17]ARMED FORCES

The armed forces consist of a police force numbering 500 and a defense force of 500 members. France provides a small military presence, military training, and naval protection. Defense spending in 2001 was $6 million, or 3% of GDP.

[18]INTERNATIONAL COOPERATION

On 12 November 1975, the Comoros became a UN member. The nation participates in the ECA, FAO, IBRD, IDA, IFAD, ILO, IMF, ITU, UNESCO, UNIDO, UPU, WHO, and WMO, as well as in the African Development Bank, G-77, and AU. It is also a member of two groups formed in the 1980s, the Indian Ocean Commission and the Preferential Trade Area for East and Southern Africa. Comoros is a signatory of the Law of the Sea and has applied for membership in the WTO.

[19]ECONOMY

The economy of the Comoros is agriculture based, dependent on trade and foreign assistance. Foreign aid accounted for about half of GDP in 2002. Mineral resources are few; there is little industry. Tourism, increased considerably in the 1990s as a result of promotion by South African interests, but political upheaval during 1999 offended potential visitors. Agriculture accounted for nearly the other half of GDP, and employed 80% of the population in 2002. Cassava, sweet potatoes, rice, and bananas are the staple crops along with yams, coconuts, and maize. Meat, rice, and vegetables are leading imports. Comoros is the world's second largest producer of vanilla, with one-third of exports going to France, and the world's leading producer of ylang-ylang, a perfume oil. Cloves and copra are also exported. Land access is a problem, as is overpopulation. The fishing industry has potential but is still largely undeveloped.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Comoros's gross domestic product (GDP) was estimated at $424 million. The per capita GDP was estimated at $710. The annual growth rate of GDP was estimated at 1%. The average inflation rate in 2001 was 3.5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 40% of GDP, industry 4%, and services 56%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $24 million. Worker remittances in 2001 totaled $26.27 million. Foreign aid receipts amounted to about $48 per capita and accounted for approximately 12% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $394. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 3%. It was estimated that in 2001 about 60% of the population had incomes below the poverty line.

[21]LABOR

The majority of the economically active population is engaged in subsistence agriculture, fishing, or petty commerce, about 80% of the workforce in 2002. The labor force was estimated at 144,500 in 1996 with the unemployment rate that year amounting to 20%.

The constitution provides the right for workers to create and join unions and the right to strike. However, this affects a small percentage of the population: the wage-earning labor force consists of less than 7,000 individuals including government employees. The minimum age for employment is 15 years, but children generally work with their families in the large subsistence farming and fishing sectors, or as domestic servants. The government has few resources to enforce this minimum age restriction. There is no minimum wage, and payment to workers is irregular. There are no occupational health and safety standards for the country's tiny manufacturing base.

[22]AGRICULTURE

The economy of the Comoros is primarily agricultural, with arable land comprising 45% of the total land area. Among the chief crops in 1999, in tons, were manioc, 53,000; coconuts, 75,000; bananas, 59,000; sweet potatoes, 15,000; rice, 17,000; corn, 4,000; and copra, 9,000. Other crops include sugarcane,

sisal, peppers, spices, coffee, and various perfume plants such as ylang-ylang, abelmosk, lemon grass, jasmine, and citronella. The chief export crops are vanilla, cloves, ylang-ylang, and copra. The Comoros, including Mayotte, account for about 80% of world production of ylang-ylang essence, which is used in some perfumes. Marketed exports in 2001 included 70 tons of dried vanilla, valued at nearly $5.7 million.

Food demand is not met by domestic production, so Comoros is highly dependent on imported foods, especially rice. Over half of all foodstuffs are imported, and about 50% of the government's annual budget is spent on importing food. Agricultural productivity is extremely low, and cultivation methods are rudimentary. Fertilizer is seldom used by smallholders. About 20% of the cultivated land belongs to company estates; 20% to indigenous landowners who live in towns and pay laborers to cultivate their holdings; and 60% to village reserves allotted according to customary law. Agriculture contributed about 41% to GDP in 2000.

[23] ANIMAL HUSBANDRY

Small amounts of livestock are raised. In 2001 there were an estimated 113,000 goats, 52,000 head of cattle, 21,000 sheep, and 5,000 asses. An estimated 1,900 tons of beef and 1,000 tons of other meat were produced in 2001, along with 4,400 tons of milk and 820 tons of eggs.

[24] FISHING

The fish catch in the Comoros amounted to about 13,200 tons in 2000, half of which was tuna. A Japanese-funded fisheries training center was opened on Anjouan in 1985.

[25] FORESTRY

Forested areas amounted to about 8,000 hectares (20,000 acres) in 2000. Numerous fruit trees and tropical hardwoods are found. Some timber is produced, notably on the island of Grande Comore, which has about half the remaining forest.

[26] MINING

There were no commercially exploitable mineral resources in the Comoros. Small quantities of clay, sand, gravel, and crushed stone were produced for domestic consumption, and the former French colony was dependent on imports to meet all its energy and cement needs. Promotion of a new construction technique using lava and volcanic ash was expected to reduce cement imports and coral mining. Political instability in recent years has continued to hurt the economy, and the outlook on minerals output was not expected to change significantly.

[27] ENERGY AND POWER

In 2000, 19 million kWh of power were generated, up from 15 million kWh in 1998. Of the power produced, approximated 90% was from thermal and 10% from hydroelectric sources. Installed capacity was about 5,000 kW, approximately 80% of it thermal. Electricity consumption was 17.7 million kWh in 2000. All petroleum products are imported.

[28] INDUSTRY

There are various small-scale industries, mostly for processing the islands' agricultural products. Aside from perfume distilleries (perfume is one of the country's main exports), the Comoros has sawmills, a soap factory, a printing plant, a small plastics factory, a soft-drink plant, and metalworking shops. Industry accounted for a mere 4% of GDP in 2001.

[29] SCIENCE AND TECHNOLOGY

There are no research institutes or institutions of higher learning in the Comoros.

[30] DOMESTIC TRADE

As of 2001, nearly 80% of the population was employed in agriculture, primarily subsistence farming. However, most of the farmland is owned by foreign investors and the majority of the nation's food products are imported. An underdeveloped transportation system limits domestic trade. A small industrial sector is focused on processing ylang-ylang and vanilla, which are produced primarily for export. The government is attempting to privatize commercial and industrial enterprises. Business hours are 7:30 AM–noon and 3–5:30 PM Monday–Thursday, 7:30–11 AM Friday, and 7:30–noon Saturday. Banking hours are 7 AM–noon Monday–Thursday and 7–11:30 AM Friday.

[31] FOREIGN TRADE

Ylang-ylang essence, vanilla, cloves, copra, and other agricultural commodities make up the bulk of Comorian exports; of these, vanilla is by far the most important export earner. Imports include rice and other foodstuffs, petroleum products, and motor vehicles. Exports brought in $6.9 million in 2000, while Comoros imported $71.9 million worth of goods. France is the country's most important trade partner. Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
France	3.0	14.0	-11.0
United States	1.1	0.1	1.0
Germany	0.5	1	-0.5
United Arab Emirates	n.a.	1.9	n.a.
South Africa	n.a.	39.0	n.a.
Kenya	n.a.	3.9	n.a.
Pakistan	n.a.	4.9	n.a.
Indonesia	n.a.	1.5	n.a.
Belgium	n.a.	1.3	n.a.

[32] BALANCE OF PAYMENTS

In general, the chronic deficit on current accounts is counterbalanced by foreign aid, especially from France. By 2002, Comoros was in debt by $225 million.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Comoros's exports was $353 million while imports totaled $44.9 million resulting in a trade surplus of $308.1 million.

The International Monetary Fund (IMF) reports that in 1995 Comoros had exports of goods totaling $11 million and imports totaling $54 million. The services credit totaled $35 million and debit $50 million. The following table summarizes Comoros's balance of payments as reported by the IMF for 1995 in millions of US dollars.

Current Account	**-19**
Balance on goods	-42
Balance on services	-15
Balance on income	1
Current transfers	38
Capital Account	**...**
Financial Account	**11**
Direct investment abroad	...
Direct investment in Comoros	1
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	-2
Other investment liabilities	12
Net Errors and Omissions	**-2**
Reserves and Related Items	**10**

[33] BANKING AND SECURITIES

The Central Bank of the Comoros was established in 1981. The Banque Pour l' Industrie et le Commerce, is the main commercial

bank; the French Commercial Bank is also represented. The Banque de Développement des Comores is half state owned. The Banque Nationale de Paris Intercontinentale is the only international financial institution.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $41.7 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $57.2 million.

There are no securities exchanges.

[34]INSURANCE

Société Comorienne d'Assurances is based in Moroni. The Paris-based Préservatrice Foncière d'Assurances has an agent in Moroni.

[35]PUBLIC FINANCE

The Comoros government and the IMF agreed in 1990 to a structural adjustment program covering 1991 to 1993. The program provided $135 million and proposed a plan whereby the government diversified its exports, reduced public expenditures, and privatized its parastatal sector. Furthermore, the plan called for the abolishment of levies on export crops, privatization of the state-owned hotels, liquidation of the state-owned meat marketing company, initiation of a number of environmental projects, and the reduction of the number of civil servants. This last measure prompted civil disorder and economic disruptions. Concerned over the progress of reforms in 1993, the IMF and the government reassessed the program. Measures were adopted which persuaded the IMF to continue its support of the program. A military coup in 1999 halted most restructuring programs.

The US Central Intelligence Agency (CIA) estimates that in 2001 Comoros's central government took in revenues of approximately $27.6 million. Overall, the government registered a surplus of approximately $27.6 million. External debt totaled $225 million.

[36]TAXATION

Tax collection, formerly the role of the island governors, became a federal responsibility under the 1982 constitutional revision.

[37]CUSTOMS AND DUTIES

Import and export licenses are required but often limited to a few firms. Since 1992, the government has reorganized the customs office, computerized customs, and introduced taxes on petroleum products and rice.

[38]FOREIGN INVESTMENT

Private foreign investment in the Comoros has been minimal since independence. The Comoros economy is supported by foreign aid and assistance, primarily from France but to a lesser extent from Japan, Sa'udi Arabia, Kuwait, and the United Arab Emirates. A French company took over Comoros' electrical utility company in 1997. A Swiss concern owns and operates the country's two main hotels. If there are more privatizations, there would likely be more French investment. Officially, the Comoros welcomes foreign investment and is prepared to offer a package of incentives.

There was no recorded foreign direct investment (FDI) in 1997, but in 1998, FDI inflow was $3.2 million Inflows of only $300,000 and $900,000 was reported for 1999 and 2000, respectively, but there was an increase to $1.5 million in 2001.

[39]ECONOMIC DEVELOPMENT

Development projects in the late 1980s and early 1990s focused on the agricultural sector, hydroelectric development, fishing, and start-up investment funds for small and intermediate enterprises. In addition, the European Development Funds provided resources for the redevelopment of the port at Moroni. International Monetary Fund (IMF) plans during the 1990s focused on agriculture diversification. The country has an unemployment level estimated at 20% and one of the highest illiteracy rates in the world. The government has many aims: to develop education and technical training, to improve health services, to reduce the high population growth rate, to privatize state-owned enterprises, to promote tourism, and to diversify exports. Political instability has led to disruptions in government services, as has the general lack of revenue.

[40]SOCIAL DEVELOPMENT

Women occupy a subservient position in this extremely traditional society but retain some strength from the matrilineal social structure. Although women do not have the same legal protection as men, traditional custom grants women favorable inheritance and property rights. There are few women in management positions in the private sector or in government. Violence against women occurs, but is not a widespread problem. Some poor families are forced to send children to live in other households, where they work as domestic servants, often at ages as young as seven years old.

Prisons are overcrowded and lack proper sanitation but have been visited by international monitors. Societal discrimination against Christians persists. Human right abuses and political violence have been reported.

[41]HEALTH

In 1987, there were 6 main hospitals, 10 secondary hospitals and medical centers, and 4 maternity clinics. In 1990, there were 57 doctors (one physician per 23,540 people), 6 pharmacists, 6 dentists, 155 nurses, and 86 midwives. In 1990, there were 1.4 hospital beds per 1,000 people. In 1997, there were 0.07 physicians, 0.3 nurses, 0.1 midwives, and 0.1 dentists per 1,000 people.

As of 2002, there was an estimated birth rate of 39 births per 1,000 people and a death rate of 9 deaths per 1,000 people. Average life expectancy was 60.8 years. The fertility rate was 5 births per woman and the infant mortality rate was estimated at 82 deaths per 1,000 live births. In 1994, about 38,000 children were estimated to die each year before age five. The maternal mortality rate was 950 per 100,000 live births in 1990.

Lack of animal protein is a serious problem. In addition, a large percentage of the adult population suffers from malaria and there is a high incidence of tuberculosis and leprosy. In 1994, 494 tuberculosis cases were reported. There were no cases of polio in Comoros in 1995. The immunization rates were the following in the mid-1990s: tuberculosis, 95%; diphtheria, pertussis, and tetanus, 60%; polio, 60%; and measles, 60%.

Only 15 cases of AIDS were reported in 1995 for this country of 630,000.

[42]HOUSING

At last estimate, approximately 65% of all housing units were straw huts with roofs of cocoa leaves, and about 25% were made of durable materials including stone, brick, or concrete. Of all housing units, nearly 90% were owned, 3% rented, and 3% occupied rent free. Traditional (non-flush) toilets were found in more than 90% of all housing units, gas lighting in more than 90%, and electric lighting in nearly 6%.

[43]EDUCATION

Education is compulsory for children between the ages of 7 and 16 years. Primary education lasts for six years followed by seven years of secondary education, four years in the first stage followed by three years in the second stage. In 1996, the Comoros had 327 primary schools, with a total of 78,527 pupils and 1,508 teachers. Schools at the general secondary level in

1996 had 21,192 pupils and 591 teachers. As of 1999, 55% of primary-school-age children were enrolled in school. The pupil-teacher ratio at the primary level was 35 to 1 in the same year. There are two technical schools and a teacher-training college near Moroni. The higher-level institutions had 348 students in 1996. Projected adult illiteracy rates for the year 2000 stand at 43.8% (males, 36.5%; females, 50.9%). In the mid-1990s, more than 20% of the central government budget was allocated to education.

[44]LIBRARIES AND MUSEUMS

At the time of independence there were two public libraries and three school libraries, with a total of 13,400 volumes.

[45]MEDIA

In 2000, there were 7,000 telephones in use throughout the country. Radio-Comoros, a government agency, provides services on shortwave and FM in Comorian, French, English, Arabic, Malagasy, and Swahili. In 2001, there were 1 AM and 4 FM radio stations. A national television station was started in 2001 with assistance from China. There are also a number of local radio and television stations.

The weekly newspaper *Al Watwany* (1995 circulation 1,200) is published by the government; the weekly *L'Archipel* (500) is published independently. There are two independent newspapers that publish regularly.

A new constitution provides for freedom of speech and of the press and it is believed that the government generally respects these rights.

[46]ORGANIZATIONS

There is a Chamber of Commerce, Industry, and Agriculture at Moroni. Youth organizations are developed in part through the national Union of Youth and Students of the Comores (Union Jeunesse et des Etudiants des Comores: UJEC), founded in 1975. Scouting organizations are also active for youth.

[47]TOURISM, TRAVEL, AND RECREATION

The tourism industry was undeveloped at independence and has stagnated since 1983. In 2000, there were 389 hotel rooms with a total of 778 beds. The number of arrivals was at 23,893 and tourist receipts totaled $15million. No vaccinations are required, but antimalarial precautions are advisable. A passport, visa, and return/onward ticket are required. In 1999, the UN estimated the daily cost of staying in Moroni at $115–138, depending upon the choice of hotel. Mutsamudu is significantly less expensive, at $68 per day. Water sports are the primary recreational activities.

[48]FAMOUS COMORIANS

Heads of state since independence include 'Ali Soilih (1937–78), who came to power as a result of the 1975 coup and who died after the 1978 takeover; and Ahmad 'Abdallah (1919–89), president briefly in 1975 and restored to power in 1978. Mercenary Bob Denard (b. France, 1929) virtually ruled the country through figurehead presidents between 1978 and 1989, when France negotiated his departure after the assassination of 'Abdallah. Col. Assoumani Azzali (b.1959?) took power in a coup in 1999, assuming the titles of president, prime minister, and defense minister.

[49]DEPENDENCIES

The Comoros has no territories or dependencies.

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CONGO, DEMOCRATIC REPUBLIC OF THE (DROC)

Democratic Republic of the Congo

République Democratique du Congo

CAPITAL: Kinshasa

FLAG: The flag is a blue field with seven gold stars; six arranged vertically at the hoist and a larger one in the center.

ANTHEM: *Song of Independence.*

MONETARY UNIT: In 1997, the New Congo replaced the zaire (Z) as the national currency with the Congolese franc (CF). 1CF = $0.0024 (or $1 = CF417) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Commemoration of Martyrs of Independence, 4 January; Labor Day, 1 May; Anniversary of the Popular Movement of the Revolution, 20 May; Promulgation of the 1967 Constitution, 24 June; Independence Day, 30 June; Parents' Day, 1 August; Youth Day, 14 October; Army Day, 17 November; the Anniversary of the Regime, 24 November; and Christmas Day, 25 December.

TIME: In Kinshasa, 1 PM = noon GMT; in Lubumbashi, 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

The Democratic Republic of the Congo (DROC—formerly Zaire) is situated in central Africa, and is crossed by the equator in its north-central region. It is the third-largest country on the continent, covering an area of 2,345,410 sq km (905,568 sq mi), with a length of 2,276 km (1,414 mi) SSE–NNW and a width of 2,236 km (1,389 mi) ENE–WSW. Comparatively, the area occupied by the country is slightly less than one-quarter the size of the United States, or about as large as the US east of the Mississippi River. On the N it is bounded by the Central African Republic, on the NE by Sudan, on the E by Uganda, Rwanda, Burundi, and Tanzania, on the SE and S by Zambia, on the SW by Angola, and on the W by the Cabinda enclave of Angola and the Republic of the Congo (ROC), with a total boundary length of 10,744 km (6,661 mi). Its extreme western portion is a narrow wedge terminating in a strip of coastline along the Atlantic Ocean. The DROC and Zambia dispute the border to the east of Lake Mweru. Kinshasa, the capital, is located in the western part of the country.

[2]TOPOGRAPHY

The principal river is the Congo, which flows over 4,344 km (2,700 mi) from its headwaters to its estuary. The gigantic semicircular bend in the river, which is called the Lualaba in its upper course, delineates a central depression known as the cuvette, with an average altitude of about 400 m (1,312 ft). Around this densely forested section, which covers nearly half the area of the country, plateaus rise gradually to heights of 900–1,000 m (2,950–3,280 ft) to the north and south. The highest altitudes are found along the eastern fringe of the country, on the edge of the Great Rift Valley, where dislocation of the strata has produced important volcanic and mountain masses, the most notable of which is Margherita Peak, on the border with Uganda, rising to 5,109 m (16,762 ft), third highest in Africa.

Savanna and park forest vegetation predominate north and south of the equatorial forest belt; the southern savanna belt is far more extensive than the northern one. All major rivers are tributaries of the Congo; these include the Lomami, the Aruwimi or Ituri, the Ubangi, the Uélé, the Kasai, the Sankuru, the Lulua, the Kwango, and the Kwilu. The largest lakes include Tanganyika, Albert (L. Mobutu Sese Seko), Edward, Kivu, and Mweru, all of which form parts of the eastern border. Other large lakes are Mai-Ndombe and Tumba.

[3]CLIMATE

The climate is tropically hot and humid in the lower western and central regions, with frequent heavy rains from October or November through May south of the equator and from April to June and September to October in the north, while along the equator itself there is only one season. In the cuvette, temperatures average 24°C (75°F), with high humidity and almost no seasonal variation. Annual rainfall is between 130 cm and 200 cm (51–79 in). In the northern and southern plateaus there are wet and dry seasons, with temperatures slightly cooler in the latter and annual rainfall of 100–160 cm (39–63 in). The eastern highlands have temperatures averaging 18°C (64°F) and 24°C (75°F), depending on the season. Rainfall averages 120–180 cm (47–71 in).

[4]FLORA AND FAUNA

The flora and fauna of the DROC include some 95% of all the varieties found in Africa. Among the many species of trees are the red cedar, mahogany, oak, walnut, the silk-cotton tree, and various palms. Orchids, lilies, lobelias, and gladioli are some of the flowers found, along with shrubs and plants of the euphorbia and landolphia families. Larger species of mammals include the lion, elephant, buffalo, rhinoceros, zebra, leopard, cheetah, gorilla, chimpanzee, wild boar, giraffe, okapi, and wild hog. The baboon and many kinds of monkeys are common, as are the jackal, hyena, civet, porcupine, squirrel, rabbit, and rat. Hippopotamuses and crocodiles are found in the rivers. Large

snakes include the python, puff adder, and tree cobra. Lizards and chameleons are among the numerous small reptiles.

Birds are mainly of species common to much of Africa. They include the eagle, vulture, owl, goose, duck, parrot, whidah and other weaver birds, pigeon, sunbird, cuckoo, and swift, along with the crane, heron, stork, pelican, and cormorant. The rivers and lakes have many kinds of fish, among them catfish, tigerfish, and electric eels. Insects include various dragonflies, bees, wasps, beetles, mosquitoes, and the tsetse fly, as well as scorpions, spiders, centipedes, ants, and termites.

[5]ENVIRONMENT

Deforestation is caused by farming activity and the nation's dependency on wood for fuel. By 1985, 3,701 sq km (1,429 sq mi) of forestland had been lost. The DROC has nine national parks. As of 2000, there were five Natural World Heritage Sites and three biosphere reserves, and 4.3% of the DROC's total land area was protected. The main environmental problem is poor water and sanitation systems, which result in the spread of insect- and rodent-borne diseases. The water is polluted by untreated sewage, industrial chemicals and mining by-products. The nation has 935 cu km of renewable water resources with 23% used for farming activities and 16% used for industrial purposes. Roughly 89% of city dwellers and 26% of the people living in rural areas have pure drinking water. In 2000, 38 of the DROC's mammal species and 26 of its bird species were endangered as well as 69 species of plants. Endangered or extinct species in the DROC include the Marunga sunbird and the northern white and northern square-lipped rhinoceros.

[6]POPULATION

The population of the Democratic Republic of the Congo, was estimated by the United Nations at 55,042,000 in 2003, which placed it as number 23 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 48% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.88%, with the projected population for the year 2015 at 74,160,000. The population density in 2002 was 24 per sq km (61 per sq mi).

It was estimated by the Population Reference Bureau that 30% of the population lived in urban areas in 2001. The capital city, Kinshasa, had a population of 4,885,000 in that year. Almost one third of the population lives in or around Kinshasa, in the lower Congo area. Other large cities are Lubumbashi, Mbuji-Mayi; Kolwezi; Kananga; and Kisangani. According to the United Nations, the urban population growth rate for 2000–2005 was 4.5%.

The DROC's population was significantly affected by warfare in the 1990s and early 2000s. The eastern portion of the country has seen more than one million refugees from neighboring nations. Also, many Congolese have been displaced or fled the country due to internal violence.

[7]MIGRATION

Political tensions and crises in neighboring African countries have resulted in large-scale migration to the DROC. Many refugees were resettled in the former Zaire through the aid of outside governments, private relief organizations, the UN, and UN-related agencies.

After a general amnesty for refugees and political exiles in 1978, some 200,000 Zairians were repatriated from Angola, Zambia, Sudan, Tanzania, and Europe. There were 60,200 officially registered Zairians living in neighboring countries at the end of 1992, including 25,800 in Burundi, 16,000 in Tanzania, 15,600 in Uganda, and 2,300 in Sudan.

By early 1997, over 800,000 Rwandan Hutu refugees had returned to Rwanda from the DROC due to the armed rebellion in the DROC. There were still 250,000 Rwandan Hutus unaccounted for in the DROC at the beginning of 1997. The DROC harbored 400,000 refugees from Burundi, 160,000 Angolans, 110,000 Sudanese, and 18,500 Ugandans as of May 1997. In 1998, more than 285,000 Angolans, Sudanese, Congolese, Ugandans, Rwandans, and Burundi remained in the DROC. Following the signature of an agreement between the DROC, ROC, and UNHCR in April 1999, some 36,000 Congolese were repatriated to Brazzaville. However, instability in Angola made similar repatriation for Angolans unlikely in the immediate future. Repatriation plans for Sudanese, Rwandan, Burundi, and remaining Congolese refugees were under investigation in 1999.

As a result of internal conflict that started in August 1998, more than 700,000 people were internally displaced. Some 95,000 sought asylum in Tanzania, and 25,000 fled to Zambia.

The net migration rate in 2000 was -7.1 migrants per 1,000 population, or a loss of 340,000 people. In that year the total number of migrants living in the DROC was 739,000, of which 332,500 were refugees. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

There are over 200 African ethnic groups, of which the majority are Bantu. Bantu-speaking peoples form about 80% of the population. Most of the rest are Sudanic-speaking groups in the north and northeast. In the cuvette are found about 80,000–100,000 Pygmies. Among the Bantu-speaking peoples, the major groups are the Kongo, or Bakongo, in Lower Zaire; the Luba, or Baluba, in East Kasai and Shaba; the Mongo and related groups in the cuvette area; and the Lunda and Chokwe in Bandundu and West Kasai; the Bemba and Hemba in Shaba; and the Kwango and Kasai in Bandundu. The four largest tribes—Mongo, Luba, Kongo (all Bantu), and the Mangbetu-Azande (Hamitic)—make up about 45% of the total population. Non-Africans include Belgians, Greeks, Lebanese, and Asian Indians.

[9]LANGUAGES

As many as 700 languages and dialects are spoken in the DROC. Serving as regional linguae francae are four African languages: Lingala is used in the north from Kisangani to Kinshasa, as well as in the armed forces, and is being deliberately promoted by the present administration; Swahili, in the Kingwana dialect, is used in the east; Kikongo in Lower Zaire; and Tshiluba in the south-central area. In addition, Lomongo is widely spoken in the cuvette. French is the official language and is widely used in government and commerce.

[10]RELIGIONS

Roman Catholic and Protestant missions have long been active in the country, with current figures showing that about 55% of the population are Roman Catholic and about 25% are Protestant. Until 1990, only three Christian churches were officially recognized denominations: the Roman Catholic Church; the Church of Christ; and the charismatic Kimbanguist Church, which claims to be the largest independent African church on the continent. Kimbanguists constituted about 10% of the population in 1998. Currently, there are other minority protestant groups, including Jehovah's Witnesses and the Church of Jesus Christ of Latter-Day Saints. There is a Muslim minority in the northeast, accounting for about 3%. Others adhere to syncretic sects and traditional African beliefs.

During the 1970s, the regime of President Mobutu moved to curb the influence of the Roman Catholic Church. All church-affiliated schools and voluntary associations were either disbanded or taken over by the state. The power of the church

was further eroded in 1974 with the cancellation of religious holidays, and as of January 1975, religious instruction in primary and secondary schools was abolished. As of the mid-1980s, however, the Roman Catholic Church, along with the smaller churches, remained independent of government apparatus. In 2002, the country did not have a constitution in effect, however, the government has generally provided for religious freedom through the Regulation of Nonprofit Associations and Public Utility Institutions statute.

11 TRANSPORTATION

Inland waterways—rivers and lakes—are the main channels of transportation. No single railroad runs the full length of the country, and paved highways are few and short. Lack of adequate transportation is a major problem affecting the development of the DROC's vast area. While the rivers, particularly the Congo and its tributaries, are mostly navigable, they are blocked at various points from through navigation by cataracts and waterfalls, making it necessary to move goods by rail or road between the navigable sections. Principal river ports are Kinshasa, Ilebo, Mbandaka, Kisangani, Kalemie, Ubundu, and Kindu. A total of 15,000 km (9,321 mi) of river and lake waterways are in service. The chief seaport and only deepwater port is Matadi on the Congo River, 148 km (92 mi) from the Atlantic Ocean. Other seaports include Boma and Banana, also on the Congo below Matadi. The Zaire Maritime Company is the national shipping line.

In 2002, there were about 157,000 km (97,560 mi) of roads, but most of this was mere track. One of the major routes was from Kinshasa to Lubumbashi. The road network is in a state of deterioration. Motor vehicles in 2000 included 172,900 passenger cars and 41,600 commercial vehicles.

There were 5,138 km (3,192 mi) of railway in 2002. Among the most important internal links are Lubumbashi-Ilebo, Kingala-Kindu, Ubundu- Kisangani, and Kinshasa-Matadi. In the early 1980s, the Kinshasa-Matadi line was extended by a Japanese company. A road and rail bridge across the Congo River at Matadi was completed in 1983. The southeastern network connects with the Angolan and Zambian railroad systems. In 1974, all railroads were consolidated under a single state-controlled corporation, SNCZ.

Air transport has become an important factor in the country's economy. The DROC has five international airports—N'Djili (Kinshasa), Luano (Lubumbashi), and airports at Bukavu, Goma, and Kisangani—which can accommodate long-distance jet aircraft. Altogether, were are 232 airports, airfields, and landing strips in 2001, 24 with paved runways. The national airline, Air Zaïre, was organized in 1961 and has flights to European and African cities, as well as within the country. Zaïre Aéro Service and Scibe Airlift Cargo Zaire also offer domestic and international flights. In 1997, 262,000 passengers were carried on scheduled domestic and international airline flights.

12 HISTORY

The earliest inhabitants of the area now called the DROC are believed to have been Pygmy tribes who lived by hunting and gathering food and using stone tools. Bantu-speaking peoples entered from the west by 150 AD, while non-Bantu-speakers penetrated the area from the north. These peoples brought with them agriculture and developed iron tools. In 1482, the Portuguese navigator Diego Cão visited the mouth of the Congo River, marking the first known European contact with the region, but this did not lead to penetration of the interior. The Portuguese confined their relations to the Kongo kingdom, which ruled the area near the mouth of the Congo River as well as what is now the coast of northern Angola. A lucrative slave trade developed.

In the 16th century, the powerful Luba state developed in what is now Katanga Province; soon afterward, a Lunda state was established in what is now south-central DROC. In 1789, a Portuguese explorer, José Lacerdu e Almeida, explored in a cuvette and penetrated as far as Katanga, where he learned of the rich copper mines. A thriving Arab trade in slaves and ivory reached the Luba country from the east in the late 1850s or early 1860s.

The Scottish explorer David Livingstone reached the upper course of the Congo in 1871, when his whereabouts became unknown, and Welsh-American explorer Henry M. Stanley, commissioned by a US newspaper, located and rescued him (in modern Tanzania). In 1876–77, after the death of Livingstone, Stanley followed the river from the point that Livingstone had reached to its mouth. King Leopold II of Belgium commissioned Stanley to undertake further explorations and to make treaties with the tribal chiefs. In 1878, the monarch formed the International Association of the Congo, a development company, with himself as the chief stockholder. The Berlin Conference of 1884–85 recognized the Independent State of the Congo, set up by Leopold II under his personal rule, and its ultimate boundaries were established by treaties with other colonial powers.

International criticism and investigation of the treatment of the inhabitants, particularly on the rubber plantations, resulted in 1908 in the end of personal rule. The territory was transferred to Belgium as a colony called the Belgian Congo, and in that year a law known as the Colonial Charter set up its basic structure of government.

The rise of nationalism in the various African territories following World War II seemed to have bypassed the colony, which remained without self-government (except for a few large cities) until 1959. Then Congolese demanded independence and rioted, first in Léopoldville (now Kinshasa) and then in other parts of the colony. Following the first outbreaks, the Belgian government outlined a program for the gradual attainment of self-rule in the colony, but as the independence movement persisted and grew, Belgium agreed to grant the Congo its independence in mid-1960. It also promised to assist in the training of Congolese administrators, as well as to continue economic and other aid after independence.

Independence

The newly independent Republic of the Congo was inaugurated on 30 June 1960, with Joseph Kasavubu as its first head of state and Patrice Lumumba its first premier. It was immediately confronted by massive economic, political, and social problems. A week after independence the armed forces mutinied, and separatist movements and intertribal conflict threatened to split the country. Following the mutiny and the ousting of its European officers, the Congolese National Army became an undisciplined and uncertain force, with groups of soldiers supporting various political and military leaders.

A major blow to the new republic was the secession of mineral-rich Katanga Province, announced on 11 July 1960 by Moïse Tshombe, head of the provincial government. The central government was hamstrung by the loss of revenues from its richest province and by the departure of Belgian civil servants, doctors, teachers, and technicians. After some assaults on Belgian nationals, Belgium sent paratroopers into the Congo, which appealed to the UN for help. Faced with the threatened collapse of a new nation, the UN responded with what grew into a program of massive assistance—financial, military, administrative, and technical. It established the UN Operation for the Congo (UNOC), sent in a UN military force (made up of contingents volunteered by nonmajor powers), and furnished considerable numbers of experts in administration, teachers, doctors, and other skilled personnel.

In September 1960, Kasavubu dismissed Lumumba as premier, and Lumumba announced that he had dismissed Kasavubu as head of state. The parliament subsequently rescinded both

dismissals. Kasavubu then dismissed the parliament and with Col. Joseph-Désiré Mobutu, the army's newly appointed chief of staff, succeeded in taking Lumumba prisoner. UN troops did not interfere. As demands for Lumumba's release mounted, Lumumba was secretly handed over to the Katanga authorities, who had him put to death early in 1961. Shortly afterward, the UN Security Council for the first time authorized UN forces in the Congo to use force if necessary, as a "last resort," to prevent civil war from occurring.

In September 1961, after Katanga forces fired on UN troops seeking to secure the removal of foreign mercenaries, UN Secretary-General Dag Hammarskjöld flew to the Congo, where he boarded a plane for Northern Rhodesia (now Zambia) to meet with Tshombe. The plane crashed, killing him and all others on board. In December 1962, Katanga forces in Elisabethville (now Lubumbashi) opened sustained fire on UN troops. The UN troops then began broad-scale military operations to disarm the Katanga forces throughout the province. As they neared the completion of their task, Tshombe capitulated, and the secession of Katanga was ended on 14 January 1963.

Almost immediately, a new insurrection, in the form of a series of rebellions, broke out. The rebels at one point exercised de facto control over more than half the country. As UN troops were withdrawn on 30 June 1964, the self-exiled Tshombe was recalled and offered the position of prime minister, largely at US and Belgian instigation. Tshombe promptly recruited several hundred white mercenaries to spearhead the demoralized national army. Rebel-held Stanleyville (now Kisangani) was recaptured in November 1964, when a US-airlifted contingent of Belgian paratroopers disarmed the insurgents. Widespread government reprisals against the population followed. By then, the rebellion had been contained.

Tshombe's attempt to establish a nationwide political base was successful in parliamentary elections held in early 1965, but on 13 October 1965 he was removed from office by Kasavubu, who attempted to replace him with Evariste Kimba, also from Katanga. When Kimba was not endorsed by the parliament, Gen. Joseph Desiré Mobutu, commander-in-chief of the Congolese National Army, seized power in a coup d'état on 24 November 1965 and assumed the presidency.

A new constitution adopted in June 1967 instituted a centralized presidential form of government, coupled with the creation of a new political movement, the Popular Movement of the Revolution (Mouvement Populaire de la Révolution—MPR). Tshombe's hopes for a comeback were dashed when he was kidnapped in June 1967 and imprisoned in Algeria, where he died two years later. His supporters, led by French and Belgian mercenaries, mutinied again in July 1967 but were finally defeated in November, in part because of logistical support of Mobutu extended by the US government. Other sources of opposition were summarily dealt with in 1968 with the disbanding of independent labor and student organizations.

Mobutu officially transformed Congo into a one-party state in 1970, and in 1971, changed the name of the country, river, and currency to Zaire. (This name, an inaccurate rendition of the Kikongo word for "river," had been given by 16th-century Portuguese navigators to the river that later came to be known as the Congo.) This turned out to be the first step in a campaign of national "authenticity," which led not only to the Africanization of all European toponyms (a process that had already been applied to major cities in 1966) but also to the banning of Christian names (Mobutu himself changed his name to Mobutu Sese Seko).

Mobutu was elected without opposition to a new seven-year term as president in 1977, but he continued to face opposition, both external and internal. Former Katangan gendarmes, who had earlier fled to Angola, invaded (then) Shaba Province on 8 March 1977. Mobutu, charging that Cuba and the former USSR were behind the invasion, enlisted the aid of 1,500 Moroccan troops. The incursion was quelled by late May. In May 1978, however, the rebels again invaded Shaba and occupied Kolwezi, a key mining center. French paratroopers retook Kolwezi on 19 May and were later joined by Belgian troops, but several hundred foreigners and Zairians were killed during the eight-day rebel occupation. Troops from Morocco, Gabon, and Senegal replaced the French and Belgians in June; Zairian troops later reoccupied the region.

In 1981, Premier Nguza Karl-I-Bond resigned and became spokesman for an opposition group based in Belgium; however, he returned to Zaire in 1985 and was appointed ambassador to the United States in 1986. In June 1982, 13 former parliament members were jailed allegedly for trying to organize an opposition party. They were released in 1983, as part of an announced amnesty for political detainees and exiles, but six of the 13 were sent into internal exile in 1986.

In 1982, Mobutu resumed diplomatic ties with Israel, which had been broken in 1974; five Arab nations quickly cut ties with Zaire, and $350 million in promised Arab aid to Zaire was blocked. In 1983, Zaire sent 2,700 troops to Chad to aid the government against Libyan-backed rebels; they were withdrawn in 1984. Mobutu was reelected "unopposed" to a new seven-year presidential term in July 1984. In 1986 and 1987 there were reports that the United States was using an airbase in Zaire to supply weapons to the antigovernment guerrillas in neighboring Angola; Mobutu denied these charges and affirmed his support of the Angolan government.

For his support of western positions through the Cold War, Mobutu was handsomely rewarded. Western aid and investment and state seizures of private property made some individuals extraordinarily wealthy. Mobutu allegedly became the wealthiest person in Africa, with a fortune estimated at $7 billion, mostly in Swiss bank accounts. However, widely publicized human rights violations in the late 1980s put Mobutu on the defensive. He lobbied the US Congress vigorously, conducted public relations campaigns in Europe and North America and, until the collapse of his authority in the 1990s, managed to gain support from abroad. French and Belgian troops intervened in the Kinshasa unrest of 1990.

To stave off criticism, Mobutu promised to create a multiparty Third Republic. But, in fact, he raised the level of repression. He originally hoped to create two new parties, both of which reflected his own political philosophy and were to join with his own MPR. Those opposed to Mobutu rejected this scheme. But the opposition was divided into a score of parties. With the army in disarray and disorder growing, Mobutu was forced to call a National Conference of some 2,800 delegates in September 1991 to draft a new constitution. Some 130 opposition parties joined together as the Sacred Union. Mobutu on several occasions suspended the Conference, but it continued to meet. It often failed to arrive at a consensus. When it did, Mobutu thwarted its decisions. Neither side was in a hurry to finish the Conference and get on with political reforms because the Conference allowed Mobutu to delay real political competition, while conferees received a handsome per diem for their attendance.

Mounting impatience for reforms unleashed widespread looting in Kinshasa in September 1991 and again the following year, which the Congolese remember as *les piages*. Mobutu himself abandoned his presidential palace for the security of his yacht on the Congo River. On 16 February 1992, the Catholic Church organized a massive demonstration to reopen the National Conference. Thousands of marchers from all backgrounds converged on the stadium Tata Rafael. Police and soldiers opened fire on the marchers before they could reach their destination, killing hundreds.

LOCATION: 5°28′ N to 13°27′ S; 12°12′ to 31°18′ E. BOUNDARY LENGTHS: Central African Republic, 1,577 kilometers (980 miles); Sudan, 628 kilometers (390 miles); Uganda, 765 kilometers (475 miles); Rwanda, 217 kilometers (135 miles); Burundi, 233 kilometers (145 miles); Zambia; 1,930 kilometers (1,206 miles); Angola, 2,511 kilometers (1,565 miles); Atlantic coastline, 37 kilometers (23 miles); Republic of the Congo, 2,410 kilometers (1,486 miles); Tanzania, 459 kilometers (285 miles). TERRITORIAL SEA LIMIT: 12 miles.

In November 1991, Mobutu split the Sacred Union by naming Nguza Karl-I-Bond of the Union of Federalists and Independent Republicans (UFERI) as prime minister. Nguza closed the National Conference in February 1992. Pressure from inside and from western aid donors forced Mobutu to allow the Conference to resume in April. It sought to draft a new constitution and threatened to rename Zaire "Congo." On 14 August 1992, the Sacred Union got the Conference to elect Etienne Tshisekedi of the Union for Democracy and Social Progress (UDPS) as prime minister of a transitional government. Mobutu, who countered by forming a new government under his control and dismissing Tshisekedi in December 1992, controlled the army, the central bank, and the police. Continuing the struggle for control of the state, the Conference drafted a constitution and set a referendum date for April 1993, but it was never held. In March, Mobutu called a conclave of political leaders and named Faustin Birindwa as prime minister. The High Council of the Republic, the interim legislature, continued to recognize Tshisekedi, as did Zaire's

principal economic partners abroad. Mobutu was able to incite ethnic violence through "ethnic cleansing policies," thereby dividing his opponents and then using his armed forces to quell the violence.

Two parallel governments attempted to rule Zaire. One controlled the country's wealth and the media; the other had a popular following and professed support from western governments. In September 1993, there was a minor breakthrough. Thanks to UN mediation, the rival powers agreed on a draft constitution for the Third Republic. The two legislatures were to combine into a single, 700-person assembly. New presidential and parliamentary elections were promised. However in January 1994, Mobutu dissolved both governments and a joint sitting of the two legislatures, (the HCR-Parliament of Transition). It met on 19 January and appointed the Roman Catholic archbishop of Kisangani as its president. Tshisekedi organized a successful, one-day strike in Kinshasa.

In 1993, Mobutu's Bank of Zaire introduced new currency on three occasions, but it soon became worthless. Merchants would not accept it and riots broke out when soldiers could not spend their pay. French and Belgian troops were deployed in Kinshasa to help restore order as foreigners fled. Public employees also went on strike because of the economic conditions. Anarchy, corruption, uncontrolled violence and poverty prevailed. Government authority dissolved, leaving the country to pillaging soldiers and roaming gangs. The situation led one journalist to call it "a stateless country." Shaba (Katanga) province declared its autonomy. AIDS was rife. The struggle of two rival claimants to power continued with neither able to mount much overt support.

Due, at least in part, to this chaotic domestic situation, a new outbreak of the Ebola virus was reported in May 1995. Ebola, a virulent disease for which there are no known treatments and which may kill as many as 90% of those infected by it, was responsible for approximately 250 deaths in this outbreak that occurred in Kitwit, a city of about 600,000, 402 km (250 mi) southeast of the capital. Hospitals lacked basic supplies, such as sterile dressings, gowns, and gloves. Many of those who died were medical professionals who had treated the first Ebola patients brought into medical facilities.

Meanwhile the nation was experiencing other problems on its eastern border. Civil war in neighboring Rwanda throughout 1994 and 1995 had forced over one million people to flee into North and South Kivu provinces where refugees settled into densely populated camps. These refugees, mostly Rwandan Hutus—many of whom had participated in the genocide against Rwandan Tutsis—quickly became a great strain on the region's scarce resources and in August 1995 the government stepped up efforts to repatriate them to Rwanda. Within a month, over 75,000 refugees had been expelled. However, the expulsion proved counterproductive. Many of the refugees were afraid of being imprisoned or killed by the Tutsi-led government of Rwanda. Some refugees fled into the countryside to avoid being deported while others returned across the border only hours after being expelled. Discussions involving several nations from the region, chaired by Jimmy Carter, sought to resolve the problem.

In October 1996, increasing insecurity, the high cost of living, and the destruction of the fauna and flora, led the government of South Kivu province to initiate a series of repressive measures. These reprisals were directed against Rwandan Hutu refugees and against a group of ethnic Rwandans Tutsis, who claimed their ancestors had settled in Zaire more than a century before. This action prompted a rebellion by the Rwandans. By early November the provincial government had been overthrown; the major cities of the province had come under rebel control; and hundreds of thousands of Rwandan refugees were repatriated into Rwanda, attempting to flee the fighting.

At this point the rebellion took a strange turn as Laurent-Desiré Kabila took control. Kabila had originally fought with Lumumba for independence but had been in recent years living as a local warlord in the South Kivu province. Kabila's presence as the leader of the rebellion shifted its focus from protecting ethnic Rwandans to conducting a rebellion against the Mobutu government. Kabila obtained the backing of President Museveni of Uganda, and Paul Kagame, the leader of the Rwandan Patriotic Front.

During the first few months of the rebellion, President Mobutu had been abroad to seek treatment for his prostate cancer. In Mid-December, Mobutu returned, appointed a new defense minister, and reshuffled the army command. He also hired Serbian Mercenaries and Hutu Rwandans to strengthen his army. In January 1997, the army launched a disastrous counteroffensive against the rebels. By February 1997, the rebels controlled nearly all of the Eastern provinces and were threatening to overtake the country. South African-brokered peace talks failed to bring about a cease-fire. The rebels soon took Kisangani, the nation's third-largest city without a fight in March. Any serious opposition to the rebels completely crumbled in the wake of their onslaught. In April, while the UN attempted to negotiate a meeting between Mobutu and Kabila (with Mobutu refusing) the rebels seized Lubumbashi, the second-largest city, and also took control of the diamond-rich province of Kasai.

As rebels closed in on the capital in May, Nelson Mandela hosted talks between Kabila and Mobutu aboard a South African ship. Mobutu agreed to stand-down the army forces in Kinshasa but refused to agree on conditions for his departure. However, as rebel forces drew ever closer, Mobutu realized that his hopes of retaining any of his former power were misplaced, and he fled first to his hometown in the northern part of the country and then abroad. Kabila's forces entered the capital to a hero's welcome. Kabila announced that the country would return to using the name it had been known as from 1960 to 1970, the Democratic Republic of the Congo.

While most citizens were glad to be rid of the brutal and corrupt government of Mobutu, and most Western nations were glad to be rid of an embarrassing remnant of the cold war, Kabila soon proved to be an ambiguous hero. Most of Kabila's top associates were Tutsis in 1997 and were implicated in alleged massacres of Rwandan Hutu refugees in the Eastern Provinces, which they had controlled since November 1996.

By August 1998, a full-fledged war, which eventually involved nine African countries, erupted. It began with a disagreement between Kabila and his Rwandan and Ugandan allies over their future participation in the Congolese state, which soon led to Rwandan and Ugandan attacks on the eastern towns of Goma, Bukavu, and Uvira. With SADC members Angola, Namibia, and Zimbabwe supplying troops and materials to Congo, and Chad and Sudan also backing Kabila, US Assistant Secretary of State for Africa, Susan Rice, dubbed the conflict, "Africa's first world war."

Initially, a Congolese faction called the Rassemblement Congolais pour la Démocratie (RCD), which included former Mobutu supporters and Kabila dissidents, claimed popular support against the Kabila government to establish democracy in the DROC. This group never achieved wide popularity and some analysts believe it was principally a Rwandan creation to overthrow Kabila by proxy. In April-May 1999, the RCD split into two factions with Ilunga claiming that Wamba dia Wamba no longer controlled significant forces. Shooting also broke out between sides of allied Ugandan and Rwandan forces in Kisangani leaving several dead. A third rebel group, the MLC of Jean-Pierre Bemba, controlled parts of Equateur Province and Province Orientale. The UN estimates that some 6,000 people died by the end of the first year of the Congo conflict, many of

them civilians. The financial cost to Zimbabwe alone was estimated at $3 million per day.

In July 1999, all sides signed the Lusaka peace accords, and eventually the UN agreed to send some 5,000 peacekeepers under the MONUC mission to DROC to monitor the implementation of the accord. However, with more than half the national territory under rebel control, and with Kabila refusing to cooperate with the UN negotiator, a political and military stalemate ensued. The country fell further into economic chaos due to gross mismanagement of monetary and fiscal policy. On 16 January 2001, a presidential guard shot and killed Laurent Kabila. Kabila was succeeded by his son, Joseph, who was confirmed unanimously by his father's appointed parliament to be the new head of state on 27 January 2001. In mid-January 2003 the assassination trial was concluded, and despite questionable evidence, 29 people were found guilty and condemned to death.

In August 2002, Joseph Kabila succeeded in concluding a peace deal with Rwanda, and with Uganda in September 2002 and in March 2003. By April 2003, most but not all foreign troops had withdrawn, and Kabila had extracted commitments from his neighbors to respect pre-1997 Congolese borders.

Given his youth and inexperience, few observers thought Joseph Kabila could have orchestrated the power-sharing agreement signed in Pretoria on 17 December 2002 between his government, the Mouvement pour la Libération du Congo (MLC), the Rassemblement Congolais pour la Démocratie (RCD-Goma), the unarmed opposition and civil society. The agreement permitted Kabila to remain President of the Republic until elections were held, a condition on which he insisted throughout the Inter-Congolese Dialog (ICD) talks. However, despite the Pretoria agreement and the presence of several dozen French peacekeeping troops, fierce fighting has continued between the Hema and Lendu tribes over control of Bunia, a town in the northeast. France was expected to add to its troops strength, leading an eventual force of 1,400 troops under a United Nations and European Union mandate.

Fighting also continued into mid-June 2003 in other parts of the country. In early 2003, the MLC rebel faction was accused of mass murder, cannibalism, rape, and other human rights abuses committed against pygmies in Ituri located in the northeast. Fighting, raping, looting, and theft also were reported into June 2003 in towns and villages in the eastern Kivu provinces. Despite having signed a peace agreement in Sun City, South Africa in April 2003, the Rwandan-backed RCD-Goma captured the town of Lubero in June 2003.

13 GOVERNMENT

A basic law (*loi fondamentale*) was adopted in early 1960, before independence, pending the adoption of a permanent constitution by a constituent assembly. It provided for a division of executive powers between the head of state (president) and the head of government (premier). The premier and a cabinet known as the Council of Ministers were both responsible to the bicameral legislature on all matters of policy. This document was replaced by a constitution adopted in 1964 and modeled closely on the 1958 constitution of the French Fifth Republic. Under its terms, the president determined and directed the policy of the state and had the power to appoint and dismiss the prime minister. The powers of the parliament were sharply reduced. After his takeover in November 1965, Gen. Mobutu initially adhered to the 1964 constitution, but in October 1966 he combined the office of prime minister with the presidency. In June 1967, a new constitution was promulgated. It provided for a highly centralized form of presidential government and virtually eliminated the autonomy that provincial authorities had previously exercised.

The constitution was further amended on 23 December 1970 when the MPR was proclaimed the sole party of the republic. MPR primacy over all other national institutions, which resulted from the 1970 establishment of a single-party system, was affirmed in constitutions promulgated in 1974 and 1978. Instead of directly electing the president of the republic, voters confirmed the choice made by the MPR for its chairman, who automatically became the head of state and head of the government. The president's leading role in national affairs was further institutionalized by constitutional provisions that made him the formal head of the Political Bureau, of the Party Congress, and of the National Executive and National Legislative councils.

Organs of the MPR included the 80-member Central Committee, created in 1980 as the policy-making center for both party and government; the 16-member Political Bureau; the Party Congress, which was supposed to meet every five years; the National Executive Council (or cabinet); and the National Legislative Council, a unicameral body with 310 members. The Legislative Council was elected by universal suffrage from MPR-approved candidates. In practice, however, most government functions were directly controlled by President Mobutu through his personal entourage and through numerous aides and advisers. The constitution was amended in April 1990 to permit the formation of alternative parties.

In 1990, Mobutu was challenged by a rival government, and he was unable to secure compliance with his decrees. In September 1993, the transitional Tshisekedi government elected by the National Conference in August 1992 and the Mobutu forces agreed on a draft constitution for the Third Republic and on an electoral process leading to a popular government in 1995. However, on 14 January 1994, Mobutu dismissed both governments and rival parliaments, a move that had little effect on the nation. Zaire had (as it had since 1992) two ineffectual governments, neither of which was capable of carrying out policy.

A rival legislature, the 435-member High Council of the Republic (HCR) was established by the National Conference in December 1992, and a government set up by the HCR and headed by Prime Minister Tshisekedi claimed to rule. Yet the army evicted his officers from government facilities. Mobutu repeatedly tried to remove Tshisekedi from office, but Tshisekedi refused to recognize Mobutu's authority to do so. Mobutu had de facto control of the administration but it was unable to act effectively. As a result of this stalemate, the government virtually collapsed.

With the overthrow of the Mobutu in 1997, much uncertainty prevailed concerning the structure and organization of the new government. Zaire was renamed the Democratic Republic of the Congo, and the names of some provinces were changed. Bas-Zaire became Bas-Congo; Haut-Zaire became Province Orientale; Shaba assumed its former name, Katanga; and the two Kivus and Maniema were grouped together as one Kivu. In September 1997, Laurent Kabila had named several associates to the ministries, and others to governor posts. In November 1998, he approved a draft constitution, but it was not ratified by a national referendum; one outcome of the ongoing inter-Congolese dialogue is to be a new constitution.

On 29 May 2003, a transitional government led by Joseph Kabila was to have been inaugurated with 35 cabinet positions and four vice presidents, each representing one of the signatories to the Pretoria agreement—the government, the unarmed opposition, the MLC and the RCD. The establishment of the unity government was delayed indefinitely by RCD-Goma, which objected to the composition of the national army. National elections were due to take place two years following the launch of the unity government.

The December 2002 Pretoria agreement also called for the establishment of a transition Parliament comprising a 500-member National Assembly and a 120-member Senate with

deputies appointed by their respective parties. Other transition bodies include an electoral commission, a media-regulator, a truth and reconciliation commission, a national human rights watchdog, and an anti-corruption commission.

[14]POLITICAL PARTIES

Political activity was sharply restricted during the colonial period, but several dozen political parties had sprung into existence by early 1960, most of them small and based on local or ethnic organizations. Only the National Congolese Movement (Mouvement National Congolais—MNC) led by Patrice Lumumba entered the May 1960 elections and emerged with an effective national organization. Although the MNC captured only 30% of the popular vote, it formed alliances with two regional parties and controlled 64 of the 137 seats in the House of Representatives.

The national government subsequently organized in June 1960, however, won the backing of a much broader (although less cohesive) coalition which included, among others, Joseph Kasavubu's Bakongo Alliance (Alliance des Bakongo—ABAKO), the largest of the ethnic parties. Kasavubu became the country's head of state and in September 1960 ousted Lumumba. After Tshombe's accession to the post of prime minister in 1964, national and provincial elections were scheduled. In a rather belated effort to organize national support for his policies, Tshombe persuaded some 40-odd local formations to go to the polls under the hastily improvised label of the National Congolese Convention (Convention Nationale Congolaise—CONACO). The elections, held in March–April 1965, gave CONACO 106 of the 166 seats in the lower house of the legislature. Kasavubu's subsequent dismissal of Tshombe in October 1965 and the failure of his handpicked successor, Evariste Kimba, to secure majority support in the CONACO-controlled lower house led to a complete stalemate, which was finally resolved only by Mobutu's seizure of power on 25 November 1965.

The new regime initially suspended all political parties, but in April 1967, Mobutu created the Popular Movement of the Revolution (Mouvement Populaire de la Révolution—MPR) in order to develop a political base for his regime. The constitution promulgated in June 1967 provided for the existence of "no more than two" political parties. However, all attempts to organize an opposition party to the MPR were summarily repressed, and the facade of bipartisanship was officially abandoned on 23 December 1970 when a constitutional amendment formally transformed the country into a single-party state. The chairman of the MPR held the office of head of state and head of the government after approval by the voters. Party and state were effectively one, and every citizen was automatically a member of the MPR. Of the four exiled opposition groups headquartered in Brussels, the Union for Democracy and Social Progress (Union pour la Démocratie et du Progrès Social—UDPS) appeared to be the most significant.

The constitution was amended to permit party activity in April 1990. By the time the National Conference was called in September 1991, more than 200 parties had emerged. Half of them belonged to the *mouvence présidentielle* but had no popular basis. The most important opposition parties formed a coalition known as the Sacred Union. These included the UDPS, the Union of Federalists and Independent Republicans (UFERI), the Unified Lumumbist Party (PALU) of Antoine Gizenga, and the Social Democratic Christian Party (PDSC). UFERI was later pried away from the Sacred Union by Mobutu's offer of the prime ministership to UFERI's Nguza Karl-I-Bond in November 1991.

In 1997, President Kabila outlawed all political parties and party activities until at least 1999 when elections were promised. However, party leaders such as Zahidi Ngoma (Les Forces du Future), and Olenghakoy (FONUS), who were previously jailed, did participate in the Clergy-sponsored "Consultation Nationale" to discuss national issues. In April 2000, Tshisikedi of the UDPS traveled to the United States and Europe, signaling perhaps a thawing in the provisional ban on party activities. In 2003, prospects for political parties in the DROC were unsettled, at least until elections could be organized in 2005 according to provisions of the Pretoria agreement.

[15]LOCAL GOVERNMENT

Since independence, the number of provinces has varied from six to 21, with an autonomous capital district at Kinshasa (formerly Léopoldville). In 1966, the number of provinces was cut back to 12, later to 8, and then to 10. At the same time, provincial autonomy, considerable in the republic's early years, was virtually eliminated following the adoption of a new constitution in 1967. The regions then were Bas-Zaire, Bandundu, Equateur, Haut-Zaire, Nord-Kivu, Shaba (formerly Katanga), Kasai-Oriental, Maniema and Sud-Kivu, and Kasai-Occidental. They were administered directly by regional commissioners. The regions were divided into 37 subregions (the former districts), of which 13 are major towns and their environs. These were further subdivided into 134 zones. Urban zones contained localities, while rural zones contained collectivities (chiefdoms), which in turn contained rural localities (groups of villages). Kinshasa, although autonomous, was organized like a region with subregions and zones (see Government Section).

Local administration was for years virtually coterminous with the local branch of the MPR. Regional, subregional, and zone commissioners are appointed by the central government and may not be natives of the units they head. There are rural and urban councils. Urban councils were elected in 1977 and 1982; rural councils were elected in 1982. But the current breakdown of government leaves the operation of local government in doubt.

In April 1999, Kabila launched the CPP (Comité de pouvoir populaire), whose main purpose was to report to the authorities the needs of the population. CPP offices were located in each commune, and each neighborhood had its own representative. To some degree, their responsibilities overlapped with the existing local government. However, CPP more easily obtained funds to implement local projects, such as street lighting, sanitation, schools, and transportation. One example was the City Train, a tractor-trailer cab pulling a passenger wagon. Conventional local government administration was handicapped without a source of funding.

[16]JUDICIAL SYSTEM

The legal system is based on both Belgian and tribal law. The courts include courts of first instance, appellate courts, a Supreme Court and the Court of State Security. Many disputes are adjudicated at the local level by administrative officials or traditional authorities. Although 1977 amendments to the constitution and the new constitution proposed in 1992 guarantee an independent judiciary, in practice the president and the government have been able to influence court decisions.

The constitution guarantees defendants the right to counsel and a public trial. Appellate review is afforded in all cases except those involving national security and serious crimes adjudicated by the Court of State Security. Since August 1998, and because of the war, the president appealed for a provisional court (la Cour d'Ordre Militaire). The judges are soldiers who apply the law vigorously, and sometimes the rights of the defendants are totally ignored.

[17]ARMED FORCES

In 2002 armed forces numbered approximately 81,400 with the army consisting of around 79,000 personnel. The navy numbered approximately 900 and there were around 1,500 members of the air force. Paramilitary forces operated at both the national and

provincial levels and included a rapid intervention police force. Opposition forces numbered around 41,000 members splintered into several factions. Foreign forces in DROC are present to support both the government and the opposition. In 1998 the DROC spent $364 million on defense, or 6.6% of GDP.

[18]INTERNATIONAL COOPERATION

The DROC was admitted to membership in the UN on 20 September 1960. It is a member of ECA and all the nonregional specialized agencies and is a member of the WTO and signatory of the Law of the Sea. The DROC is also a member of the African Development Bank, G-77, and the AU. It joined OCAM, the organization of Francophonic African states, in 1964, but withdrew in 1972. The DROC is a member of the International Council of Copper Exporting Countries. The DROC, Rwanda, and Burundi form the Economic Community of the Great Lakes Countries.

[19]ECONOMY

The DROC has a wealth of natural resources that should provide the foundation for a stable economy. However, in September 1991 mutinous military troops looted all major urban centers bringing the economy to a virtual standstill. A large government deficit, primarily to pay salaries for the military and civil servants, was financed by printing currency. Hyperinflation, rapid devaluation, and abandonment of the formal economy ensued. As a result of the accompanying widespread uncertainty and civil disorder, most businesses that were unable to leave the country adopted a defensive stance, minimizing their exposure in the DROC and waiting for an upturn in the economy. After the civil war began in August 1998, the government depreciated the franc four times to keep up with inflation. This did not help the economy, only serving to increase mistrust in the currency.

When operational, the DROC's economy is mixed. The state dominates the mining and utility sectors, but private industry is dominant elsewhere. Except for petroleum products, utilities, and parts of the transportation sector, market-determined prices are the norm, and many parastatal enterprises compete with private ones. Although the DROC possesses large amounts of unused agricultural land, its urban population is dependent on imported food due to the lack of a transportation network. Foreign exchange for food and other imports is generated primarily through export of diamonds, crude petroleum, and coffee.

The government under Joseph Kabila in 2001 implemented stabilization measures designed to break the spiral of hyperinflation and currency depreciation caused by the war. Growth of the GDP was expected to reach 6% in 2003, fueled by the mining, export agriculture, and forestry sectors. International donors supply the DROC with humanitarian aid, including the EU, World Bank, IMF, African Development Bank, and such bilateral donors as Belgium, Canada, and France. In 2003, a debt cancellation program under the Heavily Indebted Poor Countries program was to come into effect, with 80% of the DROC's external debt being written off.

Because the government only controlled the Western and Southwestern regions of the DROC in 2002, any estimates of the state of the economy applied only to those regions. The war caused an increase of government debt; reduced government revenue and economic output; increased corruption; caused a collapse of the banking system; and, because many industries and businesses could not operate, relegated much of the population to subsistence agriculture and barter. A UN report released in 2002 stated that over 85 multinational corporations, largely based in Europe, the US, and South Africa, had taken advantage of the instability caused by the war and violated ethical guidelines by dealing with criminal networks exploiting the DROC's natural resources, including gold, diamonds, cobalt, and copper. This activity must be seen against the backdrop of the plunder undertaken by the combatants themselves and other African nations involved in the fighting.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Congo's gross domestic product (GDP) was estimated at $32 billion. The per capita GDP was estimated at $590. The annual growth rate of GDP was estimated at -4%. The average inflation rate in 2001 was 358%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 54% of GDP, industry 9%, and services 37%. Foreign aid receipts amounted to about $5 per capita and accounted for approximately 5% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $57. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 30%.

[21]LABOR

Unemployment and underemployment have remained serious problems for the DROC. In 1998, there was an estimated labor force of 20,000,000; perhaps fewer than 20% were wage and salary workers. Agriculture employs 80% of the population, with the modern sector employing only about 400,000 persons.

The law provides for the right to unionize with the exception of magistrates and military personnel. The National Union of Congolese Workers (UNTC) was the largest federation of unions in 2002. There are almost 100 other registered unions as well. The right to strike is limited by restrictions, and the unions have difficulty protecting workers' rights due to the difficult economic situation. Labor leaders continue to be harassed by government officials.

The official workweek 48 hours in six days. The legal minimum employment age is 18 although many children work to help feed their families. Inflation is so high that a minimum wage is useless; it was last revised in 1990. All wages and salaries are extremely low, and most people cannot maintain a decent lifestyle.

[22]AGRICULTURE

The agricultural sector supports two-thirds of the population. Agricultural production has stagnated since independence. The principal crops are cassava, yams, plantains, rice, and maize. The country is not drought-prone but is handicapped by a poor internal transportation system, which impedes the development of an effective national urban food-supply system.

Land under annual or perennial crops constitutes only 3.5% of the total land area. Agriculture is divided into two basic sectors: subsistence, which employs the vast majority of the work force, and commercial, which is export-oriented and conducted on plantations.

Subsistence farming involves four million families on plots averaging 1.6 ha (four acres), usually a little larger in Savanna areas than in the rain forest. Subsistence farmers produce mainly manioc, corn, tubers, and sorghum. In 1999, food-crop production included manioc, 16,500,000 tons; sugarcane, 1,750,000 tons; corn, 1,100,000 tons; peanuts, 395,000 tons; and rice, 350,000 tons. In 1999, plantains totaled 1,800,000 tons; sweet potatoes, 370,000 tons; bananas, 315,000 tons; yams, 255,000 tons; and pineapples, 200,000 tons. Domestic food production is insufficient to meet the country's needs, and many basic food products have to be imported.

The production of cash crops was severely disrupted by the wave of civil disorder that engulfed the country between 1960 and 1967, and production fell again after many small foreign-owned plantations were nationalized in 1973–74. By the mid-1990s, the production of the DROC's principal cash crops (coffee, rubber, palm oil, cocoa, tea) was mostly back in private hands. Commercial farmers number some 300,000, with holdings between 12 and 250 ha (30 and 618 acres). Coffee is the DROC's third most important export (after copper and crude oil) and is the leading agricultural export. An estimated 46,000 tons were produced in 1999 (down from an average of 97,000 tons during 1989–91); 80% of production comes from the provinces of Haut Zaire, Equateur, and Kivu. Only 10% to 15% of production is arabica coffee, the vast majority being robusta; coffee exports are mostly sold to Italy, France, Belgium, and Switzerland. The collapse of the International Coffee Agreement in 1989 quickly led to a doubling of exports by the former Zaire, whereupon the surplus entering the world market drove down prices rapidly.

Rubber is the second most important export cash crop. The plantation crop has been slowly recovering from nationalization. Some plantations are now replanting for the first time in over 20 years. In 1999, production amounted to 18,000 tons. Palm oil production is concentrated in three large operations, two of them foreign-owned. Production in 1999 totaled 157,000 tons. Palm oil production remains profitable in the DROC due to a 100% tax on competing imported oil. The production of cotton engages about 250,000 farmers, who annually produce about 8,000 tons. Domestic production, however, is not sufficient for the country's textile manufacturers. Other cash crops produced in 1999 were 4,000 tons of tobacco, 3,000 tons of tea, and 7,000 tons of cocoa.

[23]ANIMAL HUSBANDRY

In 2001, domestic meat production was an estimated 214,000 tons, but only half of the meat demand is met domestically. The number of head of cattle in 2001 was estimated at 1,000,000, found in the higher eastern regions, above the range of the tsetse fly. ONDE, a state agency, manages large ranches, mainly in Shaba and West Kasai. The number of goats in 2001 was estimated at 4,067,000; hogs totaled 1,000,000; and sheep, 912,000.

[24]FISHING

Fish are the single most important source of animal protein in the DROC. Total production of marine, river, and lake fisheries in 2000 was estimated at 208,448 tons, all but 3,945 tons from inland waters. PEMARZA, a state agency, carries on marine fishing.

[25]FORESTRY

Forests cover 60% of the total land area. There are vast timber resources, and commercial development of the country's 61 million ha (150 million acres) of exploitable wooded area is only beginning. For a long time, the Mayumbe area of Lower Zaire was the major center of timber exploitation, but this area is in the process of total depletion. In recent years, the far more extensive forest regions of the central cuvette and of the Ubangi River Valley have increasingly been tapped. Roundwood removals were estimated at 68,663,000 cu m in 2000, about 95% for fuel. Some 14 species are presently being harvested. Exports of forest products in 2000 totaled $11.1 million. Foreign capital is necessary in order for forestry to expand, and the government recognizes that changes in tax structure and export procedures will be needed to facilitate economic growth.

[26]MINING

Mining was the country's leading industry in 2002, and diamonds, copper, and cobalt ranked first, second, and fourth, respectively, among export commodities. Mining has historically accounted for 25% of GDP and three-quarters of export revenues, in an export-oriented economy; in 2000, the mining sector's share of GDP was 6%, down by 21% from 1996. GDP declined by an annual average of 5% from 1998 to 2000. The outbreak of civil conflict in the DROC (then known as Zaire) in 1996 severely disrupted the economy, including metals mining, leaving diamond exports as the major source of revenue. Despite the collapse of much of the formal mining infrastructure, the DROC remained an important source of industrial diamond and cobalt. The value of mineral exports in 2001 was expected to be in the $1.3–1.9 billion range, and the public mining company La Générale des Carrières et des Mines (Gécamines) in 2002 reported total "global reserves" of 54 million tons of copper, 4.66 million tons of cobalt, and 6.4 million tons of zinc, expressed in contained metal. Gécamines, the country's most important company, produced all of its coal, cobalt, copper, and zinc. The Congo also produced, and was richly endowed with, cadmium, coal, columbium (niobium) and tantalum (locally referred to as "coltan"), germanium, gold, lime, manganese, petroleum, silver, crushed stone, sulfuric acid, tin, tungsten, uranium, and zinc. Uranium for the first US atomic bomb was mined in the former Zaire. Most foreign exploration activity and development-oriented feasibility work came to a halt in 1998, following the flare-up of a new full-scale civil war. Negotiations on a 1999 cease-fire agreement continued into 2001, and the decrease in military conflict permitted the government to address a proposal for new foreign investment and mining laws. Over half of the DROC's mineral exports took a circuitous route by air, riverboat, railway, and road from Shaba to the Matadi port (copper shipments could take 45 days to go from the plant to the dock), because the Benguela railway to Angola has effectively been closed since 1975; most of the rest went south by rail to South Africa, which was an important source of imports. Because of the size and wealth of its resources, the long-term potential of the Congo was more promising, and the country could return to world markets as an important supplier of cobalt, copper, diamond, and zinc, dependent on its ability to achieve political and economic stability and to put in place the legal and business framework needed to attract new foreign investment.

Until 1986, the former Zaire was the leading producer of industrial diamonds. The chief diamond-producing center was Mbuji Mayi, in East Kasai. The 80%-government-owned Société Minière de Bakwanga (MIBA) produced 6.2 million carats of low-value, near-gem-quality stones in 2001, compared to 4.3 million in 2000, 16.3 million in 1994, and 23.3 million in 1986. Twenty percent of diamond production was of gem quality. An additional 12 million carats was extracted by artisanal miners in the Tshikapa region, down from 19.3 million in 1998. The high levels of smuggling and undocumented production made figures uncertain. MIBA sold its output to a subsidiary of the DeBeers Consolidated Mines group under contract and accounted for 40% of official diamond exports. About two-thirds of the nation's annual diamond production was allegedly smuggled out through under-invoicing of legally recorded diamonds en route to the principal diamond-cutting center in Antwerp, Belgium. An estimated $400 million in diamonds and gold exited the DROC annually through smuggling. A UN panel of experts suggested that nearly one-half of the 4% of MIBA diamond production that is of near-gem or gem quality was being smuggled to South Africa for onward sale. Small-scale diamond and gold mining was legalized in 1982 in an effort to get the proceeds recorded and into the banks. Many peasants, teachers, and students left their previous pursuits for prospecting. Certification of the origin of diamonds was to begin in 2002.

Mine copper output in 2001 was 20,988 tons (5% of capacity), down from 39,651 in 1997. Copper was produced exclusively in the Shaba Region (formerly Katanga), *shaba*

meaning "copper" in Swahili. Gécamines holdings in the Copperbelt, in Shaba, contained one of the greatest concentrations of high-grade copper and coproduct cobalt resources in the world. Since 1993, most mining operations have come to a standstill. This condition was attributed to aging equipment, lack of domestic and international investment, lack of spare parts, shortages of fuel, lubricants, and sulfuric acid, problems with transporting ore and finished products, theft of finished products, debts owed to the state electrical company and Société Interrégionale Zaïroise de Rail (Sizarail), flooding of open-pit mines, and the inability to retain professional and other personnel. First Quantum Minerals Ltd.'s small, high-grade Lonshi copper deposit began open pit mining in 2001; it contained a measured and indicated resource of 5.1 million tons grading 5.75% acid-soluble copper, and the Canadian company planned on mining 730,000 tons of ore during its 2001/02 fiscal year.

The output of cobalt from mined ore was 4,700 tons in 2001, down from 7,000 in 2000 and 42,700 in 1987. In 1994, Gécamines initiated a program to shift emphasis toward cobalt production, which jumped 57% that year, after falling 87% since 1987. Gécamines's strategy was to concentrate development and mining activities at cobalt-rich zones of several copper ore bodies, with plans to produce 10,000–15,000 tons of higher value cobalt by the end of 2002. The decline of copper and cobalt production in the 1990s has led to the deterioration of Gécamines. In 1998, Gécamines had 23 cooperative projects, including development of the Tenke-Fungurume deposits, which it hoped would return production levels of copper to 400,000 tons per year and cobalt to 25,000 tons per year.

OM Group, Inc. (OMGI), of the US, one of the world's largest consumers of refined cobalt, and l'Enterprise Générale Malta Forrest SPRL (EGMF) completed the first major foreign investment in Shaba in recent years; full operating capacity from their Luiswishi copper-cobalt mine was reached in 2000. As of early 2002, total resources remaining at the Luiswishi Mine—the only mine operating in Gécamines's Southern Group in 2001—were reported to be 7.5–8 million tons at a grade of 2.8% copper and 1.0% cobalt; the second phase of mining would develop 3.5 million tons of oxide reserves at a rate of 500,000 tons per year of ore. Anvil Mining NL, of Australia, and First Quantum announced plans to develop the high-grade Dikulushi copper-silver deposit. Anvil also held a number of exploration licenses covering more than 43,000 sq km (16,600 sq mi), including gold and platinum prospects near Kalemie, copper and gold prospects near Kapulo, and copper prospects near Lungeshi. The Kolwezi copper-cobalt tailings project, operated by a 50–50 joint US–UK venture, was based on reprocessing of a resource of nearly 113 million tons grading 1.49% copper and 0.32% cobalt of oxide tailings from the Kingamyambo and Musonoi tailings dams; mining would be by high-pressure water monitor guns with the material pumped along a slurry pipeline to a new leach SX-EW plant.

Mined output of zinc (mineral content) fell from 172,000 tons in 1969 to zero in 1999 and 1,014 in 2001. Scoping studies in 2001 of the Kipushi zinc mine, which ceased full-scale mining in 1993, concluded that mining operations of up to 100,000 tons per year contained in concentrate could be sustained for 20 years; the mine, started in 1929, has been maintained in excellent condition, and the bulk of measured and indicated mine resources remaining for development amounted to 17 million tons at a grade of 16.7% zinc and 2.32% copper, with an additional inferred resource reported to be 9 million tons at a grade of 23.3% zinc and 1.93% copper.

Congo produced no silver in 1998–2001, 500 kg in 1997, and 900 in 1996. Gold output was 50 kg in 2001, down from 8,200 in 1996. Undocumented artisanal gold production in areas controlled by the rebel faction Rally for Congolese Democracy (RCD) could range from 3,000 to 6,000 kg. When Gécamines was operating the Kipushi zinc mine and smelter at full capacity from the 1950s through the 1980s, Congo was the largest producer of germanium as a byproduct of zinc processing. OMGI planned on beginning production in 2002 of germanium oxide as a byproduct of the STL cobalt refining at Kokkola. No cassiterite (tin ore) was produced in 1997–2001, compared with 500 tons in 1994 and 7,502 in 1974.

A UN Security Council panel of experts on the illegal exploitation of DROC's natural resources reported in 2001 that throughout its history, the Congo's "precious resources were plundered and mismanaged, and an informal economy based on barter, smuggling, and fraudulent trade in commodities thrived, becoming the sole means of survival for much of the population." The report called the effective collapse of all state institutions and structure in the Congo a fundamental cause of the existing pattern of resource exploitation. The panel also noted the regime of international sanctions, the illegal mining of coltan, the continued illegal artisanal exploitation of gold by Ugandan interests, government efforts to transfer rich copper-cobalt assets to Zimbabwean interests, the embezzling of the small amount of high-value gem-quality diamond produced by MIBA, the arrangements granting Zimbabwean interests exploitation rights to the Sengamines diamond concession, the taxation and illegal export routes of artisanal diamond produced in the Kinsangani area, and that one-third of the $300 million of diamond production was smuggled out of the country. The report concluded that the cease-fire left the exploitation of natural resources as the main activity of the foreign troops and armed groups, creating a self-financing situation where continuation of the conflict drove the exploitation of resources. The report recommended review and revision of all commercial contracts issued between 1997 and 2001 and a moratorium on the purchase of all commodities originating in areas under the control of rebel groups or where foreign troops were present.

According to the 1994 Constitution, the soil and subsoil belonged to the state. A draft of a new mining code, to reach parliament in 2002, was to create a framework of incentives conducive to private investment, including a change in the role of government from mining operator to mining regulator, creation of a single investment agreement framework, introduction of a special tax regime, and the option of issuing mining titles on a first-come-first-served basis, transparently managed. The government maintained at least partial ownership and generally majority ownership of all the productive and service sectors of the economy.

During the colonial period, mineral rights for the most part were vested in two charter companies—in which the state was a major shareholder—and in a number of railroad companies. Mining concessions were granted by the chartered companies or by the colonial government. The most important mining firms were subsidiaries of Belgian holding companies. Less than 20% of the conceded areas were actually being exploited, despite the fact that many undeveloped regions were known to hold significant deposits. In this fashion, mining companies such as the dominant Mining Union of Haut Katanga (UMHK) sought to husband their resources and to maintain stable levels of production to avoid a depreciation of their products and an early exhaustion of their reserves. Thus, copper production was held to around 300,000 tons per year. Ore-processing methods, meanwhile, were steadily improved, with electrolytic processing coming into widespread use by independence. Mining was the one sector of the economy that did not suffer a marked decline during the 1960–67 period of disruption and conflict. Output of some important minerals, notably copper, remained steady or even rose. In 1966, UMHK was stripped of all its mining concessions, which were turned over to the state-owned Gécamines in 1971. UMHK was eventually compensated for its

nationalized assets, and management of the Katanga mines was contracted to the Belgian corporation SGM (controlled by the same financial interests as UMHK), which had been handling the refining and marketing of Katanga copper. In 1973, the former Zaire assumed control of the Belgium diamond-mining firm Mining Company of Bakwanga, and all other foreign mining concerns were instructed to sell 50% of their shares to the government. Some of the unexploited copper deposits taken over by the government have been contracted to foreign corporations operating in partnership with the government.

[27]ENERGY AND POWER

Offshore oil production began in 1975. Eight Atlantic Ocean and Congo River estuary oil fields are in operation: one is a consortium composed of Zaire Gulf Oil Co. (Chevron), Teikoku Co. (a Japanese company), and Union Oil Co.; another is run by Petrofina. Production in 1999 totaled 25,100 barrels per day. Proven reserves amount to 187 million barrels, with offshore reserves accounting for only 20%. Large quantities of methane gas have been located at Lake Kivu, which is shared with Rwanda. Oil product imports consist of gasoline, jet fuel, kerosene, aviation gas, fuel oil, and liquefied petroleum gas.

The DROC has vast resources for the development of hydroelectric power: its potential is thought to exceed 100 million kW, enough to provide all of east and central Africa with energy. In fact, less than 3% of that potential has been harnessed. In 2001, installed capacity came to 2,473,000 kW, of which only a small portion was thermal. Production was 5.5 billion kWh, of which 98% was from hydropower and the remainder from fossil fuels. More than half was used for mining and metallurgy in Shaba. Electricity consumption was 4.55 billion kWh in 2000.

The most important hydroelectric site is at Inga, on the lower Congo River, which provides most of installed capacity. A high-voltage transmission line more than 1,700 km (1,100 mi) long was completed in 1982 to carry some of the surplus power generated at Inga to the mining centers of the southeast. As of 2002, the government planned to expand the Inga and Inga II (2,000 MW) facilities by constucting Inga III and Grand Inga (40,000 MW) facilities.

[28]INDUSTRY

Manufacturing was nearly nonexistent in the DROC in 2003, and has remained so due to the war, foreign exchange problems, and a decline in local purchasing power due to hyperinflation. Much of the DROC's industry is the processing of agricultural products (sugar, flour) and mineral-bearing ore (copper, zinc, petroleum, cement). The production of consumer goods (beer, soft drinks, textiles) plays a leading role in the sector, as does palm oil processing and cigarette making.

A five-year investment in the copper smelter in Shaba was completed in 1990. However, the center was severely damaged by political unrest in 1992–93. The Maluju steel mill was unprofitable and closed in 1986. The Société Congo-Italienne de Raffinage (SOCIR) refinery operated at 50% of capacity and produced 2 million barrels of refined petroleum products in 1994. The country's domestic crude oil has been too heavy to be processed by the refinery, although as of 2000 the refinery had resumed limited refining activity to process some imported crude oil.

Despite the war, reconstruction plans were underway in 2003, including building construction, construction for pipelines, communication and power lines, highways, roads, airfields, and railways. Construction for plants, mining and manufacturing, and buildings related to the oil gas industry was also being undertaken.

[29]SCIENCE AND TECHNOLOGY

The General Commission on Atomic Energy, conducting research in peaceful application of atomic energy, is in Kinshasa, as are the Geographic Institute of Zaire, the Institute of Tropical Medicine, the National Institute for the Study of Agronomical Research, the Institute of Nature Conservation, the Center for Geological and Mineral Research, and France's Bureau of Geological and Mineral Research. The University of Kinshasa (founded in 1954) has faculties of sciences, polytechnic, medicine, and pharmacy. The University of Kisangani (founded in 1963) has faculties of science and medicine. The University of Lubumbashi (founded in 1955) has faculties of sciences, polytechnic, veterinary medicine, and medicine. In addition, five university-level institutes offer training in information science, agronomy, and medicine.

[30]DOMESTIC TRADE

Decades of corruptions and poor economic policies, as well as political unrest, have led to a very poor domestic economy. By the mid-1990s, the government controlled 116 enterprises, of which 56 were fully publicly owned. Since the 1980s, a large underground market has also operated. However, since 2001, the government has embarked upon a series of economic reforms, including a new commercial court and a new investment code that focuses on encouraging foreign and domestic investment.

Kinshasa, connected by rail with Matadi, the main port of entry, is the principal general distribution center for mining equipment and the chief center for trade with Zambia and South Africa. Kisangani is a major distribution and marketing center for the northeast. Other commercial centers are Likasi, Kolwezi, Kananga, Mbandaka, and Matadi. High transportation costs and the lack of transportation systems in many areas have been prohibitive for domestic trade.

Gratuities are a part of almost every commercial transaction conducted. Tips and gifts are routinely expected, particularly in the public sector where salaries are low and often unpaid. Soldiers and officials typically extort money for agreeing not to impede with commerce.

Usual business hours are from 8 AM to noon and from 2:30 to 5 PM, Monday through Friday, and 7:30 AM to noon on Saturday. Most correspondence and advertising are in French. Most transactions are conducted with cash. Major credit cards are not widely accepted. Travelers checks have limited acceptance; however, high fees may be imposed for cashing them.

[31]FOREIGN TRADE

During his administration, which ended in 1997, President Mobutu routinely diverted much of the former Zaire's export revenues to special accounts held outside the country.

Foreign exchange earnings have traditionally been highly sensitive to changes in the world market prices for copper and cobalt, two of its principal exports. Other leading exports include crude oil, diamonds, and coffee. Principal imports are consumer goods, foodstuffs, mining and other machinery, transport equipment, and fuels.

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Belgium	623	143	480
United States	164	37	127
South Africa	113	250	-137
Italy	42	15	27
India	37	25	12
Germany	21	37	-16
France	13	41	-28
Kenya	3	48	-45
China (inc. Hong Kong)	3	78	-75
Nigeria	n.a.	68	n.a.

[32]BALANCE OF PAYMENTS

Substantial illegal exports, imports, and transfers of capital and profits abroad are unrecorded; indeed, the central bank does not include adjustments for fraud of close to 100% for Congo's primary exports. In August 1991, the government permitted the zaire, the national currency, to float because the central bank had exhausted its foreign exchange reserves. By statute, the government no longer controls the import or export of capital or the foreign exchange markets. Congo has no external credit, almost no central bank reserves, and external financial operations are largely carried out by private entities. Large external payments arrears have not been cleared. In 2000, the external debt was estimated at $12.9 billion.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Congo's exports was $750 million while imports totaled $1.02 billion resulting in a trade deficit of $274 million.

[33]BANKING AND SECURITIES

The Bank of Zaire serves as the country's central bank and bank of issue. In the mid-1990s, the commercial banks in the former Zaire included the Zairian Commercial Bank, the Union Banks of Zaire, Barclays Bank (Zaire), the Bank of Paris and the Low Countries, the Bank of Kinshasa, Citibank (Zaire), and Grindlays International Bank of Zaire. The only public savings banks were the People's Bank and the General Savings Fund of Zaire. There is also a state-owned National Fund of Savings and Real Estate Credit. An indication of the deterioration of economic life was a strong disinclination by the public to keep money in banks.

The International Monetary Fund reports that in 1995, currency and demand deposits—an aggregate commonly known as M1—were equal to $268.9 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $380.4 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 125%.

There are no securities exchanges in the DROC.

[34]INSURANCE

In 1959, there were eight insurance firms, each representing many foreign companies. Workers' compensation was the only form of compulsory insurance in the territory. In 1967, all private insurance companies were abolished and replaced by the state-owned National Society of Insurance (SONAS-La Société Nationale d'Assurance).

[35]PUBLIC FINANCE

Public finance from the late 1970s to the 1990s was characterized by uncontrolled spending, poor tax collection, and large deficits, often covered by creating new money. Expenditures are almost entirely current. The state-owned copper mining company typically generates one-third of the government's revenue. In 2001, the government, under Joseph Kabila, undertook a program of economic reform to reverse the economy's steep decline. The program worked, reducing the inflation rate from over 500% in 2000 to about 10% by the end of 2001. In June 2002, the IMF and the World Bank approved new credits for the DROC for the first time in more than a decade.

The US Central Intelligence Agency (CIA) estimates that in 2000 Congo's central government took in revenues of approximately $269 million and had expenditures of $244 million including capital expenditures of $24 million. Overall, the government registered a surplus of approximately $25 million. External debt totaled $12.9 billion.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	269
Tax revenue	44.4%	119
Non-tax revenue	3.8%	10
Grants	51.8%	139

[36]TAXATION

In the mid-1990s, personal income was taxed progressively, with a 50% ceiling on total payable tax. The corporate tax rate was 50% of taxable profits. Profits of branches of foreign corporations were subject to the same rate of taxation. There was also a 3–30% sales tax on imports, exports, local manufactured goods, construction works, local services, and imported services. An employment tax of 33% was imposed on services by foreigners. Other taxes included an educational tax, property tax, and a transfer tax.

[37]CUSTOMS AND DUTIES

Congo adopted the Harmonized System in 1988. Most tariffs are ad valorem. The tariff rate system has four categories: 5% on heavy equipment, industrial supplies, and inputs; 15% on light equipment, spare parts, and items of social use; 20% on goods competing with local products that are in short supply; and 30% on goods competing with local products that are in adequate supply and luxury goods. The DROC is associated with the EU countries through the Lomé Convention, which provides for the reduction of tariff barriers between the signatories and EU members.

[38]FOREIGN INVESTMENT

Beginning in 1966, when the Mobutu government began to assert control over the economy, foreign firms with assets and operations predominantly based in the former Zaire were ordered to incorporate under national law and to transfer their headquarters to the country. For a time, a liberal investment code enacted in 1969 encouraged private investments. In 1973, however, Asians and Europeans were barred from any commercial activity in five of the country's eight regions. Shortly thereafter, a deliberate policy of Zairization of the retail sector was introduced. Under these measures, expatriates were barred from a wide range of business activities, mostly in the retail and service sectors. Foreigners affected by this policy were compelled to sell their interests to Zairian nationals, many of whom turned out to be officials of the national party. Many of the new owners had little or no business experience, and quite a few of them simply liquidated the stock and never repaid the low-interest loans extended by the government for acquisition of the businesses. More frequently, Zairization involved some form of mixed ownership, with the government usually the major shareholder but with management remaining in largely foreign hands.

Generally poor results brought new changes. The Congo's investment code of 1979, updated with World Bank advice in 1986, provides packages of tax breaks and duty exemptions for three categories of investment: "General System" ($200,000 to $10 million), "Contractual System" (above $10 million with extra incentives negotiated on a case-by-case basis), and "Special Regimes," (meeting various priorities at different times). The country's complex and arbitrary judicial system made implementation of this legal framework problematical at best.

The ending of the Mobutu regime in May 1997 has solved no problems as corruption and decay has been replaced by successive wars in the renamed Democratic Republic of the Congo (DRC). In 2001, timber investments by firms from Zimbabwe (about $300 million), Germany, Malaysia, and China were reported but for the most part looting of the country's wealth of natural

resources—diamonds, gold, timber and tantalite deposits (used in mobile phones), particularly—by rival military groups had taken the place of investment. As of mid-2003 an estimated 3 million had been killed. In June 2002, a three-year standby agreement was concluded with the IMF, but stabilization and welfare spending targets were missed because of the need for increased military spending. The country stands in need of timely and sufficient foreign assistance, but the DRC was ranked third from the bottom of 140 countries on UNCTAD's Inward FDI Potential Index for 1998–2000 with a score of 8.5 out of a possible 100.

[39]ECONOMIC DEVELOPMENT

The announced priorities of the Mobutu government were economic nationalism and the development of an infrastructure appropriate to an industrial economy. Infrastructural development would involve the extension of the country's hydroelectric potential, transportation network, harbor facilities, and oil-refining capability, as well as the development of basic industries such as iron and aluminum smelters and cement plants. Many development plans were poorly planned and mismanaged, however. Development expenditures were usually made year-by-year and despite occasional, vaguely conceived three-year plans, little progress was made over the years.

Since 1992, any semblance of economic planning and development management evaporated. In 1997, the overthrow of Mobutu by Laurent Kabila continued the destabilization, and civil war in 1998 further dashed the hopes for economic development. The fighting was fueled by the DROC's vast mineral wealth, with all parties using the anarchic climate to exploit the country's natural resources. Kabila was assassinated in January 2001, and his son Joseph Kabila became president. A cease-fire between the warring parties was signed in December 2002, and plans were made for a government of national unity. In June 2003, Kabila named an interim government, to include members of the political opposition and rebel groups.

The DROC negotiated a three-year $786 million Poverty Reduction and Growth Facility (PRGF) Arrangement with the International Monetary Fund (IMF) in June 2002. The Kabila government undertook a number of economic reforms upon being installed in 2001, including implementing stringent fiscal and monetary policies, and an anti-inflationary program that reduced inflation from over 500% in 2000 to about 10% at an annual rate in the last quarter of 2001. Bilateral donors who previously directed their assistance solely to humanitarian needs, also began to fund development projects. Efforts are underway to encourage business activity in the country as a part of the peace process.

[40]SOCIAL DEVELOPMENT

Social security in the former Zaire was handled by the National Social Security Institute, an autonomous public agency created in 1961 and controlled by the Labor and Social Security Department. In addition to pension funds, the institute administered compensation for accidents and illness; old age, disability, and death benefits; and family allowances. The program covered all employed persons, including domestic workers, sailors, and casual workers. The program was financed by 3.5% contributions from both employee and employers. Retirement was allowed at age 63 for men and age 60 for women. The economic and political crises of the mid-1990s, however, led to the near total collapse of these systems, and there is no information available on their current status. The Roman Catholic Church provides most of the nation's welfare and social programs.

Discrimination and violence against women is widespread and common. A married woman must obtain her husband's authorization before opening a bank account, accepting a job, obtaining a passport, or renting or selling real estate. Usually women are relegated to agricultural labor and household and child-rearing duties. The small percentage in the work force receive less pay than men for comparable work and remain severely underrepresented in management positions. Domestic abuse is pervasive. Widows are generally deprived of all possessions including dependent children. Children are forced into labor and military service.

Discrimination against ethnic Tutsi and indigenous pygmies persists. The human rights situation is extremely poor, especially in rebel held areas. Abuses include large scale killing, disappearances, torture, rape, dismemberment, extortion, robbery, arbitrary arrest and detention, harassment of human rights workers and journalists.

[41]HEALTH

The departure of large numbers of European medical personnel in mid-1960 left the country's health services greatly weakened. Not a single African doctor had been graduated at the time of independence. In 1960, 90 doctors of 28 nationalities recruited by the World Health Organization (WHO) were working in the country. The WHO's emphasis was on the training of national health workers, to prepare them to run their own health services. In 1990–97, there were 1.4 hospital beds per 1,000 people. Medical personnel in 1990 included 2,469 physicians, 59 pharmacists, 41 dentists, and 27,601 nurses. Most facilities are concentrated in the major cities. Total health care expenditures were $179 million in 1990.

The first Ebola hemorrhagic fever identified in 40 years occurred in 1995. Of the 317 cases reported, an extremely high mortality rate was observed (77%). Common diseases include malaria, trypanosomiasis, onchocerciasis, schistosomiasis, diarrheal diseases (73,200 cases in 1995), tuberculosis (301 cases per 100,000 people in 1999), measles (5,443 cases in 1995), leprosy, dysentery, typhoid, and hookworm.

The Democratic Republic of the Congo lies in the area of Africa with the highest number of cases of AIDS. At the end of 2001 the number of people living with HIV/AIDS was estimated at 1.1 million. Deaths from AIDS in 1999 were estimated at 95,000. In the same year HIV prevalence was 5.07 per 100 adults.

Malnutrition is a serious health problem, especially among children; malnutrition was prevalent in an estimated 34% of all children under five years old in 2000. In 1999, there were 301 cases of tuberculosis reported per 100,000 people. In 1995, children up to one year old were immunized against tuberculosis (51%); diphtheria, pertussis, and tetanus (35%); polio (36%); and measles (41%). The goiter rate was 41 per 100 school-age children in 1996. In 2000, 45% of the population had access to safe drinking water and 20% had adequate sanitation.

In 1999 the birth rate was 46.4 per 1,000 people with only an estimated 3% of married women (ages 15 to 49) using contraception in 1991–93. Average life expectancy was 46 years in 2000. In the same year, infant mortality was 85 per 1,000 live births. Maternal mortality was 870 per 100,000 live births in 1990–97 and general mortality was 14.9 per 1,000 people in 1999.

In the mid-1990s, 1.1 million women, or 5% of the female population in the DROC, underwent female genital mutilation. The government has not published a policy opposing this procedure.

[42]HOUSING

The massive urban influx that began after independence led to a fourfold increase in the population of Kinshasa, creating a massive housing problem that is still far from solved. Tens of thousands of squatters are crowded into squalid shantytowns on the outskirts of the capital. Other, more prosperous migrants have built themselves permanent dwellings. Unable to control the

spread of unauthorized and generally substandard construction or to come up with adequate alternatives, the government tolerated what it could not prevent and began extending basic utilities to the new settlements.

Housing falls under the responsibility of the Department of Public Health and Social Affairs. Public housing and home-building loans sponsored by the National Housing Office still cover no more than a tiny fraction of the country's massive housing needs. At last estimate, more than half of housing units were traditional one-room adobe, straw, or mud structures, and less than half were modern houses of durable or semi-durable material containing one or more rooms.

[43]EDUCATION

The colonial system of education became notable for its failure to provide university training for Africans although the rate of elementary school attendance under the Belgians was one of the highest in Africa (56% in 1959). This figure was deceptive, however, since most elementary schooling was limited to the first two grades. Fewer than 10% of school-age children completed the six-year elementary cycle. Understandably, one of the chief efforts of the successive governments of the DROC has been to push as many schoolchildren as possible beyond the threshold of the two-year cycle. This effort has accounted for a massive increase in elementary-school population since 1960. As of 1999, 33% of primary-school-age children were enrolled in school, while 12% of those eligible attended secondary school.

Education is compulsory between ages 6 and 12. Primary-school enrollment, which was 1,403,572 in 1958/59, rose to 5,417,506 in 1995. In the same year, there were 14,885 primary schools and 121,054 teachers. The pupil-teacher ratio at the primary level was 26 to 1 in 1999. The development of secondary education has also been dramatic: the number of secondary-school students rose from 38,000 in 1960–61 to 1,514,323 in 1995. Among adults, illiteracy was estimated in 1995 at 22.7% (males, 13.4%; females, 32.3%).

University education was virtually nonexistent in the Belgian Congo prior to the mid-1950s. Up to that time, only a handful of Africans had been permitted to enroll in Belgian universities. Teacher-training institutions, religious seminaries, and advanced technical training in medicine, agronomy, and public administration were available, but did not lead to recognized university degrees. The Catholic University of Lovanium at Kinshasa (affiliated with the Catholic University of Louvain in Belgium) was organized in 1953. The State University of the Belgian Congo and Ruanda-Urundi at Lubumbashi was set up in 1955. A third university was established at Kisangani under Protestant auspices in 1962. A number of specialized institutes of higher learning were also created following independence.

In August 1971, the existing institutes and the three universities were amalgamated into a single national university system, the National University of Zaire, organized into three separate campuses located in Kinshasa, Lubumbashi, and Kisangani. The three campuses were reorganized as separate universities in 1981. In 1995 all higher level institutions had 93,266 pupils. The DROC also has numerous university institutes, including ones specializing in agriculture, applied technology, business, and the arts.

[44]LIBRARIES AND MUSEUMS

The National Library in Kinshasa holds 1.2 million volumes. The University of Kinshasa library holds 300,000 volumes. Smaller academic libraries are attached to various specialized university institutes. The Kinshasa Public Library has 24,000 volumes, and is a part of a national system with nine branches.

There are several museums in the capital, including the Anthropology Museum, the Fine Arts Museum, the Private Museum of Zoology, and museums on the campuses of the National University of Zaire and the University of Kinshasa. There are regional museums at locations throughout the country, including Butemo, Kananga, Kisangani, Lubumbashi, Mbandaka, and Mushenge.

[45]MEDIA

The postal, telephone, and telegraph services are owned and operated by the government. In 1997, there were about 21,000 main line telephones in use. An additional 15,000 cellular phones were in use by 2000. Radio and television transmission is under the control of the government-owned La Voix du Zaïre, Radio Candip (for educational broadcasts), and Zaïre Télévision, with headquarters in Kinshasa. Broadcasts are in French and in African languages. In 2001, there were 3 AM and 11 FM radio stations and 4 television stations. In 2000 there were about 386 radios and 2 television sets for every 1,000 people. Internet access is limited with only two Internet service providers in 2000, serving about 1,500 users.

Major newspapers are only nominally privately owned. Journalists must be members of the state-controlled union to practice their profession. In 1972, a drastic reorganization of the secular press led to the demise of 27 of the country's remaining 33 newspapers. In March 1973, in the wake of the conflict between church and state, 31 religious publications were suspended. The press today is firmly under MPR control. The largest dailies are *La Depeche* (2002 circulation, 20,000), *Courrier d'Afrique* (15,000), and *Salongo* (10,000). Other dailies include *Boyoma,* published in Kisangani, and *L'essor du Zaire*, published in Lumbashi-Shaba.

The Transitional Act provides basic civil rights, including those of free speech and press rights; however, though the situation is said to have improved since the transition began in 1990, in practice the government continues to restrict free speech and the press.

[46]ORGANIZATIONS

The Corps of Volunteers of the Republic (CVR), a semipolitical movement, including major student movements, directly under the control of then president Mobutu, was created in February 1966. Its objectives were to promote "national reconstruction" and to "awaken national consciousness." The relative lack of enthusiasm generated by the CVR led to its being taken over in April 1967 by the MPR, which created a youth section for the ruling party—the Young Popular Movement of the Revolution.

Mobutu's conflict with the Roman Catholic Church provided the government with an excuse to ban all independent youth associations (most of which were church-related) and to replace them with party-controlled organizations. Student associations were similarly disbanded and superseded by an MPR-affiliated agency. Sports organizations are sponsored by the African Confederation of Sports for All. Scouting programs exist for youth.

ANEZA, the national association of private enterprises, with nearly 1,000 members, has absorbed all chambers of commerce. The Coffee Board of the Democratic Republic of Congo promotes the coffee trade. The African Committee for Trade Union Coordination and Action Against Apartheid and Colonialism serves as an umbrella organization in support of labor unions and human rights.

[47]TOURISM, TRAVEL, AND RECREATION

Virunga National Park in the Virunga Mountains is one of the best game preserves in Africa and is particularly noted for lions, elephants, and hippopotamuses. Kahuzi-Biega Park, west of Lake Kivu, is one of the last refuges of the endangered mountain gorilla. Kinshasa has two zoos and a presidential garden. In 2000, there were 102,770 tourist arrivals. As of 1999, there were 6,000 hotel rooms and 9,000 beds with a 40% occupancy rate.

Tourists and visitors are required to have a passport with a valid visa. A certificate of inoculation against yellow fever is required for entry into the DROC.

According to US government estimates, the cost of staying in Kinshasa is about $254. Expenses are estimated at $249 in Goma and $266 in Bukavu.

48 FAMOUS ZAIRIANS AND CONGOLESE

In the period of the transition to independence, two Zairian political leaders emerged as national figures: Joseph Kasavubu (1917–69), head of the ABAKO party, became the first chief of state; Patrice Emery Lumumba (1926–61) became the new nation's first premier, and his subsequent murder made him a revolutionary martyr in Communist and many third-world countries. In 1960, Moïse Kapenda Tshombe (1919–69), who headed the government of Katanga Province, became prominent when he declared Katanga an independent state with himself as its president and maintained the secession until early 1963. Gen. Mobutu Sese Seko (Joseph-Désiré Mobutu, 1930–97), commander-in-chief of the Congolese National Army from 1961 to 1965, assumed the presidency after he deposed President Kasavubu on 25 November 1965. The MPR party congress promoted Mobutu to the rank of field marshal in December 1982. Laurent Désiré Kabila (1941–2001), seized power in May 1997 when he declared himself president and changed the name of the country back to the Democratic Republic of the Congo.

49 DEPENDENCIES

The DROC has no territories or colonies.

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CONGO, REPUBLIC OF THE (ROC)

Republic of the Congo
République du Congo

CAPITAL: Brazzaville

FLAG: The flag consists of a green triangular section at the hoist and a red triangular section at the fly, separated by a diagonal gold bar.

ANTHEM: *The Congolaise.*

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr), which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. The CFA franc is issued in coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; Three Glorious Days, 13–15 August (including Independence Day, 15 August); Christmas Day, 25 December. Movable religious holidays include Good Friday and Easter Monday.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Lying astride the Equator, the Republic of the Congo contains an area of about 342,000 sq km (132,047 sq mi), extending approximately 1,287 km (798 mi) NNE–SSW and 402 km (249 mi) ESE–WNW. Comparatively, the area occupied by the Congo is slightly smaller than the state of Montana. It is bounded on the N by Cameroon and the Central African Republic, on the E and S by the Democratic Republic of Congo (DROC— formerly Zaire), on the SW by Cabinda (an enclave of Angola) and the Atlantic Ocean, and on the W by Gabon, with a total land boundary length of 5,504 km (3,413 mi) and a coastline of 169 km (105 mi).

The Congo's capital city, Brazzaville, is located in the southeastern part of the country.

[2]TOPOGRAPHY

The Congo is roughly divided into four topographical regions. The coastal region consists of a low, relatively treeless plain, with occasional high spurs jutting down from the Mayombé Escarpment. The escarpment region is made up of a series of parallel folds of moderate height (600–900 m/2,000–3,000 ft) that are almost completely forested. To the east and north of the escarpment, and forming the watershed between the Niari and Ogooué river systems, lies the plateau region, with savanna covering more than 129,000 sq km (50,000 sq mi) and separating the Zaire and Ogooué basins. The northeastern region of the country is a swampy lowland covering some 155,000 sq km (60,000 sq mi); flooding is seasonal, with different tributaries of the Congo/Zaire overflowing into one another. The country has two river systems: that of the coastal rivers, which flow into the Kouilou River, and that of the Zaire River and its tributaries.

[3]CLIMATE

The Congo has a tropical climate characterized by high humidity and heat. There are two wet and two dry seasons. At Brazzaville, in the south, the average daily maximum temperature is 30°C (86°F) and the average minimum temperature 20° C (68°F). At Souanké, in the far north, the extremes are 29°C (84°F) and 18°C (64°F). Annual rainfall varies from 105 cm (41 in) at Pointe-Noire, in the southwest, to 185 cm (73 in) at Impfondo, in the northeast.

[4]FLORA AND FAUNA

About half the land area is covered by okoumé, limba, and other trees of the heavy rainforest. On the plateaus, the forest gives way to savanna broken by patches of bushy undergrowth. The savanna supports jackals, hyenas, cheetahs, and several varieties of antelope; elephants, wild boar, giraffes, and monkeys dwell in the forest.

[5]ENVIRONMENT

The most significant environmental problems in the Congo are deforestation, increases in urban population, and the protection of its wildlife. The Congo's forests are endangered by fires set to clean the land for agricultural purposes. The forests are also used as a source of fuel. The most accessible forest, that of the Kouilou-Mayombé Mountains, has been overexploited. During 1981-85, deforestation in the Congo proceeded at a rate of 22,000 hectares (54,400 acres) a year. As of 2000, the Congo had nine protected areas, covering some 1.5 million hectares. The two largest, the 7,800-sq-km (3,000-sq-mi) Léfini Reserve and the 2,600-sq-km (1,000-sq-mi) Odzala National Park, were established during the French colonial era. The country has one Wetland of International Importance at the Lake Télé Reserve Altogether, 4.5% of the nation's natural areas were protected as of 2000.

The Congo's urban centers are hampered by air pollution from vehicles and water pollution from sewage. Its water purity problem is most apparent in rural areas where, as of 2000, only 51% of the people have safe drinking water.

Also as of 2000, ten of 200 species of mammals were endangered as were three of 449 species of birds. In addition, two reptile species and two plant types were threatened with extinction.

[6]POPULATION

The population of Congo, Republic of the in 2003 was estimated by the United Nations at 2,908,000, which placed it as number 132 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 46% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.57%, with the projected population for the year 2015 at 5,215,000. The population density in 2002 was 9 per sq km (24 per sq mi). Large portions of the Congo basin are basically uninhabited.

It was estimated by the Population Reference Bureau that 63% of the population lived in urban areas in 2001. At least four-fifths of the people live in the southern third of the country; the greatest concentration is in the Brazzaville area, while the northernmost region is sparsely populated. The capital city, Brazzaville, had a population of 1,187,000 in that year. Other large cities include Pointe-Noire, 387,774; Loubomo, 62,073; and Nkayi, 40,019. According to the United Nations, the urban population growth rate for 2000–2005 was 3.7%.

The prevalence of AIDS/HIV has had a significant impact on the population of REpublic of the Congo. The United Nations estimated that 7.2% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

There is continuous migration to urban centers, but immigration from other African countries is negligible. Some French, Greek, and Lebanese immigrants have settled in the Congo. At the end of 1992, the Congo was harboring 9,500 African refugees. About 10,000 Zairians have been forcibly deported in recent years as economic migrants rather than political refugees. In 1995, the Congo was host to 15,500 refugees, 12,700 of whom were from Angola and 2,100 from Chad.

Civil conflict engulfed the ROC in 1998 resulting in the displacement of some 200,000 residents of the southern districts of Brazzaville. Some 40,000 of those were able to break away to the DROC, following 20,000 others from the ROC who had earlier arrived in the Bas Congo province of the DROC. In 1999, the ROC, the DROC, and UNHCR signed an agreement, launching a repatriation operation. Later that year approximately 36,000 refugees had returned to Brazzaville. In 2000 the net migration rate for the Congo was -0.3 per 1,000 population.

[8]ETHNIC GROUPS

The population belongs to four major ethnic groups—the Kongo (48%), Sangha (20%), Teke (17%), and M'Bochi (12%)—which comprise more than 40 tribes. In addition, there are small groups of Pygmies, possibly Congo's original inhabitants, in the high forest region.

The major ethnic group, the Kongo, occupies the entire area southwest of Brazzaville and accounts for nearly half the nation's population. The Teke, who live north of Brazzaville, are chiefly hunters and fishermen. The M'Bochi (or Boulangi) live where the savanna and the forest meet in the northwest; this group has furnished many immigrants to the urban centers, including the majority of Brazzaville's skilled workers and civil servants. There are about 12,000 Pygmies. In regard to the non-African community, Europeans numbered 8,500, mostly French, before the 1997 civil war. However, the number was thought to be half of that by 1998, following the widespread destruction of foreign businesses in 1997.

[9]LANGUAGES

French is the official language. Several related African languages and dialects of the Bantu family are spoken. Kikongo has the most users. Monokutuba and Lingala are lingua franca trade languages.

[10]RELIGIONS

Almost 50% of the population are Christian with about 90% of all Christians affiliated with the Roman Catholic Church. A small number of Christians practice Kimbanquism, a combination of Christian and native customs and beliefs which originated in the Democratic Republic of the Congo. Less than 2% of the population are Muslim, mostly immigrants from north and west Africa who work or reside in urban centers. The remainder practice traditional indigenous religions or no religion. With the approval of a new constitution in January 2002, freedom of religion is officially protected and discrimination on the basis of religious affiliation is specifically forbidden.

[11]TRANSPORTATION

The most important transportation system is the Congo-Ocean Railroad. Completed in 1934, the 510-km (317-mi) line runs between Brazzaville on Pool Malebo and the ocean port of Pointe-Noire. In the course of descending the Mayombé Escarpment, it crosses 172 bridges and goes through 12 tunnels. To relieve congestion on this stretch, a 91-km (57-mi) line was completed between Bilinga and Loubomo in 1985. The 285-km (177-mi) Comilog rail line was completed in 1962 to transport manganese ore extracted at Moanda, Gabon, from M'Binda on the Gabonese border to the Congo-Ocean line at Mont-Bélo. This traffic was expected to end in the late 1980s with the completion of a railway in Gabon that will transport the ore to the port of Libreville. In 2002, the country's total rail trackage was 894 km (555 mi), all narrow gauge.

Dense tropical forests, rugged terrain, and swamps, together with a hot, humid climate and heavy rainfall, make construction and maintenance of roads extremely costly. In 2002 there were about 12,800 km (7,954 mi) of highways, but only about 1,242 km (772 mi) were asphalted, and it was considered extremely risky to venture more than 150-200 km (90-125 mi) from Brazzaville because of the poor road conditions. A Brazzaville-to-Duesso road was completed as far as Owando in the mid-1980s. In 2000, about 29,700 passenger cars and 23,700 commercial vehicles were in use.

River transportation is managed by the state-owned Trans-Congo Communications Agency. There are up to 1,120 km (696 mi) of navigable waterways on the Congo and Oubanui rivers. The river port of Brazzaville, which is the junction point of the Congo-Ocean Railroad and the Zaire- Oubangui river system, is an important center for trade with the Central African Republic, Chad, and the DROC. A ferry connects Brazzaville with Kinshasa, DROC. Pointe-Noire is the Congo's only seaport and the terminus of the Congo-Ocean Railroad.

Because of the great distances and the inadequacy of land transportation, air travel and air freight services are rapidly expanding. Brazzaville (Maya-Maya) and Pointe-Noire airports are the hubs of a network of air routes that connect the four equatorial republics with several European cities. The state-owned Lina-Congo holds a monopoly on domestic routes. The Congo is a member of Air Afrique, of which it owns a share. Air Afrique and Union des Transportes Aériens (UTA) are the chief international carriers. In 2001, 95,200 passengers traveled on scheduled domestic and international flights.

[12]HISTORY

Although little is known of the early history of the Congo, it has been established that there was a Congo Empire that extended

LOCATION: 3°42′ N to 5°1′ S; 11°7′ to 18°39′ E. BOUNDARY LENGTHS: Cameroon, 520 kilometers (323 miles); Central African Republic, 467 kilometers (290 miles); Democratic Republic of the Congo, 1,625 kilometers (1,010 miles); Angola, 201 kilometers (125 miles); Atlantic coastline, 156 kilometers (97 miles); Gabon, 1,656 kilometers (1,020 miles). TERRITORIAL SEA LIMIT: 200 miles.

into present-day Angola and reached its height in the 16th century. The kingdom of Loango, which broke away from the Congo Empire, also prospered for a time. Another African state mentioned in the accounts of the first European explorers was the Anzico kingdom of the Teke. By the end of the 17th century, however, all these kingdoms had grown weak.

The coastal regions of the area were known to Portuguese sailors as early as the 15th century. The mouth of the Zaire River was discovered by Diogo Cão in 1484. French trading companies, interested in slaves and ivory, appeared on the scene during the 17th century; by 1785, more than 100 French ships annually sailed up the coast. After the French Revolution, however, French interest in the area waned.

With the abolition of the slave trade, merchants began to seek new sources of commerce. The first forays into the interior began at this time, but extensive exploration came only toward the end of the 19th century, with Pierre Savorgnan de Bràzza and Henry Morton Stanley. In 1880, Bràzza signed a treaty with the powerful Teke tribal ruler Makoko, bringing the right bank of the Zaire River under French control. The Congress of Berlin (1885)

gave formal recognition to French claims to the region. The period after 1900 was marked by a slow but steady establishment of French administrative machinery. By 1910, Gabon, Middle Congo, and Ubangi-Shari (including Chad) were constituted administratively as colonies; together they constituted French Equatorial Africa, all under a governor general at Brazzaville. In 1940, French Equatorial Africa joined the Free French movement and the Allied war effort against the Axis powers. The first territorial assembly was elected in 1947. In a referendum held on 28 September 1958, the territory of Middle Congo voted to become an autonomous republic within the French Community.

The Territorial Assembly of the Middle Congo proclaimed the Republic of the Congo on 28 November 1958. On 8 December, Fulbert Youlou, mayor of Brazzaville and leader of the Democratic Union for the Defense of African Interests (UDDIA), was elected to head the provisional government. The adoption of a constitution on 20 February 1959 transformed the provisional government into the first official government of the republic. Legislative elections were held that June. The new National Assembly elected Fulbert Youlou prime minister on 27 June and president on 21 November.

The constitutional law of 4 June 1960, adopted by the French Parliament and by the Senate of the French Community, made it possible for a member state to become independent without leaving the community. The Republic of the Congo thus proclaimed its independence on 15 August 1960. President Youlou resigned on 15 August 1963, in the wake of antigovernment rioting that threatened to turn into civil war. Alphonse Massamba-Debat became provisional president and was formally elected to the presidency on 19 December 1963; a new constitution was approved by national referendum that same month. In 1964, Massamba-Debat established relations with the USSR and China, and then announced the establishment of a "scientific Socialist state" with one-party control.

On 4 September 1968, Massamba-Debat resigned following a military coup that deprived him of most of his presidential powers. Capt. Marien Ngouabi then established a new revolutionary regime. Ngouabi was named president on 1 January 1969, and he proclaimed the People's Republic of the Congo the following December. Political stability proved difficult to achieve, however, and there were seven coup attempts during his seven years in office, which ended with his assassination on 18 March 1977. He was succeeded by Col. Joachim Yhombi-Opango, who abrogated the 24 June 1973 constitution. Yhombi-Opango resigned on 5 February 1979 and was succeeded in March by Col. Denis Sassou-Nguesso. A 20-year treaty of friendship and cooperation with the USSR was signed in 1981. Sassou-Nguesso was reelected president in July 1984 and was chairman of the OAU during 1986–87.

In 1990, a conference of the ruling party agreed to abandon its Marxist ideology. A four-month-long National Conference in 1991 led to the appointment of an interim government, pending elections, and Sassou-Nguesso was stripped of his powers, except for ceremonial tasks. André Milongo headed the interim government, which conducted free elections in 1992. A multiparty government with Pascal Lissouba as president was elected. His coalition, known as the Presidential Tendency, experienced much turbulence in 1993. A changing coalition of opposition parties, strikes, and violent civil unrest threatened the regime. First-round legislative elections on 2 May 1993, gave way to armed conflict in June and July. Also, the Supreme Court ruled that the second-round elections were flawed. To avoid a civil war, the Organization of African Unity and the President of Gabon brokered an accord that accepted first-round results and called for second-round elections on 6 October. The opposition alliance, the Union for Democratic Renewal-Congolese Workers' Party (URD-PCT), won seven of the 11 seats contested. Still, Lissouba's Pan-African Union for Social Democracy and its coalition partners won 69 of the 125 seats and Lissouba's shaky presidency continued. However, fighting broke out again in the capital in November 1993, continuing into 1994 as armed forces loyal to Lissouba battled independent partisan militias.

On the one side was the northern Mbochi ethnic group, which had been aligned with the military government of Sassou-Nguesso. On the other sides were two main southern groups, the Pool Lari and the coastal Vili. Transitional Prime Minister Milongo surrounded himself with Lari and Bakongo. Lissouba replaced them with his own people, the Nibolek, and "cleansed" the presidential guard. Although a mediation force was set up after a 30 January 1994 cease-fire, it was difficult to disarm the tribal factions.

In February, an international panel, which had been investigating irregularities in the 1993 elections, ruled that eight seats in the National Assembly had been illegally won and called for by-elections to be held. Meanwhile, tribal factionalism continued to erupt in violence as the political opposition to Lissouba coalesced to form, briefly, the Democratic Forces United (FDU). By mid-1994, the government, prompted by fears of all-out civil war, announced it would work to integrate the military and security forces with members of tribal militias if they would agree to a cease-fire. Little was achieved in this area, and Lissouba blamed the unrest on neighboring countries, principally former Zaire. After the by-elections in 1995, the Lissouba regime took an authoritarian turn in the face of severe mismanagement and intractable street fighting, imposing restrictions on public demonstrations and eliminating press freedom.

Full-scale civil war broke out in June 1997 when Lissoubsa's forces surrounded Sassou-Nguesso's home in an apparent attempt to disarm his militia, which had besieged the capital. In late June, one of several cease-fires was broken as rebel forces shelled the Parliament building and fighting continued. In October 1997, forces loyal to Sassou-Nguesso (a Northerner) engaged the help of Angolan troops and forced Lissouba into exile. Sassou-Nguesso once again became president and replaced the 1992 constitution with a Fundamental Act, conferring sweeping powers upon his presidency. He formed a broad-based government that included former backers of Lissouba and Bernard Kolelas. The government convened a National Reconciliation Forum in January 1998. At that forum a 75-member National Transition Council (NTC) was elected, replacing the National Assembly. Members of opposition parties and civil society were included in the NTC.

Civil conflict between the government and armed groups of Southerners broke out again in mid-1998, intensifying in early 1999, before subsiding during the second half of the year. An estimated 10,000 people died and 800,000 civilians were displaced during the fighting, as rapes, looting, and destruction of many southern towns escalated.

The second half of 1999 saw the government regaining effective control over most of the south through military offensives, offers of amnesty, negotiations, and efforts to broaden the government's political base. The government signed a cease-fire and reconciliation accord with leaders of some rebel groups in November. In December 1999 Gabon's president Omar Bongo sponsored another accord, which involved the National Resistance Council, the only rebel group with military and political organization. With improved prospects for peace, Sassou-Nguesso declared a three-year transition period leading up to elections.

In presidential elections held 10 March 2002, Sassou-Nguesso was reelected president with 89.4% of the vote to Joseph Kignoumbi Kia Mboungou with 2.7%. In the legislative contest held 11 July 2002, the FDP won 56 seats to 10 seats for other parties in the Senate, and 83 seats to six seats for the UDR, three for the UPADS, and 45 seats for other parties. The most serious

contenders—former President Lissouba and Prime Minister Kolelas—were banned from participation.

In late March 2002 conflict erupted in the Pool region between government forces and "Ninja" rebels loyal to the Rev. Frederic Bitsangou (alias Pasteur Ntoumi) with the result that thousands of people were trapped or displaced with little or no relief support for those caught in the fighting. A peace agreement reached on 17 March 2002 between the government and Ntoumi guaranteed amnesty to combatants willing to disarm, but by July 2003 several thousand were still awaiting either integration into the military or reinsertion into civilian life.

[13]GOVERNMENT

Until 1992, the Republic of the Congo was governed under a constitution, approved by referendum on 8 July 1979 and amended in July 1984. The chairman of the 75-member Central Committee of the Congolese Labor Party (PCT) was the president of the republic and head of state. He was elected for an unspecified term as chairman (and therefore as president) by the party congress. Executive powers resided with the Council of Ministers, appointed by the prime minister and chaired by the president. The 153-member National Assembly, the sole legislative body, was elected by universal suffrage at age 18 from candidates named by the PCT.

On 15 March 1992, voters approved a new constitution, which provided for a mixed presidential-parliamentary form of government after the French model. Executive authority is vested in a directly elected president, who appoints the prime minister and cabinet. A National Assembly of 125 members was elected in two-round elections in June and July 1992. There was also a 60-member Senate. Pascal Lissouba was chosen president (61%) and his Pan-African Union for Social Democracy (UPADS) gained 39 seats. That legislature was dissolved in October and new legislative elections in May 1993 led to partisan fighting. A mediated settlement then confirmed a UPADS majority, yet fighting continued into 1994. In the view of many, the "democratic election" was the catalyst that unleashed tribal hatreds.

Soon after the defeat of Lissouba in the four-month 1997 civil war, Sassou-Nguesso formed a transitional government and replaced the 1992 constitution with a Fundamental Act. The Act gave additional powers to the executive making the president head of state and government, commander in chief of the armed forces with powers to appoint all members of the government, all senior military officers and government officials at sub-national level. He was also mandated to direct the general policy of the government and to exercise regulatory powers.

In 1998, Sassou-Nguesso appointed a committee to draft a new constitution, which eventually was approved by national referendum in January 2002. The next presidential elections were scheduled for 2009 and legislative elections for 2007.

[14]POLITICAL PARTIES

Three political parties were active in the Middle Congo before the territory achieved its independence. Of these, the most important proved to be the Democratic Union for the Defense of African Interests (Union Démocratique de Défense des Intérêts Africain—UDDIA), founded by Abbé Fulbert Youlou. The UDDIA received 64% of the popular vote and won 51 of the 61 seats in the National Assembly elected in June 1959. Following the resignation of President Youlou and the dissolution of the Assembly in 1963, all political parties were banned. On 2 July 1964, the National Movement of the Revolution (Mouvement National de la Révolution—MNR), led by President Massamba-Debat, was officially established as the country's sole political party. A power struggle between the People's Militia and the army, tribal rivalries, and other conflicts led to Massamba-Debat's resignation in September 1968. The army commander in chief, Marien Ngouabi, then became head of state.

The Congolese Labor Party (Parti Congolais du Travail—PCT), created in December 1969 to succeed the MNR, had been based on the principles of Marxism-Leninism and democratic centralism. But at its 1990 conference, the PCT abandoned this ideology. The 1979 constitution recognized the PCT as the sole party: all other political parties and any political activity outside the PCT were illegal. In the National Assembly elections of 8 July 1979, all candidates were PCT members.

After his assassination on 18 March 1977, Ngouabi was succeeded by Col. Joachim Yhombi-Opango, and in March 1979 by Col. Denis Sassou-Nguesso, who was reelected in July 1984.

The 1991 National Conference led to an interim government and multiparty elections in 1992. Continual shifts in parties and in coalitions of parties have taken place since. The most significant of the many parties is the Democratic and Patriotic Forces (FDP), which is an alliance of six parties including that of Sassou-Nguesso's Union for National Renewal. Others include the Pan-African Union for Social Development (UPADS), the party of former President Lissouba. Lissouba's former coalition included the Rally for Democracy and Development (RDD) and was opposed by the PCT and the Union for Democratic Renewal (URD).

Following the 1993 elections, the National Assembly was broken down as follows: UPADS, 47 seats; Congolese Movement for Democracy and Integral Development, 28; PCT, 15; Association for Democracy and Social Progress, 10; RDD, 6; Union of Democratic Forces, 3; others, 14; independents, 2. Elections due in July 1997 were delayed until the new constitution was adopted. The civil war and fighting between 1997 and 1999 restricted party activity. Sassou-Nguesso allowed some politicians from the former government to return and resume political activity in 1999, but he banned former president Lissouba and Prime Minister Kolelas. Indeed Kolelas and former interior minister Col. Philippe Bikinkita were sentenced to death in absentia on 5 May 2000 in the Brazzaville criminal court for illegal detention, false imprisonment, and torture. The National Transitional Council included representatives of opposition parties and members of civil society, but the NTC composition was criticized by some as being government-controlled and not being broad-based enough for a fair representation of Congo's 15 political parties.

In the absence of any serious competition, Sassou-Nguesso's coalition easily won the 2002 presidential and parliamentary elections.

[15]LOCAL GOVERNMENT

There are nine administrative regions and one federal district, each under the authority of a government commissioner. As of the mid-1990s, these were subdivided into 46 districts.

[16]JUDICIAL SYSTEM

The Revolutionary Court of Justice, created in 1969, consists of nine judges who deal with cases involving state security. Judicial bodies include a Supreme Court (appointed by the president), a court of appeals, a criminal court, regional and magistrate's courts, labor courts, and courts of common law, where local chiefs apply traditional laws and customs. These courts are based on the French model. Traditional courts in rural areas handle local property, domestic, and probate disputes by applying local customary law. All special courts and secret trials were abolished in 1991. The 1992 constitution called for a special court—not established—to protect freedom of speech and press.

The 1992 constitution also provided for a number of fundamental rights and freedoms including prohibition of arbitrary arrest and detention. In practice, judicial inefficiency

often results in denial of bail and long pretrial detention, a situation exacerbated by the civil war period.

In January 2000, the TNC adopted bills creating military tribunals in Brazzaville and Pointe-Noire, the commercial capital, to punish dishonorable servicemen and civilians that collaborate with them. According to the International Rescue Committee (IRC), about 3,000 cases of rape were recorded in the capital Brazzaville following the beginning of the second conflict between the government and militiamen in 1998. In its Human Rights Report for 1999, the US Department of State reported that security forces committed many extrajudicial killings, including summary executions of suspected rebels among displaced civilians, most of them Southerners. The 2002–03 Human Rights Report made similar charges, noting that prison conditions were poor and that the judiciary was unable to ensure fair and expeditious trials. Owing to these deficiencies, it was common practice for citizens to beat thieves caught in the act, sometimes to death.

[17]ARMED FORCES

In 2002, the Congo had an army of 8,000 men, a navy of 800, and an air force of 1,200. Its army included two armored battalions, two infantry battalion groups, one parachute commando battalion, one engineer battalion, and one artillery group. The navy had three patrol craft, and the air force had 12 fighter planes, including 12 MiG-21 fighters. There was a paramilitary force of 2,000. The military budget in 2001 was estimated at $84 million, or 2.8% of GDP.

[18]INTERNATIONAL COOPERATION

The Congo was admitted to UN membership on 20 September 1960 and is a member of all of the specialized agencies except IAEA. It is also a member of the African Development Bank, G-77, and the AU. The country belongs, with the Central African Republic, Gabon, and Cameroon, to the UDEAC, in which merchandise and capital circulate freely, and it is a signatory to the Law of the Sea and the Lomé Convention, and a member of the WTO. In addition to close ties with France and other Western European nations, the Congo has established friendly relations with China. Brazzaville is the African headquarters of WHO.

[19]ECONOMY

The Congo's economy is built on its petroleum resources, lumber, transport services, and agriculture. After several prosperous years in the early 1980s, the price of oil declined and cast the Congolese economy into financial turmoil. The country long flirted with state socialist approaches to its economy before embarking on market-style reforms in 1989. Early efforts at state-farm production of staple foods failed. The devaluation of Franc Zone currencies in 1994 resulted in inflation of 61%, but this subsided rather quickly. Reforms by the IMF and World Bank were in place when the civil war started in 1997. The economy worsened considerably in 1997, at -1.9% annual GDP growth, rebounding in 1998 to 2.5%, but falling again in 1999 due to renewed fighting. It was projected to be 4.2% in 2001 and 2.7% in 2002, due to an anticipated slight decline in projected oil output. In 2001, the IMF approved a $14 million credit to aid the government's post-conflict economic program.

Congo's staple food crops are cassava, maize, plantains, yams, and sweet potatoes. The livestock industry is small and subject to health limitations imposed by the prevalence of the tsetse fly. Petroleum is Congo's most significant resource, contributing over 50% of exports in 2002. Production increased as new fields were developed and improvements in recovery technology were implemented. The oil industry is concentrated in and around Pointe Noire.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Congo's gross domestic product (GDP) was estimated at $2.5 billion. The per capita GDP was estimated at $900. The annual growth rate of GDP was estimated at 4.2%. The average inflation rate in 2001 was 3%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 10% of GDP, industry 48%, and services 42%. Foreign aid receipts amounted to about $24 per capita and accounted for approximately 4% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $357. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 7%. Approximately 34% of household consumption was spent on food, 12% on fuel, 3% on health care, and 3% on education.

[21]LABOR

There were about one million economically active people in 1998. Almost half of all salaried employees work for the government. The Fundamental Act entitles workers to form and join unions, and the Labor Code prohibits restrictions on the unions. Most wage earners were union members in 2002, but this represents a small portion of workers since most are subsistence farmers or involved in the informal economy. The right to strike is guaranteed, but there are serious limitations. Workers must file an intent to strike at least three days before the planned date of the strike and must simultaneously participate in arbitration proceedings. Due to extreme economic hardship and reconstruction, in 2002 labor and the government agreed to a "social truce".

The 40-hour workweek has been established for wage employment. In 2002, the minimum wage was $64 per month. This is often supplemented by subsistence farming. The prohibition of child labor is focused on the formal sector; child labor persists in the informal economy. Minimum occupational health and safety standards exist and are somewhat enforced.

[22]AGRICULTURE

Total arable land only amounts to 170,000 hectares (420,000 acres), or just 0.5% of the total land area. Agricultural activity is concentrated in the south, especially in the Niari Valley. Main crops for local consumption are manioc (800,000 tons in 1999), plantains (78,000 tons), yams, (14,000 tons), bananas (52,000 tons), sugarcane (455,000 tons), and peanuts (23,000 tons). Small amounts of tobacco are also grown. Domestic production of cereals plummeted in the 1990s; by 1999, grain production was 80% less than it had been during 1989–91. Landholdings are small, averaging less than 1.4 hectares (3.5 acres) per plot.

Export crops are coffee, cocoa, and palm oil; in 1999, 1,000 tons of coffee and 2,000 tons of cocoa beans were produced. Palm trees are under the management of a state-owned company. Production of oil from palm kernels, mainly from palm trees indigenous to the Niari Valley, the Pool Malebo, and the Bateke Plateau regions, was estimated at 17,000 tons in 1999. The rural population has fallen from 80% in 1960 to 38% in 2000. Since 1987, the government has encouraged agricultural development by abolishing state marketing boards and retail monopolies, freeing prices, removing tariffs on essential inputs, launching new agricultural credit institutions, and selling or closing most state farms. Sugar output rebounded after a 1989 restructuring of the sugar industry, which has since been privatized.

[23]ANIMAL HUSBANDRY

Animal husbandry has high government priority, and production is steadily increasing. In 2001 there were an estimated 280,000 goats, 114,000 sheep, 46,000 hogs, 90,000 head of cattle, and two million chickens. Total meat production in 2001 was 26,600 tons.

[24]FISHING

Most fishing is carried on along the coast for local consumption. The catch rose from 14,939 tons in 1970 to 45,577 tons in 1991 and to 49,980 tons in 2000. Almost 50% of the annual catch is from saltwater fishing.

[25]FORESTRY

Congolese forests cover some 22 million hectares (54.3 million acres), or 65% of the total land area of the country. There are three main zones. Mayombé forest, covering about one million hectares (2.5 million acres), is the oldest forest under commercial exploitation and is almost exhausted. The Niari forest, covering three million hectares (7.4 million acres), along the Chaillu River, was reopened for exploitation after completion of the Comilog railroad. The third zone, situated in the north, is the largest, with 15.5 million hectares (38.3 million acres); because of constant flooding, however, it is the least exploited. Total production of roundwood was 1.8 million cu m (63 million cu ft) in 2000; exports of roundwood were valued at $76 million. Okoumé, sapele, sipo, tiama, moaki, limba, and nioré were the main species cut. Eucalyptus and pine are raised commercially in southern and coastal Congo. Foreign private companies dominate commercial production. The Congolese Forestry Office was set up in 1974 to implement an ambitious reforestation program. Forestry contributes only 3% to GDP, and development was neglected during the oil boom years. Forest products contribute over 5% to the value of all exports. Isolated harvestable tracts, difficult weather conditions, and limited rail transport capacity inhibit the expansion of the forestry sector.

[26]MINING

Mining, begun in the Congo in 1905, was the most important sector of the economy and was dominated by crude oil, which contributed 15% of GDP in 1996 and accounted for 90% of exports in 2002. Diamonds were a leading export commodity, and cement was the second-leading industry in 2002. In 2000, gold and lime were the only nonfuel minerals extracted, and in small amounts. A formal cease-fire between the government and rebel forces in 2000 appeared to end the civil war begun in 1997, which significantly damaged the economy and the land-based infrastructure. The year 2000 saw the beginning of a long process of restoring the government, establishing a national dialogue, adopting a new constitution, and resettling more than 800,000 people displaced during the civil war. A sharp upturn in oil prices and renewed efforts to finance a major magnesium development suggested that the minerals sector could be a catalyst for economic renewal of the country. Other mineral deposits, in addition to petroleum and natural gas, were bauxite, bentonite, granite, gypsum, kaolin, marble, talc, potassium, potash, phosphate, limestone, lead, zinc, copper, and iron. Mining has generally been carried out by the state or through state-owned joint ventures.

Potash was the main mining product before the rapid growth of oil. Production was not enough to make operations profitable and ceased after 1977. Gold, mined in the Mayombé area, reached 158 kg in 1967 but fell to 10 kg in 1996–2000. Copper production at Mindouli ceased in 1978. Production of zinc and lead, extracted at Mfouati since 1938, was suspended in 1984. Iron deposits estimated at 400 million tons have been found. AfriOre Ltd., of Canada, though inactive in the Congo in 2000, held exploration permits on the Boko Songo copper prospect, with 2 million tons of ore, and the Yanga Koubanza lead-zinc-copper prospect, with 5.5 million tons, both west of Brazzaville, and the company located high-grade copper mineralization at four other drilled prospects. Significant resources of magnesium, with byproducts of salt, potash, and possibly chlorine, were being evaluated for development in the Makola and the Youbi magnesium salt evaporite deposits, in the Kouilou region.

[27]ENERGY AND POWER

Production of electricity rose from 29 million kWh in 1960 to 418 million kWh in 1998, then declined to 302 million kWh in 2000. Over 98% of the country's power production is hydroelectric. Electricity consumption in 2000 was 406.9 million kWh. Congo imports about a quarter of its electricity from the Democratic Republic of the Congo. A Chinese-built, 74-MW hydroelectric project at Moukoukoulou Falls, on a tributary of the Niari River, came into operation in 1978. Another Chinese-aided hydroelectric project, the 100-MW Imboulou Dam was located on the Léfini River, 225 km (140 mi) north of Brazzaville.

Petroleum extraction began in 1960, with 31,847 tons, and did not increase substantially until 1972, when 336,000 tons were produced. The 2001 output was 262,000 barrels per day. Proven oil reserves in 2002 stood at 1.5 billion barrels, with ultimately recoverable reserves of about 2.1 billion barrels. Much of the oil was long considered unrecoverable by conventional methods. As in most West African oil-producing countries, oil exploration focuses on deepwater offshore areas. Congo's largest oil field is ELF's N'Kossa field in the permit area of the Haute Mer well located 76 km (47 mi) offshore under 792 m (2,600 ft) of water. A new national oil company, the Societe Nationale des Petroles du Congo (SNPC), was established by the government in 1998. France and the United States purchase most of Congo's crude oil exports; the United States received 38,000 barrels per day of its crude oil in 2001.

Congo has an estimated 121 billion cu m (4.3 trillion cu ft) of natural gas reserves. As of 2002, all of the output was flared or vented because of lack of infrastructure.

[28]INDUSTRY

Industry is concentrated in the southern part of the country around Brazzaville and Pointe-Noire. Many industries, until recently, were partially or completely nationalized. Industry accounted for about 50% of GDP in 2001.

The largest industries are petroleum production, followed by food processing, including beverages and tobacco, chemicals, woodworking, metalworking and electrical industries, nonmetallic mineral products, paper and cardboard, and textiles. The ROC is the fourth-largest oil producer in sub-Saharan Africa, and the oil industry accounts for two-thirds of government revenue, 90% of export earnings, and close to 50% of GDP. There are an estimated 1.3 million tons of crude oil reserves in the country. An oil refinery at Pointe-Noire has a capacity of 21,000 barrels per day, but only 50% of the capacity is utilized. In 1996, the government privatized the refinery. Other industries include sawmills, sugar refineries, and cement factories. Artisans create distinctive jewelry, ceramics, and ebony and ivory sculptures. The timber industry was reviving in 2003.

[29]SCIENCE AND TECHNOLOGY

Science-related institutions include a Center of Research and Initiation of Technological Projects in Brazzaville, a Technical Center of Tropical Forestry in Pointe-Noire, and a Research Institute for Oils in Sibiti. Marien Ngoubai University in Brazzaville has a faculty of sciences and attached institutes of health sciences and rural development. Sibiti has an agricultural college, and Brazzaville contains a technical, commercial, and industrial college and a school for railway engineering. In 1987–

97, science and engineering students accounted for 48% of college and university enrollments.

[30]DOMESTIC TRADE

Small-scale, village agriculture accounts for most of the domestic trade. Most local produce is sold directly to consumers or middlemen at local markets in towns and villages, where imported goods are also sold. Company agents and independent middlemen buy export crops at local markets or directly from the producers for sale to large companies. Most of the country's domestic commerce is managed by West and North Africans and Lebanese, since during the colonial and Marxist eras, Congolese were oriented towards working in the public sector. The country has developed a new investment code to attract foreign investment; however, high production costs, militant labor unions, and poor transportation systems have prohibited investment and domestic productivity.

There is some advertising in the local newspapers and through company publications, handbills, and billboards, but radio stations do not carry advertising. Normal banking hours are 6:30 to 11:30 AM, Monday through Saturday. Shops open by 8 AM, usually close for a midday break, and then stay open to at least 5:30 PM Tuesday through Friday, and are open Saturday morning. They may also be open Saturday afternoon, Sunday morning, and Monday morning.

[31]FOREIGN TRADE

Crude petroleum and products account for the vast majority of the Congo's commodity export revenues (90%). Diamonds and cement also support the Congolese economy, as do wood exports, including lumber and plywood.

In 1995 Congo's imports were distributed among the following categories:

Consumer goods	14.8%
Food	20.0%
Fuels	19.5%
Industrial supplies	19.8%
Machinery	19.8%
Transportation	6.0%
Other	0.0%

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
United States	306	101	205
Korea	287	7	280
Taiwan	253	6	247
Belgium	182	83	99
Germany	118	30	88
Italy	77	61	16
France	64	255	-191
China (inc. Hong Kong)	42	112	-70
United Kingdom	10	76	-66
Netherlands	5	48	-43

[32]BALANCE OF PAYMENTS

Until the 1970s, the Congo's chronic trade deficit led to an annual payments deficit. With the growth of oil revenues, the balance of payments became positive; this trend did not last long, however, since the deficit in services grew even faster than the trade surplus during the early 1980s. In recent years, imports have represented over 70% of private consumption.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Congo's exports was $2.6 billion while imports totaled $725 million resulting in a trade surplus of $1.875 billion.

The International Monetary Fund (IMF) reports that in 1997 the Republic of the Congo had exports of goods totaling $1.74 billion and imports totaling $803 million. The services credit totaled $56 million and debit $565 million. The following table summarizes Congo's balance of payments as reported by the IMF for 1997 in millions of US dollars.

Current Account	**-252**
Balance on goods	941
Balance on services	-510
Balance on income	-664
Current transfers	-20
Capital Account	**...**
Financial Account	**-174**
Direct investment abroad	...
Direct investment in Republic of the Congo	...
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	-4
Other investment liabilities	-170
Net Errors and Omissions	**-122**
Reserves and Related Items	**548**

[33]BANKING AND SECURITIES

The bank of issue is the Bank of the Central African States (BEAC), which serves all the members of the UDEAC. Among the commercial banks are the Congolese Union of Banks, the International Bank of Congo, and the Congolese Commercial Bank. The state is the major shareholder in the two commercial banks. The National Development Bank of the Congo extends loans for economic development. The Congo has a 13% share in UDEAC's development bank, headquartered in Brazzaville.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $324.8 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $352.0 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

There is no securities market in the Congo.

[34]INSURANCE

In March 1974, all private insurance companies were nationalized and put under the Congo Insurance and Reinsurance Co. (ARC), which is 50% government owned.

[35]PUBLIC FINANCE

Oil revenues in the 1970s helped expand public sector employment. The collapse in oil prices in the mid-1980s dramatically decreased government revenues, which led to a surge in international borrowing. In 1985, Congo entered negotiation with the IMF for standby credits to satisfy domestic and foreign creditors. In 1986, Congo reluctantly joined with the IMF in a structural adjustment program for which the country received $40 million in funds and was able to reschedule its international payments. By 1988, the Congo's external debt had risen to an unsustainable $4.1 billion. In 1989, a second structural adjustment program was agreed to.

In the late 1980s and early 1990s, weak oil prices and a massive public sector combined to drive up Congo's debt. Civil service salaries absorbed over half of the government's 1995 budget. The budget deficit rose form 5.5% of GDP in 1985 to 14% in 1991 and was estimated at 25% in 1998. In 1995, total external debt was approximately $5 billion with service on the debt amounting to 155% of revenues annually, one of the highest ratios in the world. Although the Paris Club agreed to reduce Congo's debt by 67%, debt reduction payments were still expected to reach $500 million in 1996. In 1995, Congo reached another agreement with the IMF and World Bank that would

help alleviate some of its debt burden. This reform program came to a halt when civil war erupted in 1997.

The US Central Intelligence Agency (CIA) estimates that in 1997 Congo's central government took in revenues of approximately $870 million and had expenditures of $970 million. Overall, the government registered a deficit of approximately $100 million. External debt totaled $5 billion.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	870
Tax revenue	33.5%	292
Non-tax revenue	65.7%	572
Grants	0.8%	7

[36]TAXATION

A graduated income tax at rates of 1–50% is levied, varying with an individual's marital status and number of dependents. Employees also pay social security taxes and regional income taxes. As of 1 January 1995, the corporate tax rate was 49%, with a reduction for state special companies, nonprofit entities, and agricultural companies. This reduced rate is 36.4%. Also levied are a turnover tax, excise duties, and property taxes.

[37]CUSTOMS AND DUTIES

The Republic of the Congo is a member of the Central African Economic and Monetary Community (CEMAC) with Cameroon, Central African Republic, Chad, Equatorial Guinea, and Gabon. CEMAC applies a common external tariff (CET) of 18.7% on non-member imports. Significant non-tariff trade barriers include import license requirements and a corrupt and inefficient customs system.

[38]FOREIGN INVESTMENT

The 1973 investment code guaranteed the free transfer of capital, normally earned profits, and funds resulting from sales of foreign companies. According to legislation adopted in 1982, reduced import duties and taxes are offered on production equipment and profits on manufacturing and trading are tax exempt for the first five years. However, in view of the Congo's fragile economy, banks required a public guarantee before investing their funds. A new investment code enacted in 1992 and amended in 1996 legislates equal treatment for domestic and foreign investors.

In 1994, the regiment for participation by foreign oil companies was changed from the joint ventures that had prevailed since 1968 to production sharing agreements (PSAs), by which foreign oil companies operate under contracts with the national oil company, SNPC. Plans were announced in 1995–96 to privatize state-owned enterprises in the oil distribution, oil refining, telecommunications, rail and water transportation, electricity, and water distribution sectors designed to attract foreign investment.

In June 1997, the United States and Congo concluded a bilateral investment treaty (BIT). That month, the outbreak of civil war brought most privatization initiatives to a halt. The flow of foreign direct investment (FDI) was a negative divestment of an estimated -$11.9 million in 1997. Despite renewed violence in 1998 and 1999, privatization of some upstream and downstream operations of Hydro-Congo increased FDI inflow to $117.8 million and $134.6 million, respectively. A fragile peace accompanied by an IMF-directed austerity program in 2000 helped produce a negative outflow of FDI of -$75.2 million. For 2001, FDI inflow was estimated at a modest $59.1 million.

Virtually all foreign investment in the Republic of Congo has been in the oil and timber sectors, with the French company TotalFinaElf historically dominant in the oil sector, which in turn historically dominates the economy. The second largest oil investor has been ENI-Agip (Agip-Congo) of Italy. US oil companies that have investments include Anadarko, ChevronTexaco, CMS-Nomeco, Exxon-Mobile, and Marathon. Other foreign oil participants are Royal Dutch Shell (United Kingdom), Energy Africa (South Africa), and Heritage Oil (Canada). Most of the oil industry is not only an enclave, employing mostly foreign personnel, but offshore. Investment in the wider economy continues to be hampered by numerous factors even apart from political turmoil, including a poorly developed financial sector; an inadequate and war-damaged infrastructure; high labor, transportation and raw material costs; low productivity; and militant labor unions.

[39]ECONOMIC DEVELOPMENT

The 1982–86 development plan called for expenditures of over $2.5 billion for the improvement of infrastructure (roads, electricity, water) and for the development of production in agriculture, forestry, and light industry; however, economic difficulties caused the plan to be cut back sharply. The 1987–91 development plan promoted agricultural self-sufficiency and rural development through the planned creation of 160 village centers and a mandatory national service program for youths. Reduction of the country's dependency on petroleum and the reform of the parastatal sector were set as priorities. The devaluation of the CFA (Communauté Financière Africaine) franc in 1994 was implemented to boost those economic activities which did not rely on imports.

France is the leading foreign donor country. For a time the country reduced its participation (1985–89), but raised it to record levels in 1990. China and the former Soviet Union also provided substantial aid. Between 1946 and 1999, Congo also received funds from the European Economic Community (now the European Union), from the World Bank, the International Development Agency, and the African Development Bank.

In the mid-1990s, Congo embarked on a path of economic reform, including reform of the tax, investment, labor, and hydrocarbon codes. The privatization of state-owned enterprises was planned, particularly telecommunications and transportation monopolies. The Paris Club agreed to a debt restructuring plan in 1996. When war broke out in 1997, economic reform came to a halt. President Sassou-Nguesso, reelected in 2002, indicated his desire to reestablish cooperation with international financial institutions, and to further pursue privatization and other economic reforms. The president's economic program, called *Nouvelle espérance* or "new hope," was to cover the period 2003–10. A peace accord was signed in March 2003, which was hoped would pave the way for sound economic development.

[40]SOCIAL DEVELOPMENT

A social insurance program is in place for all employees providing pensions for old age, disability, and survivorship. Contributions are made by employers at a fixed percentage of the employee's wage. Other payments include prenatal allowances, a lump sum payable at the birth of each of the first three children, and a recuperation allowance for 14 weeks. There is a family allowance for employed persons with one or more children. However, large segments of the population are subsistence farmers and are therefore excluded from coverage under these programs.

The Fundamental Act prohibits discrimination based on race, gender, or religion, but many marriage and family laws do discriminate against women. Polygamy is legal, while polyandry is not. Adultery is legal for men but not for women. Women receive less education on average than men, and their salaries are generally lower. Women are not prominent at the highest levels of

political or professional life. However, the Union of Congolese Women promotes the advancement of women and has launched major literacy and female education campaigns. Domestic violence is widespread and rarely reported. Civil conflict is thought to have increased the number of indigent children living on the streets of Brazzaville.

Pygmy minorities also face discrimination despite legal protections. They are often paid with food or goods for their labor, rather than with salaries. Pygmies are underrepresented in government and are largely marginalized from government decision making.

The human rights record has improved somewhat since the transition to democracy, but abuses have continued. There were reports of torture and extrajudicial killings, as well as disappearances, rapes, and arbitrary searches, arrests, and detention.

[41]HEALTH

In 1990, there were 613 doctors, 175 pharmacists, 35 dentists, 1,624 nurses, and 498 midwives. As of 1999, there were an estimated 0.3 physicians and 3.4 hospital beds per 1,000 people.

In 1999, the birth rate was 38 per 1,000 people. The overall death rate was estimated at 16 per 1,000 people in 2002, while infant mortality in 2000 was at 68 deaths per 1,000 live births. In 2000, the average life expectancy was estimated at 51 years.

An endemic disease control service conducts vaccination and inoculation campaigns. All medicine, antibiotic, and vaccine imports must be authorized by the Ministry of Health. In 1999, there were 318 reported cases of tuberculosis per 100,000 people. As of 1999, immunization rates for children up to one year old were as follows: diphtheria, polio, and tetanus, 29%, and measles, 23%. In 1990, 24% of children under five years old were considered malnourished. In the mid-1990s, 50% of urban and 11% of rural inhabitants had access to safe water.

At the end of 2001 the number of people living with HIV/AIDS was estimated at 110,000 (including 7.2% of the adult population) and deaths from AIDS that year were estimated at 11,000. HIV prevalence in 1999 was 6.43 per 100 adults.

[42]HOUSING

At last estimate, more than 88% of all housing units were private houses. Owners occupied more than 60% of dwellings, tenants nearly 25%, and over 9% were occupied rent free. Close to one-third of all units had brick external walls, more than 25% had stone walls, nearly 16% had planks, and over 10% cob. In 2000, only about 51% of the population had access to imporved water systems.

[43]EDUCATION

The educational system is patterned on that of France, but changes have been introduced gradually to adapt the curriculum to local needs and traditions. The language of instruction is French. All private schools were taken over by the government in 1965. Education is compulsory between the ages of 6 and 16. Primary lasts for six years and secondary for seven years. Projected adult illiteracy rates for the year 2000 stand at 19.3% (males, 12.5%; females, 25.6%).

In 1996 there were 497,305 primary school pupils in 1,612 schools and 7,060 teachers. In the same year, there were 214,650 secondary school students and 7,173 teachers. The pupil-teacher ratio at the primary level was estimated at 61 to 1 in 1999. The National University, which opened in Brazzaville in 1971, was later renamed Marien Ngouabi University. Higher-level institutions had more than 1,300 teachers and nearly 14,000 students in the mid-1990s. As of 1999, public expenditure on education was estimated at 4.7% of GDP.

[44]LIBRARIES AND MUSEUMS

Brazzaville has Marien Ngouabi University Library, with 20,000 volumes in 2002, and the National Popular Library with 15,000 volumes. The French Cultural Center houses a library of 33,000 volumes, and the World Health Organization holds 40,000 in Brazzaville.

The National Museum of the Congo (1965), also in Brazzaville, contains ethnography displays and historical displays. There are regional museums in Pointe-Noire and Kinkala.

[45]MEDIA

National and international communications are state owned and operated. In 1997, there were about 22,000 main line telephones in service, with an additional 250,000 cellular phones in use in 2001. In 2001, there were six radio stations. One television station was reported in 2002. Radio Brazzaville broadcasts in French and local languages. The national television network began operations in 1963; a satellite communications station was inaugurated at Brazzaville in 1978. There are telecasts in French, Kikongo, and Lingala. In 2000, there were 123 radios and 13 television sets for every 1,000 people. Internet access is limited, with only one Internet Service Provider serving 500 people in 2000.

In 2002, there were five daily newspapers, all published in Brazzaville: *Mweti,* published by the government information ministry (2002 circulation, 7,000); *ACI* (Daily News Bulletin, circulation 1,000); *Courrier d'Afrique; Journal de Brazzaville;* and *Journal Official de la Republique du Congo*. There are also a few periodicals and magazines, the most popular among them being *La Semaine Africaine,* published by the Catholic Church, with a 1995 circulation of 8,000.

Though the constitution provides for free expression and a free press, the government retains a monopoly over radio and television. Plans for an independent council to safeguard freedom of speech and the press had yet to be established by the end of 1996.

[46]ORGANIZATIONS

There are Chambers of Commerce, Agriculture, and Industry in Brazzaville, Loubomo, Pointe-Noire, and Ouesso. In rural areas, cooperatives promote the production and marketing of agricultural products. Among the tribes, self-help societies have grown rapidly, particularly in the larger towns.

Larger towns have youth centers. The two major national youth movements are the Union of Socialist Youth of the Congo (UJSC) and the National Federation of Young Students (FENAJEST). The Congolese Olympic Committee (COC) coordinates about 10 national youth sports organizations. There are a few scouting programs as well.

[47]TOURISM, TRAVEL, AND RECREATION

Reforms and restructuring have enhanced the Congo's potential for tourism (especially ecotourism) contingent on attraction of investment capital. In 2000, there were 2,522 rooms in hotels with a 41% occupancy rate. There were approximately 18,798 tourist arrivals, more than 90% from Africa and Europe. International tourist receipts for 2000 were unavailable at this publication, but receipts from 1999 were about $12 million. All visitors need passports and visas secured in advance. Cholera and yellow fever vaccinations are also required.

The US government estimated the daily cost of staying in Brazzaville in 2002 at $203, depending upon choice of accommodations.

[48]FAMOUS CONGOLESE

The best-known figures are Abbé Fulbert Youlou (1917–72), a former Roman Catholic priest who served as president from 1960 to 1963, as well as mayor of Brazzaville; Alphonse Massamba-Debat (1921–77), president from 1963 to 1968; and Marien Ngouabi (1938–77), who came to power in a 1968 coup and was president from 1968 to 1977. Denis Sassou-Nguesso (b. 1941) became president in 1979. Prominent author and playwright Emmanuel Dongala-Boundzeki (b. 1941) is also a chemistry professor at Marien Ngouabi University in Brazzaville.

[49]DEPENDENCIES

The Republic of the Congo has no territories or colonies.

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CÔTE D'IVOIRE

Republic of Côte d'Ivoire
République de Côte d'Ivoire

CAPITAL: Yamoussoukro

FLAG: The flag is a tricolor of orange, white, and green vertical stripes.

ANTHEM: *L'Abidjanaise,* beginning: "Greetings, O land of hope."

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr), which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. The CFA franc is issued in coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs, and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; Assumption, 15 August; All Saints' Day, 1 November; Independence Day, 7 December; Christmas, 25 December. Movable religious holidays include Good Friday, Easter Monday, Ascension, Pentecost Monday, 'Id al-Fitr, and 'Id al-'Adha'.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

The Republic of Côte d'Ivoire, on the south coast of the western bulge of Africa, has an area of 322,460 sq km (124,502 sq mi). Comparatively, the area occupied by Côte d'Ivoire is slightly larger than the state of New Mexico. Roughly rectangular in shape, it extends 808 km (502 mi) SE–NW and 780 km (485 mi) NE–SW. It is bordered on the N by Mali and Burkina Faso, on the E by Ghana, on the S by the Gulf of Guinea and the Atlantic Ocean, and on the W by Liberia and Guinea, with a total boundary length of 3,110 km (1,932 mi) and a coastline of 515 km (322).

In 1983, Côte d'Ivoire's capital was moved to Yamoussoukro, about 225 km (140 mi) northwest of the former capital, Abidjan, in the southcentral part of the country.

[2]TOPOGRAPHY

Except for the prolongation of the Guinea Highlands (in the northwest, from Man to Odienné), which has peaks of over 1,000 m (3,280 ft), the greater part of Côte d'Ivoire is a vast plateau, tilted gently toward the Atlantic. It is drained by four major rivers running roughly parallel from north to south—the Cavally (on the Liberian frontier), Sassandra, Bandama, and Komoé. They are not of much value for transportation, since they are sluggish in the dry season, broken by numerous falls and rapids, and subject to torrential flooding in the rainy season. Lake Kossou (Lac de Kossou), in the center of the country, has been formed by the impoundment of the Bandama. From Ghana to Fresco, the coast is almost a straight line, flat and sandy, with a series of deep lagoons behind it; from Fresco to the Liberian frontier, it is more broken, with small cliffs and rocky outcrops.

[3]CLIMATE

The greatest annual rainfall, about 200 cm (79 in), is along the coast and in the southwest. The coastal region has a long dry season from December to April, followed by heavy rains from May to September. Farther north, there is only one wet and one dry season, with rainfall heaviest in summer, culminating in September, and lightest in January. The country's lightest rainfall is in the northeast, averaging 109 cm (43 in) annually. Average temperatures along the coast range from 24° to 32°C (75° to 90°F) in January and from 22° to 28°C (72° to 82°F) in July. At Bouaké, in the center of the country, minimum and maximum temperatures in November, the hottest month, average 21° and 35°C (70° and 95°F); the range is from 20° to 29°C (68° to 84°F) in July, the coolest month. At Ferkéssédougou, in the far north, temperatures range from 21° to 36°C (70° to 97°F) in March and from 17° to 30°C (63° to 86°F) in November.

[4]FLORA AND FAUNA

The southern Côte d'Ivoire forest is a typical rain forest; it has a canopy at around 21–24 m (70–80 ft), with isolated trees pushing up above 37 m (120 ft). Farther north, the rain forest gives way to scattered stands of deciduous trees, and mahogany is widespread. Still farther north, oil palm, acacia, breadfruit, and baobab characterize the transition to true savanna, where shea nut and traveler's palm are common.

The jackal, hyena, panther, elephant, hippopotamus, numerous monkeys, and many other mammals are widely distributed. Crocodiles and chameleons, as well as venomous serpents (horned vipers, mambas, and many others) and pythons, are numerous. Among indigenous birds are vultures, cranes, pigeons, turtle doves, parrots, and herons. Venomous spiders and scorpions abound.

[5]ENVIRONMENT

Most of Côte d'Ivoire's forests, once the largest in West Africa, have been cut down by the timber industry, with only cursory attempts at reforestation. During the first half of the 1980s, deforestation averaged 290,000 ha (717,000 acres) per year, while reforestation was only 6,000 ha (15,000 acres) per year. Between 1983 and 1993, the country's forest and woodland was reduced by nearly 25%. The land is also affected by savanization and climate changes, including decreased rainfall. In 2000, Côte d'Ivoire had 76.7 cu km of renewable water resources, of which 67% was used for farming and 22% for urban and domestic use.

Water pollution is a significant environmental problem in Côte d'Ivoire due to chemical waste from agricultural, industrial, and mining sources: about 92% of the country's city dwellers and 72% of the rural population have safe water. Reports indicate that in the mid-1990s, the nation was using approximately 6,000 tons of pesticides and 78,000 tons of fertilizers per year. The country's lack of sanitation facilities also contributes to the pollution problem. Only 39% of the population has access to sanitation systems.

As of 2000, 16 of the nation's 230 mammal species and 12 of its 535 breeding bird species were endangered, as well as four reptiles. In addition, 42 of the country's 3,660 plant species were threatened with extinction.

[6]POPULATION

The population of Côte d'Ivoire in 2003 was estimated by the United Nations at 16,631,000, which placed it as number 57 in population among the 193 nations of the world. In that year approximately 2% of the population was over 65 years of age, with another 47% of the population under 15 years of age. There were 104 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.62%, with the projected population for the year 2015 at 19,837,000. The population density in 2002 was 52 per sq km (135 per sq mi).

Movement to the cities has been a problem in recent decades. The proportion of urban dwellers has increased from 13.2% in 1950 to an estimated 46% of the population in 2001 according to the Population Reference Bureau. The capital city, Yamoussoukro, had a population of 3,199,000 in that year. The metropolitan population of Abidjan, the former capital, was estimated at 2,793,000. Other major urban areas are Bouaké (estimated at more than 390,000), the capital city of Yamoussoukro (120,000), and Daloa (102,000); other towns with populations of more than 20,000 include Gagnoa, Korhogo, Agboville, Abengourou, Dimbokro, Man, and Grand Bassam. According to the United Nations, the urban population growth rate for the period 2000–2005 was 3.4%.

The prevalence of AIDS/HIV has had a significant impact on the population of Côte d'Ivoire. The United Nations estimated that 9.6% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Flourishing economic activity in Côte d'Ivoire has attracted large numbers of workers from neighboring countries. In 1988 they constituted 28% of the national total. Migratory laborers from Burkina Faso, estimated at more than one million, work chiefly on the cocoa and coffee plantations. In addition, several hundred thousand Ghanaians, Guineans, Malians, Senegalese, and Mauritanians live in Côte d'Ivoire. As of September 1998, Côte d'Ivoire was still harboring 85,000 of the more than 350,000 Liberian war refugees who started coming to Côte d'Ivoire in 1989 with the start of the civil war in Liberia. Following a 1997 census, it was discovered that some 1,500 Sierra Leonean refugees had been living in Côte d'Ivoire disguised as Liberian refugees. The government has since agreed to recognize them as Sierra Leonean refugees. A mass voluntary repatriation program for the Liberian refugees was implemented between June 1997 and December 1999, after which remaining Liberian refugees were to receive assistance in local integration.

In 2000, the net migration rate for Côte d'Ivoire was 0.08 migrants per 1,000 population, down from 3.0 in 1990. Most of the non-African population consists of French and other Europeans, and Lebanese and Syrians. Foreigners can buy land and vote in Côte d'Ivoire; some cabinet ministers are foreign-born. In 2000 there were 2,336,000 migrants living in Côte d'Ivoire, including 120,700 refugees. The government still views the immigration level as too high and seeks to lower the number.

[8]ETHNIC GROUPS

The ethnic composition of Côte d'Ivoire is complex. The Baoulé, concentrated in the central and southeastern regions, account for about 23% of the population. Next come the Bété, a Kru people in the southwest, accounting for 18%. The Sénoufo in the north constitute about 15%. The Mandingo, or Malinké, in the northwest, total 11%. Agni, related to the Baoulé, in the southeast, and Africans from other countries (mostly Burkinabe and Malians) number about 3 million. Non-Africans number anywhere between 130,000 and 330,000—French totaling about 30,000, and Lebanese anywhere between 100,000 and 300,000.

[9]LANGUAGES

The official language is French. Of the more than 60 African languages spoken by different ethnic groups, the most important are Agni and Baulé, spoken by the Akan group; the Kru languages; the Sénoufo languages; and the Mandé languages (especially Malinké-Bambura-Dioula).

[10]RELIGIONS

In 2002, approximately 30% of the population were Christian, with the majority (about 19%) affiliated with the Roman Catholic Church. There are a number of Protestant denominations represented in the country, including Methodist, Baptist, Assemblies of God, and the Church of Jesus Christ of Latter-Day Saints. About 1% belong to the Harrist Church, a Protestant denomination founded in 1913 by the Liberian minister William Hade Harris. There are also a number of syncretic religions combining Christian tenets with African traditional customs and beliefs. These include the Church of the Prophet Papa Nouveau and Eckankar. About 39% of the population are Muslim, nearly 12% practice traditional indigenous religions, and about 17% claim no religious preference or affiliation. There are a small number of Buddhists.

Religious and political affiliation often follows ethnic and regional lines. Most Muslims live in the north and most Christians live in the south. Traditionalists are generally concentrated in rural areas in the north and across the center of the country. The Akan ethnic group traditionally practices a religion called Bossonism. The Baoules, an ethnic group that is largely Catholic, held a dominating position in the Democratic Party of Côte d'Ivoire, which ruled the nation from it's independence in 1960 until 1999.

The constitution implemented in 2000 provides for freedom of religion; however, Christianity has historically enjoyed a privileged status in national life with particularly advantage toward the Catholic Church. For instance, Christian schools have long been considered official schools and so have received subsidies through the Ministry of Education; however, Muslim schools were considered religious institutions and were not considered for similar subsidies until 1994.

In the 2001, President Gbagbo initiated the Forum for National Reconciliation, designed, in part, to ease relationships between religious and ethnic groups. Through the Forum, Muslims accused the government of attempting to create a Christian state. Since then, the president has met with Muslim leaders to discuss their concerns and government leaders have made greater attempts towards interfaith understanding and acceptance.

[11]TRANSPORTATION

Côte d'Ivoire has one of the best-developed and best-maintained transportation systems in Africa. The state controls a 660-km (410-mi) section of a 1,146-km (712-mi) railroad that runs north from Abidjan through Bouaké and Ferkéssédougou to

LOCATION: 2°30′ to 7°30′ W; 4°20′ to 10°50′ N. BOUNDARY LENGTHS: Mali, 515 kilometers (320 miles); Burkina Faso, 531 kilometers (330 miles); Ghana, 668 kilometers (415 miles); Gulf of Guinea coastline, 507 kilometers (315 miles); Liberia, 716 kilometers (445 miles); Guinea, 605 kilometers (376 miles). TERRITORIAL SEA LIMIT: 12 miles.

Ouagadougou, Burkina Faso. In 2002, Côte d'Ivoire had 50,400 km (31,318 mi) of roads, of which 4,889 km (3,038 mi) were paved. In 2001, there were 113,900 registered passenger automobiles and 54,900 registered commercial automobiles, trucks, and buses.

Harbor activity is concentrated at Abidjan (West Africa's largest container port), which has facilities that include a fishing port and equipment for handling containers, and San Pedro, a deepwater port that began operations in 1971. There are also small ports at Sassandra and Tabou. Two nationalized shipping lines serve West Africa and Europe. As of 1998, the merchant marine had one oil tanker (1,000 GRT or over) totaling 1,200 GRT. However, in 2002, there is no merchant marine. There are 980 m (56 mi) of navigable rivers, canals, and numerous coastal lagoons.

Air Ivoire, government-owned since 1976, operates domestic services and also flies to Ouagadougou, Burkina Faso, and Bamako, Mali. International flights to Paris, Dakar, and other African and European capitals are handled by Air Afrique, a joint venture owned by Côte d'Ivoire and other participating Yaoundé Treaty countries (72%) and by Air France and Union des Transports Aériens (28%). Côte d'Ivoire's principal airport, F.H. Boigny, is located in Abidjan. Secondary airports are located at Bérébi, Bouaké, Daloa, Man, Sassandra, Korhogo, Tabou, San

Pedro, Guiglo, Bondoukou, Yamoussoukro, and Odienné. In 2001 there were 36 total airports, 7 of which had paved runways. In 2001, 1,063,900 passengers were carried on scheduled domestic and international flights. In 2001, 46,400 passengers were carried on scheduled domestic and international flights.

12 HISTORY

Little is known of the early history of the area now called Côte d'Ivoire. Most of its peoples entered the country in comparatively recent times, mostly from the northwest and the east, although the Kru-speaking peoples came from west of the Cavally River (modern Liberia). European travelers described flourishing and well-organized states in the north and east, with strongly hierarchical social organization and elaborate gold weights and ornaments. These states, such as the Agni kingdom of Indénié and the Abron kingdom of Bondoukou, were closely related linguistically and socially to the neighboring Ashanti of modern Ghana and formed with them, and with the Fon of Dahomey (now Benin) and the Yoruba and Bini kingdoms in Nigeria, an almost continuous string of relatively rich and developed states of the Guinea forest zone. Nearer the coast, the scale of social organization was much smaller, and innumerable small units recognized no political superior.

Modern European acquaintance with the west coast of Africa began with the Portuguese discoveries of the 15th century, culminating in the discovery of the route to India around the Cape of Good Hope in 1488 and the establishment of trading posts along the Senegal coast and the Gulf of Guinea. The Portuguese and Spanish were soon followed by the Dutch and English. Gold, ivory, ostrich feathers, gum arabic, and pepper were succeeded by slaves as the major trading commodities. French activity in what is now Côte d'Ivoire began in 1687, when missionaries landed at Assinié. In 1843, Adm. Louis-Édouard Bouet-Willaumez established French posts at Assinié and Grand Bassam, where treaties with the local chiefs provided for the cession of land for forts in exchange for tribute to the chiefs ("coutumes") at fixed rates and regular intervals.

After the Franco-Prussian War of 1870, the small garrisons of Assinié, Grand Bassam, and Dabou were withdrawn. French interests were confided to a resident trader named Verdier. He and a young assistant, Treich-Laplène, consolidated the French position along the coast. In 1887, Treich-Laplène signed treaties with Indénié, Bettié, Alangoa, and other chiefdoms of the interior, thus preventing British advances into eastern Côte d'Ivoire from Ashanti. Continuing northward to Kong, he joined forces with Col. Louis Binger, who had made his way from Bamako in French Sudan (Soudan Française, now Mali) to Kong and from there northeast to Ouagadougou in Upper Volta (now Burkina Faso) and back to Kong through Bondoukou. French claims to Upper Volta and northern Côte d'Ivoire, joining French Sudan and Niger in a continuous territory, were thus established. In 1893, the territory was renamed Côte d'Ivoire, and Col. Binger was appointed the first French governor. The new colony's frontier with Liberia was settled by a convention in 1892, and that with the Gold Coast (modern Ghana) by the Anglo-French agreement of 1893. The northern border was not defined until 1947.

French control of Côte d'Ivoire was, however, far from secured. Much of the region remained unexplored, and administrative control had still to be effectively organized in those areas whose chiefs had concluded treaties with the French. More serious still, Samory Touré, a Malinké from Guinea who periodically fought the French, had moved southeast after the French capture of Sankoro in 1892 and was continuing his struggle against the invaders in the region of Kong. Not until 1898, after prolonged fighting, was he finally captured near Man. Systematic military operations in the densely forested area between the upper Cavally and the upper Sassandra were carried out from 1908 onward before French rule was finally established in Côte d'Ivoire on the eve of World War I. In other parts of the colony, too, intermittent revolts continued throughout this period, stimulated by the imposition of a poll tax and opposition of many of the chiefs to the substitution of a tax rebate for the coutumes promised in the treaties. Nevertheless, some 20,000 Ivoirian troops were raised in the colony during World War I, when the greater part of the French forces was withdrawn.

In the interwar years, Côte d'Ivoire became a considerable producer of cocoa, coffee, mahogany, and other tropical products. Although European planters produced about one-third of the cocoa and coffee and most of the bananas, the share of African planters rapidly increased throughout this period. The railroad, begun in 1904, did not reach the northern part of the colony until 1925. The wharf at Grand Bassam (opened 1901) and that at Port Bouet (opened 1932) remained the principal ports until the cutting of the Ébrié Lagoon in 1950 and the opening of the deepwater port of Abidjan in 1954.

During World War II, Côte d'Ivoire, like the rest of French West Africa, remained under control of the Vichy government between 1940 and 1943. In 1941, the king of Bondoukou and thousands of his people made their way into the Gold Coast to join Gen. Charles de Gaulle's resistance forces. At the end of the war, Côte d'Ivoire was established as an overseas territory under the 1946 French constitution and given three deputies and three senators in the French parliament and an elected territorial assembly. By 1956, it produced 45% of all French West African exports, took in 30% of the imports, and seemed assured of continued economic advance.

In 1958, Côte d'Ivoire accepted the new French constitution in a referendum on 28 September and opted for the status of an autonomous state within the new French Community. On 4 December 1958, the Territorial Assembly, which had been elected by universal suffrage on 31 March 1957, formed itself into the Constituent Assembly and proclaimed the Republic of Côte d'Ivoire as a member state of the French Community. On 26 March 1959, the assembly adopted the first constitution of the new country. The legislature provided for in this constitution was chosen by a national election held on 17 April, and Félix Houphouët-Boigny was unanimously selected by the Assembly as prime minister on 27 April.

On 7 August 1960, the Republic of Côte d'Ivoire proclaimed its complete independence. On 31 October, a new constitution providing for a presidential system was adopted. In elections held on 27 November, Houphouët-Boigny was unanimously elected the country's first president. Although two plots to overthrow him, organized by government and party officials, were discovered in 1963, both failed, and in that year Houphouët-Boigny took over most key ministerial portfolios and consolidated his control over the Democratic Party of Côte d'Ivoire (PDCI).

Outbreaks of unrest plagued the Houphouët-Boigny government during the late 1960s and early 1970s. In 1969, some 1,500 unemployed youths were arrested in the course of widespread rioting. In 1970, disturbances broke out in Gagnoa, Bouaké, and Daloa. These incidents were followed in 1973 by an alleged conspiracy to overthrow the government. Following a brief trial, two army captains and five lieutenants were sentenced to death, while others were given jail sentences ranging from 15 to 20 years of hard labor. Before the sixth PDCI congress, in 1975, President Houphouët-Boigny pardoned some 5,000 persons, among whom were 145 political prisoners, some associated with the Gagnoa disturbances. All death sentences were also commuted to 20 years of hard labor. Throughout this period, the government used a series of mass meetings called "dialogues" to win over new adherents. These public discussions were usually led by prominent members of the administration, and President Houphouët-Boigny often presided over them personally. During the second half of the 1970s, Houphouët-

Boigny and the PDCI remained firmly in control, and Côte d'Ivoire became one of black Africa's most prosperous nations.

Houphouët-Boigny was reelected unopposed to his fifth five-year term as president in October 1980. The nation's first competitive National Assembly elections were held in the following month, as the ruling PDCI allowed 649 candidates to compete for the 147 seats, with a runoff between the two best-placed candidates in each constituency where there was no majority choice. A total of 121 new members were elected, while 54 of the 80 deputies who ran for reelection were defeated. Relations with neighboring countries have generally been favorable; in 1981, however, the death by suffocation of 46 Ghanaians who had been jailed near Abidjan on suspicion of drug smuggling led to friction with Ghana, which was resolved through Togolese mediation. Declining economic prospects in the early 1980s led to a series of strikes among professional workers, which Houphouët-Boigny accused a foreign power (presumed to be Libya) of fomenting.

Houphouët-Boigny won an unopposed sixth term as president in October 1985, reportedly receiving 100% of the vote in a turnout of over 99% of the eligible voters. In the following month, fewer than 30% turned out for the National Assembly elections, in which 546 candidates—all members of the PDCI but not screened—competed for 175 seats. Only 64 deputies were returned to office. Côte d'Ivoire celebrated the 25th anniversary of its independence on 7 December 1985 by releasing 9,500 convicted criminals from prisoners.

In 1990, Côte d'Ivoire entered a new political era as months of prodemocracy demonstrations and labor unrest led to the legalization of opposition parties, previously banned. Even within the PDCI, a progressive wing called for further liberalization. The first multi-party presidential and legislative elections were held on 28 October 1990 and 25 November 1990, respectively. Houphouët-Boigny was reelected as president with 81% of the vote. The PDCI carried 161 of the 175 seats and the Ivoirian Popular Front (FPI), 9 seats. Yet, outside observers saw the elections as less than free and fair. That November, the National Assembly passed a constitutional amendment to allow the Speaker to take over the presidency in the event of a vacancy (a provision eventually invoked on Houphouët-Boigny's death on 7 December 1993).

Meanwhile, popular disillusionment grew. Early in 1992, the president rejected the findings of his own investigative commission, which had found army chief of staff General Robert Guei responsible for the shootings at Yopougon University in May 1991. Then Houphouët-Boigny left for a four-month "private visit" to France. Rioting followed a mass demonstration in February 1992, and the government used this as a pretext to jail opposition leaders. In protest, the FPI withdrew from the National Assembly, leaving it a PDCI exclusive preserve. Houphouët-Boigny continued to manage affairs from Paris. He returned in June to release the opposition leaders as part of an amnesty that also shielded the soldiers.

After Houphouët-Boigny's death, power was transferred smoothly to Henri Konan Bédié, who became president until the 1995 elections. Born in 1934 in Dadiekro, Côte d'Ivoire, Henri Konan Bedié was of the Baoulé ethnic group. Bedié's ties to his idol Boigny began at a young age. During his initial schooling in Bokanda, Guiglo, and Dabopu, Côte d'Ivoire, he distributed newspapers of Boigny's political party—the Rassemblement Démocratique Africain. As he grew up, Bedié's aspirations became clearer. He traveled to France to study law at the University of Poitiers after reconsidering a career in education; he worked his way through law school. He also obtained advanced degrees in economics and political science, as well as a doctorate in economics, and was appointed the first Ivoirian ambassador to the United States in his 20s. He opened the Ivoirian embassy in Washington, DC, during the last months of the Eisenhower administration and also established the Ivoirian mission to the United Nations when he was only 27. Bedié also served as Minister of Finance and National Assembly President, as well as an advisor to the International Bank on Reconstruction and Development. Throughout his posts, Boigny was his most significant supporter.

Bédié proved to be a controversial leader. A split in the PDCI occurred on his watch, as departing Assembly members formed the Rally of the Republicans (RDR) and, later, the Republican Front. Bédié, meanwhile, began cracking down on dissent, briefly imprisoning and exposing to beatings the editor of a prominent newspaper. In the year preceding the scheduled elections, Bédié also instigated electoral reforms strictly limiting candidates who desired to run for president. Opposition parties decried the new electoral code and vowed to boycott the elections.

The presidential elections held on 22 October 1995 were boycotted by the opposition in protest of Bédié's antidemocratic maneuvering since assuming office. Bédié was reported by government officials to have won 95% of the vote. Legislative elections were held in December. The opposition threatened to extend their boycott to these elections as well, but Bédié engaged the major parties in negotiations and agreed to allow representatives from the two largest parties to serve on the electoral commission overseeing the balloting. The elections were seen as relatively fair and resulted in a National Assembly with 146 seats held by the PDCI, 14 by the RDR, and 9 by the FPI. Presidential, legislative, and municipal elections were held, and Bédié was officially elected president.

Though Bédié's presidential win was seen as a significant accomplishment for the Baulé ethnic group, allegations of his corruption and discontent among Ivoirians continued to increase. After becoming president, Bédié maintained a low profile and granted few interviews to the press. Facing opposition from other politicians, Bédié invited members of some opposition parties to join his government. Only Bernard Zadi of the Union des Socieaux Démocrates party accepted and became minister of culture. Even though Bédié appointed nine ministers from his party, Alassane Ouattara-a Mandé from the northern tribes continued to be Bédié's most harsh enemy. Bédié had banned Ouattara's participation in the 1995 elections by claiming him a foreigner from neighboring Burkina Faso. Bédié subsequently stripped Ouattara of all outward signs of power and began a campaign against Ouattara's northern Dioulla-speaking tribes. Further, Bédié became very strict against any political opposition and went as far as to name a new director of the main television station to support his own agenda. Criticisms of corruption under his rule began to grow.

Therefore, as many believe, all of these actions could only lead to one outcome: a coup. Regardless, what occurred on 24 December 1999 nonetheless shocked many watchers of Côte d'Ivoire around the world. On that day, General Robert Gueï led a coup d'etat and overthrew Bédié. Familiar scenes ensued: gunfire, occupation of the public television station, and the president fleeing the country. However, never before had such an event occurred in the country that was often referred to as the "Ivoirian miracle." Bédié immediately sought refuge in the French ambassador's residence, who, along with the French government, denounced the coup. Bédié, who mistakenly assumed the loyalty of the military, was evacuated from Côte d'Ivoire soon after. While many people around the world, including numerous African leaders, condemned the coup, the streets of Abidjan filled with celebrations. The fact was that Bédié had become increasingly unpopular after the 1995 elections. Gueï rallied his supporters by pledging to honor all Ivoirians, no matter where they were born.

However, many see Gueï's rise to power as a pro-Ouattara and pro-northern movement. Though he pledged to create conditions for democracy, fair elections, and a quick hand-over of civilian

rule, many were skeptical. The ruling party for 39 years did not yet have time to recuperate from the shock.

Regardless of in-country support, Gueï and his office remained unstable. Many soldiers originally protested out of anger for lack of pay, but Gueï did not find a way to address their concerns and offer payment. This resulted in increased corruption and bribery—soldiers and police officers are known to stop motorists at random and demand payment through threats. As of 2000, all foreign debt repayment had been suspended. General Gueï promised that as soon as political parties were formed, he would hold elections. They were tentatively set for October 2000, but the international community was concerned that Gueï had not ruled out his own presidential bid. Increasing military power and more defiance against Gueï's orders added to tensions in Côte d'Ivoire. Regional leaders, including US and French diplomats, warned Gueï against trying for the presidential bid, using the reasoning that international support for Côte d'Ivoire would be in jeopardy.

Presidential elections in which the principal candidates were excluded—including Ouattara and Bédié—were held on 22 October, which Gueï, who stood for election, proclaimed he had won. (In all, 15 of 19 presidential candidates were barred from running). In response to criticism that he had rigged the election, a violent popular uprising caused him to flee, and Laurent Gbagbo of the FPI, who was believed to be the actual winner, was proclaimed president. The results were eventually determined to be 59.4% for Gbagbo and 32.7% for Gueï. The main opposition parties, Ouattara's RDR and Bédié's PDCI, boycotted the elections. Although they joined Gbagbo's supporters in demanding Gueï's departure, they also called for the election to be annulled. In addition, that month fighting had erupted between the mainly southern Christian supporters of Gbagbo and the mainly northern Muslim supporters of Ouattara.

Parliamentary elections were held on 10 December 2000 and 14 January 2001; voter turnout was a mere 33.1%, as the elections were boycotted by the RDR. Gbagbo's FPI took 96 of the 225 seats in the National Assembly, to the PDCI/RDA's (African Democratic Rally) 94.

In March 2001, Gbagbo and Ouattara met for the first time since violence erupted between their supporters in October 2000, and agreed to work towards national reconciliation. Also in March, Ouattara's RDR gained a majority in local elections, taking 64 communes while the PDCI won 58. The FPI secured 34 communes and 38 went to independent candidates. There were calls for new presidential and legislative elections. In the 7 July 2002 county elections, the FPI and the PDCI each won 18 of the 58 departments. In August 2002, the RDR was awarded 4 ministerial positions in the new government.

On 19 September 2002, as Gbagbo was out of the country, an attempted military coup took place, destabilizing Abidjan and Bouaké, among other cities. Assumedly involved in plotting the coup, Gueï was killed; in addition, the Interior Minister and the former military commander of Bouaké were killed. France increased its military presence in Côte d'Ivoire to protect its large French community, and ECOWAS planned to send a peacekeeping force. Approximately 200 US Special Forces were sent to assist the government in putting down the mutineers. The original mutiny spread quickly into a general uprising in the Muslim north, against Gbagbo's southerner-dominated government. A cease-fire brokered by ministers from 6 African countries was signed by the government and rebels in Bouaké on 17 October, and direct negotiations between the Côte d'Ivoire Patriotic Movement (MPCI) and the government began on 30 October. The government agreed in principle to the idea of an amnesty and the reintegration of the mutineers into the army, but a political accord was not agreed upon. In what exacerbated the situation, two new rebel groups in the west emerged on 28 November— the Far Western Ivoirian People's Movement (MPIGO), and the Movement for Justice and Peace (MPJ). The MPCI continued to control the north while these two new groups controlled the southwest; the government continued to hold the majority of the south. France increased its troop presence; by the end of December, close to 2,500 French troops were in Côte d'Ivoire. Following incidents between the MPIGO, MPJ, and French troops in January, the two rebel groups agreed to participate in talks outside Paris on 15 January. Attending the talks were the three rebel movements, a government delegation, the political parties represented in the National Assembly, and the RDR. The talks resulted in a settlement to create a government of national unity and reconciliation in which the rebels would be represented, and Gbagbo would remain as head of state but with diminished powers. Gbagbo signed the accord on 24 January, but tens of thousands of Ivoirians in Abdijan protested the deal on his return, attacking the French embassy and French-owned businesses, as the protesters accused France of imposing the agreement. In Accra, Ghana in March, the parties involved in the power-sharing agreement finalized their plan for the creation of the government of national reconciliation: ten cabinet posts were reserved for President Gbagbo's FPI; the PDCI, RDR, and MPCI each were granted 7 posts; and 7 posts were shared by the MJP and the MPIGO. Representatives of the rebel movements and those from the RDR failed to attend the inaugural cabinet meeting in Yamoussoukro on 13 March; only 21 of the newly appointed ministers attended. As of the middle of March 2003, some 3,000 people had been killed in the fighting, and more than 1 million had been displaced. The first meeting of cabinet ministers in the new government was held on 17 April 2003, but fresh fighting broke out soon after. However, a total cease-fire on all fronts was agreed to on 1 May.

[13] GOVERNMENT

Under the constitution of 31 October 1960, as subsequently amended, executive power is exercised by a president, elected for a five-year term by direct universal suffrage (from age 18). The president, who appoints the Council of Ministers (cabinet), may initiate and veto legislation; the veto may be overruled by a two-thirds vote of the legislature. A 1980 constitutional amendment created the new post of vice president, to be elected with the president and to become head of state automatically in the case of vacancy by death, resignation, or "absolute hindrance"; the post was left vacant, however, and a 1985 constitutional amendment eliminated it, making the president of the National Assembly the interim successor in the event of a vacancy. A 1990 amendment empowered its speaker to succeed the president. In January 2003, Seydou Diarra was appointed as transitional prime minister by President Gbagbo as part of the French-brokered peace plan to create a national government of reconciliation and unity, after civil war began in September 2002. A 41-member cabinet was agreed upon, which was to include 9 ministers from 3 rebel groups: the MPCI, MPIGO, and MPJ.

The unicameral National Assembly consists of 225 members, elected by direct universal suffrage for a five-year term in the same year as the president. The country had a de facto one-party system until May 1990, when opposition parties were allowed. The post of prime minister was created after the November 1990 elections. Controversial electoral reforms were instituted in 1995, just prior to elections.

[14] POLITICAL PARTIES

From 1959 to 1990, the only political party in Côte d'Ivoire was the Democratic Party of Côte d'Ivoire (Parti Démocratique de la Côte d'Ivoire—PDCI), headed by President Félix Houphouët-Boigny. The PDCI developed from the Côte d'Ivoire section of the African Democratic Rally (Rassemblement Démocratique Africain), formed in 1946. In the 1959 elections, Houphouët-Boigny made it clear that no party that did not fully accept Côte

d'Ivoire membership in the French Community would be tolerated. After the elections, the number of constituencies was reduced to four for the whole country, and later a single nationwide constituency was established, with a single list of candidates for the National Assembly. In 1980, members of the National Assembly were chosen in 147 separate districts; in 1985, they were chosen from 175 districts.

In May 1990, opposition parties were legalized and contested the 1990 elections. Among the two-dozen parties registered were the Ivoirian Popular Front (FPI), the Ivoirian Workers' Party (PIT), the Ivoirian Socialist Party (PSI), and the Ivoirian Human Rights League. In April 1994, some 19 parties formed a center-left opposition alliance, the Groupement pour la Solidarité (GPS). Also formed in 1994 was the Rally of the Republicans (RDR), a coalition of defectors from the PDCI. The 1995 legislative elections resulted in a National Assembly constituted as follows: PDCI, 146 seats; RDR, 14; and FPI, 9. The year 2000 marked the first time in almost 40 years that the PDCI was not in power. The 10 December 2000 and 14 January 2001 parliamentary elections were boycotted by the RDR. The FPI won 96 of 225 seats; the PDCI took 94; the RDR won 5, although it boycotted the elections; the PIT won 4; the Union of Democrats of Côte d'Ivoire (UDCI) took 1 seat; the Movement of Future Forces (MFA) won 1 seat; and independents secured 22 seats. Two seats were vacant.

[15]LOCAL GOVERNMENT

Côte d'Ivoire is divided into 18 regions, 58 departments, and 196 communes, each headed by an elected mayor, plus the city of Abidjan with 10 mayors. A process of decentralization began in 1977, and has been regarded as the most thoroughgoing and effective in Francophone Africa. In the March 2001 local elections, the RDR gained control of the largest number of communes (64), followed by the PDCI (58), and the FPI (34). Thirty-eight went to independent candidates. In July 2002, the FPI and PDCI each won 18 of the 58 departments.

[16]JUDICIAL SYSTEM

The judicial system is based on the French civil law system and customary law. The Supreme Court heads the formal judicial system, which includes a Court of Appeals and lower courts. In rural areas, domestic and other local disputes are often handled through traditional village institutions in accordance with customary law, although the formal court system is increasingly displacing these traditional forms. A grand mediator, whose office is provided for in the constitution to bridge traditional and modern methods of dispute resolution, settles disputes that cannot be resolved solely by traditional means. Military courts only try military personnel. Persons convicted by a military court may petition the Supreme Court.

The judiciary is independent of the legislative and executive branches in ordinary criminal cases. Under the constitution and in practice, however, the judiciary accedes to the executive on political and national security issues.

[17]ARMED FORCES

Côte d'Ivoire's armed forces numbered around 17,050 in 2002, including the Presidential Guard. There were 6,500 in the army, including three infantry battalions and one mechanized battalion; 900 in the navy; and 700 in the air force. There is also a paramilitary force of about 7,000. Military expenditures in 2001 were $128 million or 1.3% of GDP.

[18]INTERNATIONAL COOPERATION

Côte d'Ivoire was admitted to UN membership on 20 September 1960 and is a member of ECA and all the nonregional specialized agencies, as well as the WTO. It belongs to the African Union and various other intergovernmental organizations, including the African Development Bank and G-77. Together with other countries of former French West Africa, it participates in the West African Customs Union, and it was the organizer of the Conseil d'Entente, which unites Benin, Niger, Togo, and Burkina Faso in a customs union. In May 1975, Côte d'Ivoire was one of the signatories to a treaty that created ECOWAS, an economic organization that includes both French- and English-speaking West African countries. Abidjan is the headquarters for the African Development Bank (although as of 2003 operations of the bank were temporarily relocated to Tunis, Tunisia), and houses the secretariat of the Conseil d'Entente and the West African office of the World Bank.

[19]ECONOMY

Côte d'Ivoire's wealth rests essentially on the production of coffee, cocoa, cotton, and tropical woods, which account for over 40% of GDP and two-thirds of exports. It has become the largest cotton producer south of the Sahara and is also investing in rubber production, with the goal of joining Liberia as one of Africa's leading rubber producers. The nation is the world's fifth-largest producer of coffee and the world's largest producer of cocoa; bananas, palm oil, and pineapples are other products of importance. Industrial activity, consisting chiefly of processing industries, is well developed. Mining remains of limited significance, with diamonds and offshore oil the only important minerals produced.

For the first 15 years after independence, Côte d'Ivoire's economy expanded at a remarkable rate reaching the double digits. During the 1980s, however, Côte d'Ivoire began experiencing an economic slowdown because of falling export prices, rising import prices, and heavy debt-service costs as a result of borrowing during the boom years.

In January 1994 France devalued the CFA franc, cutting its value in half. Within days of the devaluation, marketplace fights became common as shoppers reacted to merchants' attempts to cut their losses by marking up the prices of existing stocks. The population was forced to stop buying expensive imports in favor of locally produced products, which put more money into the pockets of local farmers and tradesmen. In addition, exports became more competitive, encouraging economic production. Despite the initial trauma, the devaluation ultimately led to average growth rates of 7% per year between 1995 and 1999. Although inflation initially shot up to 32% in 1994, it fell to 7.7% in 1995, and 2.5% in 2000. The post-devaluation boom waned in 1999, though, because of lower coffee, palm, rubber, and cocoa prices. The GDP growth rate in 2001 was estimated at -1%. Commodity prices, however, rebounded in 2001.

Due to the instability following the attempted coup that took place in 2002, and the resulting fighting, Côte d'Ivoire's economy suffered greatly, affecting everyone from business people to local artisans and farmers. Côte d'Ivoire's neighbors—including Burkina Faso and Mali—also felt the blow from the civil war.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Côte d'Ivoire's gross domestic product (GDP) was estimated at $25.5 billion. The per capita GDP was estimated at $1,550. The annual growth rate of GDP was estimated at -1%. The average inflation rate in 2000 was 2.5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 28% of GDP, industry 29%, and services 43%. Foreign aid receipts amounted to about $11 per capita and accounted for approximately 2% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $560. Household consumption includes expenditures of individuals, households,

and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 2%. Approximately 30% of household consumption was spent on food, 4% on fuel, 1% on health care, and 18% on education. The richest 10% of the population accounted for approximately 28.8% of household consumption and the poorest 10% approximately 3.1%.

[21]LABOR

Approximately 68% of the labor force was engaged in agriculture in 2000. The unemployment rate in urban areas was estimated at 13% in 1998.

The National Union of Côte d'Ivoire was formed in 1959; it was dissolved and replaced in 1962 by the General Union of Côte d'Ivoire Workers (Union Générale des Travailleurs de Côte d'Ivoire), controlled by the PDCI. In 1991, several UGTCI-affiliated unions, including those representing transport, media, customs, and bank workers broke away and became independent. In 1992, 11 formerly independent unions joined together to form the Federation of Autonomous Trade Unions of Côte d'Ivoire (FESACI). The right to strike is utilized by the unions after protracted negotiations are exhausted. Organized workers account for a very small segment of the workforce because most are involved in the informal sector or agriculture.

The law provides a 40-hour workweek for all except agricultural workers, for whom longer working hours are permitted. The legal minimum work age is 14 years, but this is only enforced in large companies and in the civil service. Many children work on farms, and do menial jobs in the informal sector in urban areas. A government-set minimum wage varies from sector to sector, with the lowest wage being $52 per month. Foreign workers are generally employed in the informal economy where labor laws do not apply.

[22]AGRICULTURE

Agriculture provides a living for about more than 50% of Ivoirians and accounts for about one-half of the country's sizable export earnings. Only 23% of the land is cultivated, but farming is intensive and efficiently organized. Most production is in the hands of smallholders, but there are numerous European-owned plantations, far more than in neighboring West African countries.

The main food crops (with their 1999 production in tons) are yams, 2,923,000; manioc, 1,623,000; rice, 1,162,000; plantains, 1,405,000; and corn, 571,000. Sweet potatoes, peanuts, and in the northern districts, millet, sorghum, and hungry rice (fonio) are also grown. Vegetable and melon production in 1999 amounted to 534,000 tons, consisting mostly of eggplant, fresh tomatoes, cabbage, okra, peppers, and shallots. The government sought during the 1970s to reduce or eliminate rice imports, but in 2001, about 1.9 million tons were imported. The economic decline during the 1980s coupled with high population growth has necessitated the modernization of agricultural production, with less dependence on coffee and cocoa. When cocoa and coffee prices were booming from the late 1960s until the early 1980s, the government profited by paying the farmers only a fraction of the money earned from the export of the crops.

However, they remain the principal cash crops and together provide about 45% of the country's export earnings. Côte d'Ivoire is Africa's leading producer of coffee, which is grown in the southern and central parts of the country, almost entirely on smallholdings. Coffee production reached a peak of 367,000 tons in 1981 and then declined because of drought and bush fires; in 1999 the total was back to 365,000 tons. Cocoa production has increased markedly since the early 1970s; it is now the nation's leading cash crop, and Côte d'Ivoire is the world's leading producer, accounting for 40% of world production in 1999. Output rose from 379,000 tons in 1980 to 1,153,000 tons in 1999, in part because of the use of high-yield plants and improvement in planting methods and upkeep.

Banana production (241,000 tons in 1999) fluctuates from year to year because of climatic conditions; exports in 2001 were 226,700 tons. Production of pineapples in that year was 226,000 tons; palm oil, 242,000 tons; and palm kernels, 35,000 tons. Rubber plantations yielded 119,000 tons, and cotton production reached 270,000 tons of seed cotton, and 130,000 tons of cotton fiber. Coconut production was 193,000 tons in 1999; copra production, 28,000 tons.

Six sugar complexes were established in the 1970s and early 1980s. These met domestic demand and provided an export surplus of over 60,000 tons of raw sugar in 1982, but the cost of production far exceeded the world market price, and two complexes were converted to rice plantations. Production of sugarcane was about 1,155,000 tons in 1999. Raw sugar production in 1999 was 115,000 tons, not enough to meet domestic consumption of over 175,000 tons.

[23]ANIMAL HUSBANDRY

Much of the country lies within tsetse-infested areas, and cattle are therefore concentrated in the more northerly districts. In 2001 there were an estimated 1,442,000 head of cattle (compared with 383,000 in 1968), 1,162,000 goats, 1,487,000 sheep, and 346,000 hogs. There are 31 million chickens; about 32,500 tons of eggs were produced in 2001. Milk production is small and there are no processing facilities so the milk is consumed fresh; production in 2001 was 25,000 tons.

In 2001, meat productions included (in tons): beef, 49,000; poultry, 65,000; pork, 11,000; and sheep and goat, 10,000. Nomadic production accounts for 47% of cattle herds and is mainly undertaken by non-Ivoirian herders. Settled herders are concentrated in the dry north, mainly in Korhogo, Ferkessedougon, Bouna, Boundali, Odienne, and Dabakala. Sheep and goat rearing is a secondary activity for many herders. Pork production is periodically affected by African swine fever; potential increases are limited by the fact that Muslims account for 40% of the population, and that unhygienic methods are widely used in traditional pig farming.

[24]FISHING

In 1964 a modern fishing wharf was opened at Abidjan, which is Africa's largest tuna fishing port, handling about 100,000 tons of tuna each year. There are fish hatcheries in Bouaké, Bamoro, and Korhogo. Commercial fishing for tuna is carried on in the Gulf of Guinea; sardines are also caught in quantity. The total catch was 80,322 tons in 2000, almost 87% in Atlantic waters.

[25]FORESTRY

There are three types of forest in Côte d'Ivoire: rain forest, deciduous forest, and the secondary forest of the savanna region. Total forest area in 2000 was 7,117,000 ha (17,586,000 acres); the natural rain forest constitutes the main forest area, as only 184,000 ha (455,000 acres) are planted forests. In 1983, the government acknowledged that the nation's forest area, which totaled approximately 16 million ha (40 million acres) at independence in 1960, had dwindled to about four million ha (10 million acres). However, the deforestation rate still averaged 3.1% during 1990–2000.

The forested area is divided into two zones, the Permanent Domain (PD) and the Rural Domain (RD). The PD consists of classified forests, national parks, and forest areas. This includes 242 major forested areas made up of 177 classified forest areas, nine national parks and three forest reserves, seven semi-classified forests, and 51 unclassified forests. The total area of the national parks and reserves is two million ha (4.9 million acres). Forest exploitation activities are prohibited in the 177 classified forest

areas, which cover an estimated 4,196,000 ha (10,368,000 acres). The RD, where logging is permitted, covers 66% of the total land area of Côte d'Ivoire. However, the effective area for forestry production is estimated at 2.9 million ha (7.2 million acres). Since June 1995, concession size in the RD has been enlarged to 25,000–75,000 ha (61,800–185,300 acres) and renamed "Perimetre," of which there were 231 in 2001.

In 2000, forest products accounted for $192.5 million in export value, providing the second most important source of foreign revenue after cocoa. The major export markets were Spain, France, India, China, Italy, Thailand, Senegal, Germany, the Netherlands, and Morocco. The total 2000 roundwood harvest was 11,945,000 cu m (421,659,000 cu ft). Tropical hardwood production primarily consists of logs, 71%; lumber, 21%; veneer, 7; and plywood, 1%. At one time, mahogany was the only wood exploited, but now more than 25 different types of wood are utilized commercially. The major species planted are teak, frake, framire, pine, samba, cedar, gmelina, niangon, and bete. The increasing scarcity of forest resources is adversely impacting value-added industries, leaving lumber and veneer production in a steady state of decline.

[26]MINING

Minerals represented a minor component of the economy, of which petroleum was a leading industry. All mineral rights were vested in the state, the Ministère des Ressources Minières et Pétrolières was responsible for administering the sector, and prospecting and mining were subject to control of the state-owned Société d'Etat pour le Développment Minier de la Côte d'Ivoire (SODEMI). Mineral commodities were estimated to account for 10% of the country's exports, excluding the value of smuggled gold and diamonds; the government was planning to implement a diamond certification scheme to respond to worldwide concerns over conflict diamonds. Diamond output in 2001 was 320,000 carats, down from 398,282 in 1999; previous outputs were 75,000 in 1996, 15,000 in 1991–1993, and a peak of 549,000 in 1961. Although kimberlites were known to exist at Kanangone, Seguela, and Tortiya, diamonds were produced only from alluvial deposits at Tortiya and Seguela. Gold production in 2001 was 2,100 kg, compared to 1,000 in 1996. The Agbaou gold permit's resources were more than 26,000 kg. A number of foreign companies had gold interests in Côte d'Ivoire, among them a French consortium that in 1991 began to exploit a mine estimated to contain 500,000 tons of gold ore with a content of 7 grams of gold per ton. Tantalite production was 400 kg in 2001, down from 1,400 in 1998. Côte d'Ivoire in 2001 also produced cement, clays, columbite, crushed granite, manganese, crushed rock, sand and gravel, and stone; the production of building materials was a leading industry in the country.

The country's total iron ore resource was estimated to be 3,000 million tons, with deposits at Monogaga, Mount Gao, Mount Klahoyo, Mount Nimba, Mount Segaye, Mount Tia, and Mount Tortro; poor infrastructure has hampered development of these resources. There has been recent interest in constructing a gas pipeline to service an iron ore pelletizing plant onsite, and the government has been actively pursuing a project to build a 500 km railway that would connect Mount Nimba and the San Pedro port. Falconbridge Ltd. of Canada continued evaluation of its Touba-Biankouma license, whose laterite deposit of nickel and cobalt was estimated to be 292 million tons of ore at a grade of 1.46% nickel and 0.11% cobalt. Ilmenite fields containing an estimated 500,000 tons of the rare metal have been discovered near Grand Lahou. Copper, titanium, chromite, bauxite, and asphalt were among other known minerals not yet exploited commercially. In 2001, Côte d'Ivoire agreed with six West African countries to form a free-trade zone to expand economic and infrastructural development. Despite the 1999 military coup d'état and continuing civil unrest in 2001, Côte d'Ivoire's 8,000 paved roads and two active ports made it attractive for business

[27]ENERGY AND POWER

Until 1959, electric power generation was entirely thermal, using imported oil. Since then, however, substantial efforts have been undertaken to develop Côte d'Ivoire's hydroelectric potential, and by 2002, hydroelectricity supplied about 75% of electrical demand. The country's first hydroelectric plant opened in 1959 at Ayamé, on the Bia River, with a capacity of 19,200 kW; a second dam on the Bia was completed in 1964. The Kossou hydroelectric plant, on the Bandama River, began operations in the early 1970s. Subsequently, the government completed hydroelectric projects at Taabo, on the Bandama, and Buyo, on the Sassandra. In 1997, the Cinergy consortium won a 23-year concession to construct the country's third thermal power plant, outside Abidjan, at Azito. By the same year, Côte d'Ivoire was exporting electricity produced by its own gas-fired turbines at the CIPREL proejct at Vridi, near Abidjan. The final section of the CIPREL facility came online in March 1998. In 2001, the country's total installed electrical capacity was 892 MW; in 2000 electric power production reached 4.6 billion kWh, up from 18.3 million kWh in 1964. Of this total, 75.4% was from fossil fuels and 24.6% was from hydroelectric power. Consumption of electricity in 2000 was 2.6 billion kWh.

Offshore oil was discovered in 1977. Production began three years later; in 1983, Côte d'Ivoire approached self-sufficiency, with an output of over one million tons, but production was only 99,000 tons in 1991, as deposits proved smaller, more scattered, and in deeper water than expected. A 15% share in the first field to be developed, Bélier, about 25 km (16 mi) from Abidjan, was held by the Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire (PETROCI), the state oil corporation. PETROCI held a 10% stake in the larger Espoir field off Jacqueville, about 50 km (31 mi) east of Abidjan, which was shut down in 1988. Petroleum production in Côte d'Ivoire then ceased in 1992 when the Bélier field was also abandoned. However, it resumed in 1995 when Ocean Energy, a subsidiary of the US-based United Meridian Corp. began production; total crude oil output was reported at 435,000 tons in 1995.

In 1996, Côte d'Ivoire became self-sufficient in petroleum, with the revitalization of petroleum and natural gas production and electricity generation. In 1998 PETROCI was restructured into four separate entities, a holding company and three companies responsible for, respectively, oil exploration and development, gas development, and oil refining and other services. Production was 12,000 barrels per day in 2001, when recoverable reserves were estimated at 100 million barrels.

Estimated gas reserves as of 2001 were 31.1 billion cu m (1.1 trillion cu ft), and gas consumption was expected to grow 50% over the coming four years. Natural gas production was forecast to average one million cu m (35 million cu ft) per day over 20 years. As of 2002, Côte d'Ivoire was on its way to becoming a natural gas exporter, having signed an agreement in 1999 to build a gas pipeline to Ghana.

[28]INDUSTRY

Côte d'Ivoire's industrial activity is substantial by African standards. It accounted for 29% of GDP in 2000. The development of processing industries, especially in the Abidjan region, has been significant. Bouaké has become a large industrial center, and numerous thriving industries have been built up in the forest zone of the southern coastal region. These include palm oil mills, soap factories, a flour mill, fruit canning factories, a tuna canning factory, breweries, beer and soft drink plants, rubber processing plants, sugar mills, cotton ginning plants, and coffee- and cocoa-bean processing plants. The chemical and lubricant industries are also significant. In 1998, industrial GDP grew 12%

with increased capacity utilization and plant expansion and renovation. Exports of light manufactured goods had increased by 2002.

The lumber industry, producing largely for export, included plywood factories and numerous sawmills. The construction materials industry, comprised of brick works, quarries, and cement plants, experienced an approximate 25% growth rate from 1996 to 1999. The Abidjan airport was completely renovated in 2001, and there are plans to expand the Port of Abidjan.

Recoverable oil reserves in the country amount to 100 million barrels. Petroleum products account for more than 11% of export earnings. The oil refinery at Abidjan produces enough refined petroleum products for the country to be self-sufficient in them. Côte d'Ivoire is known more as an oil-refining country than an oil-producing one. The Abidjan refinery was scheduled for privatization by 2000. Recoverable gas reserves amount to 1.1 trillion cubic feet (Tcf), and the country is destined to become a gas exporter.

Cotton production is expanding in the north of the country, and a thriving textile industry has developed around it, including such activities as ginning, spinning, weaving, and printing.

The civil war that began in 2002 inhibited growth in all sectors, from large industry in Abidjan to small artisan work. Fighting prevented raw materials from the north of the country to make their way to businesses and ports in the south.

[29] SCIENCE AND TECHNOLOGY

Scientific institutes in Côte d'Ivoire conduct research in such fields as tropical forestry, livestock and veterinary medicine, cotton and tropical textiles, coffee, cocoa, oils, rubber, savanna food crops, and citrus fruits. The French Institute of Scientific Research for Cooperative Development, founded in 1946, has a center in Abidjan and extensions in Bouaké and Man. The National University of Côte d'Ivoire in Abidjan includes faculties of sciences, medicine, and pharmacy; and an institute of renewable energy. A technical school in Bingerville offers training in electrical engineering, and a teachers' training college at Yamoussoukro includes schools of industrial technology and engineering. In 1987–97, science and engineering students accounted for 31% of college and university enrollments.

[30] DOMESTIC TRADE

European firms play an important part in the economy, and the French and Lebanese population has a strong influence in importing and marketing decisions. They buy and export lumber, coffee, cocoa, and palm oil products and import capital and consumer goods. Most European firms have their headquarters in Abidjan; many are also represented in Bouaké. In Abidjan and Bouaké there are specialty shops in such lines as dry goods, foodstuffs, hardware, electrical appliances, and consumer electronics. In the smaller towns of the interior, bazaars and individual merchants and peddlers deal in locally grown products and a few imported items.

Domestic trade is generally on a cash basis, but in the countryside, bartering is common. Many shopkeepers extend credit to farmers until the end of the harvest season. Major credit cards are not generally accepted. Installment purchase has been introduced for automobiles and major appliances. Prices and profit margins are regulated by the government for basic food products, many imported goods, and certain services.

Business hours are generally from 8 AM to noon and from 3:00 to 6:00 PM, Monday through Friday, and some businesses are open on Saturday. Banks are normally open on weekdays from 8 to 11:30 AM and 2:30 to 4:30 PM. Many businesses close during the month of August for vacation.

[31] FOREIGN TRADE

Côte d'Ivoire has generally enjoyed a positive trade balance since independence. Cocoa is Côte d'Ivoire's largest export commodity (28%), cornering over a quarter of the world's exports in the market (26%). The country also exports wood (7.5%), coffee (8.4%), fruits and nuts (4.7%), fish (3.6%), and cotton (4.1%). Most of Côte d'Ivoire's exports go to France, the Netherlands, the US, and Mali. In 2000 Côte d'Ivoire's imports were distributed among the following categories:

Consumer goods	7.2%
Food	16.0%
Fuels	33.6%
Industrial supplies	25.0%
Machinery	11.9%
Transportation	5.8%
Other	0.4%

Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
France	541	505	36
Netherlands	353	76	277
United States	301	89	212
Mali	208	n.a.	n.a.
Italy	173	91	82
Senegal	146	16	130
Spain	137	81	56
Ghana	135	n.a.	n.a.
Germany	110	90	20

[32] BALANCE OF PAYMENTS

Côte d'Ivoire's exports have diversified over the years, ranging from a reliance on cocoa, coffee, and other tropical agricultural products, to new growth in exports of light manufactured goods, petroleum products, and electricity. The success of these exports has led to a positive foreign trade balance. The country, however, has external debt service arrears in the amount of $415 million (2001). Total external debt stands at around $11 billion, approximately the same amount as annual GDP, or more than three times annual export earnings. The country also has internal debt service payments of over $2 billion, or approximately 18% of GDP.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Côte d'Ivoire's exports was $3.6 billion while imports totaled $2.4 billion resulting in a trade surplus of $1.2 billion.

The International Monetary Fund (IMF) reports that in 2001 Côte d'Ivoire had exports of goods totaling $3.95 billion and imports totaling $2.41 billion. The services credit totaled $487 million and debit $1.23 billion. The following table summarizes Côte d'Ivoire's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-58**
Balance on goods	1,540
Balance on services	-745
Balance on income	-577
Current transfers	-275
Capital Account	**10**
Financial Account	**-24**
Direct investment abroad	…
Direct investment in Côte d'Ivoire	246
Portfolio investment assets	-13
Portfolio investment liabilities	5
Other investment assets	-170
Other investment liabilities	-89
Net Errors and Omissions	**-23**
Reserves and Related Items	**94**

[33]BANKING AND SECURITIES

Côte d'Ivoire is a part of the Communaute Financiere Africaine, in particular, the Union Economique et Monetaire de l'Afrique de l'Ouest (UEMOA). The central bank for all UEMOA members is the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) in Dakar. CFA francs (Communauté Financière Africaine francs), are guaranteed by France at a rate of 100:1 without limitation. There are 15 commercial banks in Côte d'Ivoire. These include SGBCI, BIAO, BOCICI, SIB, Citibank, Paribas, BHCI, Ecobank, Bank of Africa, and HSBC Equator Bank. The African Development Bank is headquartered in Abidjan.

In late 1996, the Banque internationale pour le commerce et l'industrie de la Côte d'Ivoire (BICICI) forecast growth of 7.3% for 1996. Banking activity had followed the improving national economic environment. BICICI expected credit in the economy to rise by 4.3% in 1996, and money supply by 20%, marked by further substantial growth in household savings.

Public credit institutions provide credit to farmers and agricultural cooperatives, mortgages and personal loans, real estate financing, and loans to small industries. The Ivoirian Industrial Development Bank was inaugurated in 1965 to provide medium- and long-term credit for industrial projects. The National Agricultural Development Bank, created in 1968, extends loans to the agricultural community. The National Bank for Savings and Credit is the state savings institution.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $1.8 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $2.5 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4.95%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

The Abidjan stock exchange is the local securities market. It was created in 1976 to encourage domestic investment and to provide Ivoirian industries with access to the international financial market.

[34]INSURANCE

There were over 30 insurance companies in Abidjan in 1999. Domestic companies accounted for almost 80% of the business. Third-party motor liability insurance is compulsory. In 2001, there was $47 million in life insurance premiums written.

[35]PUBLIC FINANCE

In the first quarter of 1999, the government admitted to a budget shortfall of $125 million, which it explained as a loss of import duties and tax and customs fraud. The government has been accused repeatedly of corrupt practices and mismanagement of public revenues, including extra-budgetary spending. The government began a privatization program in 1990 that had succeeded in selling 56 out of 60 chosen national enterprises by 1999.

The US Central Intelligence Agency (CIA) estimates that in 2001 Côte d'Ivoire's central government took in revenues of approximately $1.7 billion and had expenditures of $2.4 billion including capital expenditures of $420 million. Overall, the government registered a deficit of approximately $680 million. External debt totaled $13.3 billion.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	1,720
Tax revenue	93.5%	1,609
Non-tax revenue	3.5%	60
Capital revenue	<0.1%	1
Grants	2.9%	50

[36]TAXATION

From the end of May 2001, as some order was restored after the coup attempt in January, the government began instituting and planning reforms in tax structure and tax administration under the guidance of the IMF and the World Bank. The government wrote off tax arrears from prior to 1992 amounting to about €460 million. Most domestic state revenues come from indirect taxes on imports and exports, and on consumer products, and from business taxes. In 2002 the minimum 5% customs duty on all imports was extended.

The Côte d'Ivoire divides income into five categories according to its source-industrial and commercial profits, salaries and wages, marketable securities, land, and non-commercial profits. Each type is subject to its own specific tax. Individuals are taxed on their total income from all categories under the progressive General Income Tax (IGR), which takes into account the number and type of persons in the taxpayer's household.

Companies pay a tax for Industrial and Commercial Benefits (BIC) at a rate of 35% of profits. Individually-owned companies pay 25%. The tax on capital gains is included in the corporate tax. The New Code for Investments of 1995 offers programs of tax holidays, exemptions and reductions as incentives for foreign investment. Subsidiaries of foreign corporations are subject to withholding tax of 12% (18% if the profit is exempt from corporate tax). The withholding tax on income from royalties is 10% and from interest, 15%. Dividends to non-residents are subject to 18% withholding, but this may be reduced to 10% or 12%. All withholding taxes may be reduced or eliminated by the terms of bilateral double-taxation prevention agreements. The Côte d'Ivoire has double-tax treaties with about 20 countries, the United States not included among them. There is a real estate tax and a tax on capital gains from securities. Otherwise capital and capital gains are not taxed.

The main indirect tax is the value-added tax (VAT), which, as of 2 July 2001, was set at the unified rate of 20% with the abolition of the reduced rate of 11%. Supplies to ships and aircraft are exempt from VAT. Also levied is a tax on service provided (TSP) of 10% on certain financial and other services, a business franchise tax, a petroleum products tax, a tax on automobiles (50%-100%).

[37]CUSTOMS AND DUTIES

A fiscal import duty, applied to all incoming goods regardless of origin, serves primarily as a source of revenue. A customs duty is levied on all goods coming from places other than franc zone countries. Combined, they equal a maximum of 35%. Products from franc zone countries, especially France, receive preferential customs treatment. An excise tax is levied on alcoholic beverages and tobacco; export duties and taxes are imposed on specified commodities. There is also a 20% value-added tax (VAT), and a 2.6 % statistical tax that must be paid on all declarations. All imports valued at more than one million CFA Francs need licenses, which are issued on a quota basis. Bilateral customs agreements have been concluded with Burkina Faso, Niger, Benin, and some other countries. A 1997 agreement with UEMOA countries established a reduction of 60% customs duties manufactured and marketed in the zone.

[38]FOREIGN INVESTMENT

Foreign (that is, non-French) investment was negligible until the issuance of the 1959 investment code, which eliminated all

special privileges for French companies. A new investment code was adopted in 1984. To finance national investment, all businesses had to lend 10% of their profits to the government, but this loan was rebated if they reinvested twice that sum in government-approved industries. Investment incentives included tax holidays, export bonuses, duty-free imports of equipment and machinery, free repatriation of capital and profits, and tax stabilization clauses. The 1984 code was particularly intended to help small- and medium-sized enterprises, with greater incentives for firms locating outside the Abidjan area.

The New Investment Code of 1995 modified the code of 1984 to further encourage private sector investment for larger enterprises. Incentive packages were particularly aimed at attracting foreign investment in the petroleum, telecommunications, and mining sectors, which were being privatized. As a venue for foreign direct investment, Côte d'Ivoire had in its favor a well-developed infrastructure by third world standards (two ports with inland rail linkages, paved roads, advanced telecommunications facilities), a release from overwhelming external debt through the Paris Club and the HIPC (Highly Indebted Poor Countries) initiative of the IMF and World Bank, and, most famously, a long record of political stability. This last was broken in the coup of 1999, a popular uprising in 2000, and a troop mutiny in March 2002.

Annual foreign direct investment (FDI) inflow fell over 43% between 1997 and 2000-2001—from about $450 million in 1997 to an average of about $256 million in 2000 and 2001. The political turmoil has created uncertainty in the private sector, which due to recent privatizations has delayed planned infrastructure improvements in the railroads, the petroleum sector, telecommunications, and electricity and water supply.

FDI has come primarily from France, which is source of 55% to 60% of accumulated FDI stock. FDI flows account for 40% to 45% of total capital in Ivorian firms, about 25% of which is French. Other important sources of FDI include the United States (8.4% in 1997), United Kingdom (7.3%), and Benelux countries (4.6%)

[39]ECONOMIC DEVELOPMENT

Since independence, Côte d'Ivoire has engaged in an economic program aimed at ending its reliance on outside assistance and at achieving self-sustained growth. Its economy has remained one of the most developed on the African continent, and its religious, ethnic, and political stability was a model for other African nations. Under current conditions, however, the Côte d'Ivoire economy will remain highly vulnerable to commodity price variations and dependent upon outside assistance into the foreseeable future, a future mortgaged by its earlier levels of borrowing. Increased efforts to liberalize the economy by privatizing state-owned companies have also helped to improve economic performance, as has increased capital investment. The country's debt in 2000 was approximately $13 billion. Côte d'Ivoire hoped to become classified as a "newly industrializing country" by the year 2025. In September 2002 mutineering soldiers attempted a coup, however, and the country was divided into government-controlled and rebel-held areas. After a cease-fire was declared in January 2003 and a government of national unity was formed, President Gbagbo declared on 4 July 2003 that the civil war was over, and there were hopes that the disrupted economy would return to a state of stability.

In March 2002, Côte d'Ivoire negotiated a three-year $366 million Poverty Reduction and Growth Facility Arrangement with the International Monetary Fund (IMF) to support the government's economic program.

[40]SOCIAL DEVELOPMENT

A social welfare service was established in 1950 to coordinate public and private social assistance activities; it occupies itself mainly with casework in the large towns. A system of family allowances for wage earners was instituted in 1956, and workers' compensation has also been introduced. Pensions are set at a rate of 1.33% of average earnings multiplied by the number of years worked. Cash maternity benefits are provided for employed women. These programs cover only those formally employed and exclude subsistence farmers.

Women play a subordinate role in society even though the Constitution prohibits sex discrimination. Domestic abuse occurs frequently and is generally not reported due to the shame it brings upon the family. Women are often forced into marriage, and inheritance practices favor men. Women's advocacy groups are addressing the indifference of authorities to female victims of violent crimes. Female circumcision, also known as female genital mutilation, is illegal, but is still practiced in many areas of the country. The government took action against statutory rape of school girls by teachers, in part to combat low rates of enrollment due to teen pregnancies.

Security forces commit widespread abuses, including killings and arbitrary arrest and detention. Journalists are regularly beaten and harassed. The constitutional right to assemble is restricted by the government.

[41]HEALTH

The public medical services are more important than the small number of private physicians and clinics. In 1990, the country had 1,020 doctors, 135 pharmacists, 219 dentists, 3,691 nurses, and 1,533 midwives. As of 1999, there were an estimated 0.1 physicians and 0.8 hospital beds per 1,000 people. About 77% of the population had access to safe water in 2000. Total health care expenditures as of 1999 were estimated at 3.7% of GDP.

Malaria, yellow fever, sleeping sickness, yaws, leprosy, trachoma, and meningitis are endemic. A broad program was set up in 1961 to control these and other diseases; compulsory vaccination against smallpox and yellow fever was instituted, efforts by mobile health units to track down cases and provide treatment were intensified, and general health measures were tightened both within the country and at the borders. In 1999, the country immunized children up to one year old as follows: diphtheria, pertussis, and tetanus, 62%, and measles, 62%. In 1999, there were 375 reported cases of tuberculosis per 100,000 people and there were 4,993 cases of cholera in 1995. Malnutrition affected 24% of children under five years old.

At the end of 2001 the number of people living with HIV/AIDS was estimated at 770,000 (including 9.7% of the adult population) and deaths from AIDS that year were estimated at 75,000. HIV prevalence in 1999 was 10.76 per 100 adults. The high incidence of HIV/AIDS is attributed to a lack of HIV education programs.

In 1994, 60% of females underwent female genital mutilation. The birth rate in 1999 was 41.8 per 1,000. The infant mortality rate in 2000 was 111 per 1,000 live births and the overall death rate was 16 per 1,000. In 1993–96, 14% of all births were classified as low weight. In 2000, average life expectancy in Côte d'Ivoire was estimated at 46 years for both men and women.

[42]HOUSING

Housing remains an issue of major concern in Côte d'Ivoire, particularly in Abidjan, which has been the focus of continued migration from rural areas. Extensive slum clearance has been carried out in the former capital, but shantytowns still persist on the outskirts. Police officers, soldiers, customs officials, top-level bureaucrats, and foreign salaried government employees receive free housing. In rural areas, some villages have been entirely rebuilt or replanned. According to the latest available figures, the housing stock totaled nearly two million units, with about six people per dwelling. In 1990, only about 49% of the total

population had access to improved sanitation systems; 65% had access to improved water systems.

[43]EDUCATION

Education is free at all levels. Primary education lasts for six years and secondary for seven years (four years of lower secondary followed by three years of upper secondary). Projected adult illiteracy rates for the year 2000 stand at 53.2% (males, 45.4%; females, 61.5%). In 1997, there were 7,599 primary schools with 1,735,814 students. In secondary schools, there were 534,214 students. The pupil-teacher ratio at the primary level was 43 to 1 in 1999. In the same year, 59% of primary-school-age children were enrolled in school. The National University of Côte d'Ivoire, located in Abidjan and established as a university in 1964, has six faculties. In 1995, there were 52,228 students in post-secondary education, 24% of which were female. As of 1999, public expenditure on education was estimated at 3.7% of GDP.

[44]LIBRARIES AND MUSEUMS

The National Library, in Abidjan, was created in 1968 from the former library of the French Institute of Black Africa and has a primarily scientific collection; in 2002, it contained over 75,000 volumes. The library of the African Development Bank at Abidjan, was founded in 1970, and has 40,000 volumes. Abidjan also has a municipal library with 50,000 volumes, the National University library with 95,000 volumes, and several small research libraries. The French Cultural Center holds 43,000 volumes. The Museum of Côte d'Ivoire in Abidjan features ethnological, sociological, artistic, and scientific exhibits. The Native Costume Museum was founded in 1981 in Grand Bassam. Regional museums are located in Bondoukou, Bingerville, Abengourou, Bonova, Duekoue, and Vavova. A general interest museum was founded in 1992 in Korhogo.

[45]MEDIA

Telephone and telegraph services are government owned; there were an estimated 263,700 main line telephones and 450,000 cellular phones in use in 2000. All news media are owned or controlled by the government or the ruling PDCI. In 2002, daily newspapers included the French-language daily *Fraternité Matin,* with a circulation of 80,000; *Ivoir'Soir* (50,000); *Le Jour* (16,000); and *La Voie*. The government also controls radio and television broadcasting. Radio broadcasts are in French, English, and indigenous languages; television is in French only. In 1998, there were 2 AM and 9 FM radio stations, with 14 television stations reported in 1999. In 2000, there were 137 radios and 60 television for every 1,000 people. Online access was limited, with 5 Internet service providers serving 10,000 users in 2001.

Though the constitution provides for free expression and a free press, the government is said to impose significant restrictions on print and electronic media.

[46]ORGANIZATIONS

Chambers of commerce, industry, and agriculture have their headquarters in Abidjan, including the National Federation of Industry of Côte d'Ivoire. There are a number of employers' associations and agricultural producers' cooperatives. Some multinational trade and professional organizations are based in the country, including the Inter-African Coffee Organization and the African Union of Sports Medicine. A consumer cooperative also functions. The African Music Rostrum, also based in Abidjan, is a multinational cultural organization to promote African musical arts. Côte d'Ivoire has many clubs devoted to various sports. Scouting programs and several other youth organizations are active, many related to religious organizations. Amnesty International has chapters within the country.

[47]TOURISM, TRAVEL, AND RECREATION

Tourism has developed significantly since the early 1970s. The country has excellent hotels and other tourist facilities, with 11,374 beds in 7,786 hotel rooms and a 70% occupancy rate in 1997. In 1998, there were 301,039 tourist arrivals, including more than 73,000 from France alone. Receipts from tourism amounted to $98 million during the same year. However, reports indicate that receipts had declined to only $57 million in 2000. Fine beaches, specially built tourist villages, and photo safaris through the wildlife preserves are the principal attractions.

Passports are required. Visas are not required for stays of up to 90 days, but a vaccination certificate for yellow fever is needed from all foreign visitors.

In 2002, the US Department of State estimated the cost of staying in Abidjan at $160 per day. Yamoussokro is estimated at $98.

[48]FAMOUS IVOIRIANS

Queen Abia Pokou (b.1720), the legendary heroine of the Baule people, led them to Côte d'Ivoire from the territory that is now Ghana. Félix Houphouët-Boigny (1905–1993) was the first African to be a French Cabinet minister (1956–69); he was elected as Côte d'Ivoire's first president in 1960 and was continually reelected until his death. Henri Konan-Bedie (b.1933) became president in 1993, a post he held until his ouster in a military coup in January 2000. The nation's outstanding literary figure, Bernard Binlin Dadié (b.1916), is known abroad for several volumes of poetry and a novel; he has held many government posts, becoming minister of cultural affairs in 1977.

[49]DEPENDENCIES

Côte d'Ivoire has no territories or colonies.

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DJIBOUTI

Republic of Djibouti
République de Djibouti Jumhouriyya Djibouti

CAPITAL: Djibouti

FLAG: A white triangle, with a five-pointed red star within, extends from the hoist; the remaining area has a broad light blue band over a broad light green band.

ANTHEM: No information available.

MONETARY UNIT: The Djibouti franc (DFr) of 100 centimes is the national currency. There are coins of 1, 2, 5, 10, 20, 50, 100, and 500 Djibouti francs, and notes of 500, 1000, 5000, and 10,000 Djibouti francs. DFr1 = $0.0056 (or $1 = DFr177) as of January 2003.

WEIGHTS AND MEASURES: The metric system is in use.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; Independence Day, 27 June; Christmas Day, 25 December. Movable religious holidays are Milad an-Nabi, Laylat al-Miraj, 'Id al-Fitr, 'Id al-'Adha', and Muslim New Year (1st of Muharram).

TIME: 3 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Djibouti (formerly known as French Somaliland and then as the Territory of the Afars and the Issas) is situated on the east coast of Africa along the Bab al-Mandab, the strait that links the Red Sea with the Gulf of Aden. It is bordered by Eritrea to the N, Ethiopia N, W, and S, by Somalia on the SE, and by the Bab al-Mandab, Gulf of Tadjoura, and Gulf of Aden on the E. Djibouti encompasses approximately 22,000 sq km (8,494 sq mi) and has a total boundary length of 830 km (516 mi), which includes a coastline of 314 km (195 mi). Comparatively, the area occupied by Djibouti is slightly smaller than the state of Massachusetts.

Djibouti's capital city, Djibouti, is located in the eastern part of the country.

[2]TOPOGRAPHY

Originally formed by volcanic action that accompanied the uplifting and faulting of the East African shield and the Rift Valley system, Djibouti consists of a series of high, arid tablelands surrounding faults, within which are low plains. Many areas exhibit thick layers of lava flow. There are three principal regions: the coastal plain, less than 200 m (656 ft) above sea level; the mountains, averaging about 1,000 m (3,300 ft) above sea level; and the plateau behind the mountains, rising from 300 to 1,500 m (984–4,921 ft). The highest point, Mt. Moussa Ali, rises to 2,028 m (6,654 ft) on the northern frontier. The saline Lake Assal, at 155 m (509 ft) below sea level, is the lowest point in Africa and the second lowest in the world. In general, the terrain is bare, dry, desolate, and marked by sharp cliffs, deep ravines, burning sands, and thorny shrubs. There is very little groundwater except in an area along the southern border with Somalia, and Djibouti is dependent on saline subterranean aquifers. Earthquakes are common.

[3]CLIMATE

The climate is torrid, and rainfall is sparse and erratic. During the hot season, from May to September, daytime temperatures in the capital average 31°C (87°F) and the northeastern monsoon blows. During the warm season, from October to April, average daytime temperatures moderate to 37°C (99°F). Humidity is high all year, but annual rainfall averages less than 13 cm (5 in).

[4]FLORA AND FAUNA

Over 90% of the land in Djibouti is desert. On Mt. Goda, near Tadjoura, there are rare giant juniper trees, acacias, and wild olive trees. However, most of the vegetation is typical of the desert and semidesert, consisting of thorn scrubs and palm trees.

In its animal reserves, Djibouti has antelopes, gazelles, hyenas, and jackals.

[5]ENVIRONMENT

Djibouti's most significant environmental problems are deforestation, desertification, water pollution, and the protection of its wildlife. Djibouti's forests are threatened by agriculture and the use of wood for fuel. The rare trees on Mt. Goda are protected within a national park. The water supply is threatened by increasing salinity. Underwater reserves have been established in the Gulf of Tadjoura to prevent overfishing of tuna, barracuda, grouper, and other species. As of the mid-1990s, six of 22 mammal species and three of 311 bird species were endangered. Three of the nation's 534 plant species were also threatened with extinction. No hunting of wild animals is permitted, but abuses continue.

[6]POPULATION

The population of Djibouti in 2003 was estimated by the United Nations at 703,000, which placed it as number 157 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 43% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.58%, with the projected population for the year 2015 at 839,000. The population density in 2002 was 28 per sq km (73 per sq mi). The vast majority lives in and around the capital, with much of the rest of the country inhabitable.

It was estimated by the Population Reference Bureau that 83% of the population lived in urban areas in 2001. The capital city, Djibouti, had a population of 523,000 in that year. According to the United Nations, the urban population growth rate for 2000–2005 was 2.3%.

The prevalence of AIDS/HIV has had a significant impact on the population of Djibouti. The United Nations estimated that 7.1% of adults between the ages of 15–49 were living with HIV/AIDS in 2001.The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

The peoples of Djibouti, Somalia, and Eritrea are historically nomadic, migrating with flocks of camels and goats across borders that now separate nations. Somalis from Djibouti have also historically sought work across the Gulf of Aden in Yemen and the Persian Gulf sheikdoms.

In mid-1993, some 18,000 Afar refugees from Djibouti fled into northeastern Ethiopia because of ethnic clashes and the civil war. A peace agreement was signed in 1994. Almost all voluntarily repatriated to Djibouti by the end of 1997.

Between September 1994 and November 1996, the UNHCR helped repatriate 31,617 Ethiopian refugees from Djibouti; 2,500 remained. In February 1997, there were 20,000 Somali refugees in Djibouti. As of 2000, there were 23,200 refugees in Djibouti, out of a total migrant stock of 28,000. In that year the net migration rate was 6.8 migrants per 1,000 population, a considerable change from the -11.4 migrants per thousand in 1990.

[8]ETHNIC GROUPS

The Issa branch of the Somali people and related clans constitutes 60% of all Djibouti's inhabitants; most live in southern Djibouti or in the capital. The Afars, a related people of north and west Djibouti, who also live in the Danakil depression of neighboring Ethiopia, number about 35%. The remaining 5% consists of French (about 3%), Arabs of Yemeni background, Ethiopians, and Italians.

[9]LANGUAGES

Although French and Arabic are the official languages, the home languages of the vast majority of Djiboutians are Somali and Afar, both of Cushitic origin.

[10]RELIGIONS

About 99% of the population practices Islam, which is the state religion. However, the constitution provides for freedom of religion and there is not widespread discrimination against other faiths. About 1% of all Djiboutians are Roman Catholic, Protestant, or affiliated with the Baha'i Faith. A large foreign community also supports Greek and Ethiopian Orthodox churches. Proselytizing is not prohibited, but is discouraged. Christmas is the only non-Mulsim holiday that is officially recognized.

[11]TRANSPORTATION

About 100 km (62 mi) of the single-track, meter-gauge railway linking the capital with Addis Ababa traverses the Republic of Djibouti. It was closed during the Somali-Ethiopian War of 1977-78; by the time it reopened, the Ethiopians had developed their port of Assab (now part of Eritrea), so traffic did not return to its former level. However, in 1998, Djibouti and Ethiopia announced plans to revitalize the century- old railroad that links their capitals.

Djibouti had 2,890 km (1,796 mi) of road in 2002, 364 km (226 mi) of which was paved. A tarred road runs most of the distance from Djibouti city to Dikhil, Yoboki, and Galafi, on the Ethiopian border, where it connects with the main Assab-Addis Ababa highway. Except for the 40-km (25-mi) road from Djibouti city to Arta, all other roads are rough. A secondary road connects Obock and Tadjoura, on the northern side of the Gulf of Tadjoura, with Randa and Dorra in the northern interior. A highway between Djibouti city and Tadjoura was completed by 1991.

Djibouti's improved natural harbor consists of a roadstead, outer harbor, and inner harbor. The roadstead is well protected by reefs and the configuration of the land. The inner harbor has five outer and six inner berths for large vessels. A quarter of Ethiopia's imports and half of its exports move through the port. Car ferries ply the Gulf of Tadjoura from Djibouti city to Tadjoura and Obock, which are ports of minor commercial importance. As of 1998, Djibouti had one cargo ship totaling 1,369 GRT. However, by 2002 there was no longer a merchant marine.

Also in 2001, there were 12 total airports, only three of which had paved runways. Ambouli Airport, about 6 km (4 mi) from the city of Djibouti, is the country's international air terminal. There are local airports at Tadjoura and Obock. Air Djibouti, partly government-owned and partly owned by Air France, provides domestic service to six centers and flies to a number of overseas destinations.

[12]HISTORY

Somali (Issa) and Afar herders, nomadic, Muslim and Cushitic-speaking, lived in and around Djibouti for hundreds of years before European explorers in the 19th century brought the region to the attention of the modern West. Obock and, later, Djibouti city were recognized as ports of great usefulness on the sea routes to India, Mauritius, and Madagascar. The Italians and British were active colonizers farther south along the Somali coast, and Britain was gaining control in what are now Yemen, the Sudan, and Egypt. France decided to establish its colonial foothold in 1862 along what is now the northeastern coast of Djibouti. This tentative venture became in 1884–85 the protectorates of Obock and Tadjoura, which were merged to form French Somaliland.

The administrative capital of French Somaliland was moved from Obock to Djibouti in 1896, a year before the boundaries of the colony were officially demarcated between France and Ethiopia. In 1898, a French consortium began building the narrow-gauge railway that finally reached Addis Ababa in 1917. During the Italian invasion and occupation of Ethiopia in the 1930s and during the early part of World War II, there were constant border skirmishes between French and Italian forces. In December 1942, French Somaliland forces joined the Free French under Gen. Charles de Gaulle.

After World War II, French Somaliland gradually gained a measure of local autonomy. In 1957, it obtained a territorial assembly and a local executive council to advise the French-appointed governor-general. The following year, the voters of French Somaliland opted to join the French Community as an overseas territory, electing one deputy and one senator to the French National Assembly. In late 1958, the first elections to the local assembly were held under a system of proportional representation. In the second elections, held in 1963, plurality voting based on party lists in seven districts replaced proportional voting. The result was the election of an Afar leader as head of the executive council; the more numerous Issas felt they had been prevented by the new electoral procedures from gaining control of the council. In 1967, 60% of the voters in a special referendum opted to retain the colony's association with France, but the Issas again complained that the franchise lists had been unfairly restricted in a way that favored the Afars. After the referendum, French Somaliland became known as the Territory of the Afars and the Issas.

The country's independence movement had been led throughout the postwar period by the Issas, but their movement

LOCATION: 10°54′ to 12°43′ N; 41°45′ and 43°27′ E. BOUNDARY LENGTHS: total coastline, 314 kilometers (196 miles); Somalia, 58 kilometers (36 miles); Ethiopia, 337 kilometers (210 miles); Eritrea, 113 kilometers (70 miles).
TERRITORIAL SEA LIMIT: 12 miles.

had been opposed by Ethiopia (which wanted French control to continue) and by the Afars, who feared Issa domination. Finally, in 1975, the French began to accommodate increasingly strident demands for independence. The territory's citizenship law, which had favored the Afar minority, was revised to admit more Issas. In a referendum in May 1977, the now-enlarged Issa majority voted decisively for independence, which was officially established on 27 June 1977, as the country officially became the Republic of Djibouti. Hassan Gouled Aptidon, the territory's premier, had been elected the nation's first president by the territorial Chamber of Deputies three days earlier. Although Gouled, an Issa, appointed Afar premiers and the cabinet was roughly balanced, the dominance of the Issas in administration led to political conflict, including cabinet crises. Gouled was reelected without opposition by universal suffrage in June 1981 and April 1987. A one-party Chamber of Deputies list, elected without opposition in May 1982, consisted of 26 Issas, 23 Afars, and 16 Arabs. Only 12 seats were won by newcomers in the April 1987 election of a one-party list.

A new constitution was voted on in 1992, although the vote was boycotted by opposition parties. In December, legislative elections were held, which, according to the constitution, were to have been open to all parties. Due to administrative restrictions and opposition resolve not to participate, by election time only two parties had been officially allowed to contest seats: the ruling People's Progress Assembly (RPP) and the newly formed Democratic Renewal Party (PRD). Due to the anti-democratic nature of the electoral process, more than half the electorate refused to vote. The RPP was said to have won all 65 seats.

Presidential elections were held in March 1993. Five candidates contested the elections for president. The leader of the PDR, Mohamed Elabe, was Gouled's main opponent. But, again, fewer than half the electorate voted, and Gouled was reelected with officially 60% of the vote.

Dissatisfaction with Gouled grew in the late 1980s and contributed to an uprising by Afar guerrillas of the Front for the Restoration of Unity and Democracy (FRUD) in late 1991. FRUD gained control of some areas of the north and west. In February 1992, France deployed forces in Djibouti, and the Afars declared unilaterally a cease-fire. Yet, fighting continued and a government counteroffensive checked the FRUD by July. Rebel bases in the north were occupied, and many opposition leaders were imprisoned, including Ali Aref Bourhan, for an alleged coup attempt. He was released in December 1993. By the end of 1993, about 35% of the central government's budgetary expenditures went toward maintaining "security"; that is, the military occupation of the north by troops of Somali origin.

In 1993, the FRUD suffered severe losses to a government offensive. In 1994, its leadership split over the issue of negotiations with the government. A more moderate wing then entered into negotiations and called a cease-fire. In March 1995, in compliance with the peace accords signed in December 1994, the majority of the FRUD disarmed, and the military integrated a segment of the insurgents into its ranks. Two FRUD leaders accepted ministerial posts. In March 1996 the FRUD was given legal recognition as a political party. A radical wing of the FRUD, (FRUD-Renaissance) led by Ahmed Dini, remains opposed to the cease-fire. Djibouti and Ethiopia jointly attacked the FRUD rebels in October 1997, and skirmishes continued in 1998.

The human-rights record of the authoritarian Gouled regime came increasingly under attack in the late-1980s and 90s, with allegations of beatings, rapes, arbitrary, prolonged, and incommunicado detentions, extra-judicial killings and disappearances of political/ethnic opponents of Gouled, and union leaders. Journalists have also been harassed, intimidated, and detained.

Gouled became ill in December 1995 and spent several months in hospital in France. During this period there appeared a succession struggle between Ismael Omar Guelleh and Ismael Godi Hared, both close advisors of the president. In part to cut down on inter-party fighting, Gouled elected to remain at the helm after his convalescence. In February 1999 he announced his intention to retire and that he would not be a candidate for the scheduled April 1999 elections. At that point the RPP named Guelleh as its candidate. The FRUD, in alliance with the RPP, accepted Guelleh as its candidate, as well. An opposition coalition, which included the PRD (Democratic Renewal Party), the PND (National Democratic Party), and (unofficially) the FRUD-Renaissance slated Moussa Ahmed Idriss as their candidate. An estimated 60% of the electorate participated, with Guelleh garnering 74% of the votes cast to 26% for Idriss. There was no official boycott of the elections, for the first time since Djibouti's independence from France in 1977. In January 2003, an RPP-led coalition won all 65 seats in the National Assembly.

The election of Guelleh, a key advisor and chief of staff to the former president for over 20 years, coupled with the landslide parliamentary victory of the RPP, signals little change in the status quo. The Issas with the President's sub-clan, the Issa Mamassans, continue to wield disproportionate political and economic influence, and the opposition's accusations of elections fraud have fallen on deaf ears. In early 2003, a US State Department report cited evidence of on-going human rights abuses by the government, but given US interest in Djibouti as a strategic ally in the Middle East and for the war on terrorism, donors were unlikely to apply strong pressure for reforms. There is no independent electoral commission.

[13]GOVERNMENT

Under the 1981 and 1992 constitutions, Djibouti is a parliamentary republic. The president, who according to the constitution must be an Issa, is elected by universal adult suffrage; the prime minister, who heads the cabinet, must be an Afar. The legislature consists of the unicameral Chamber of Deputies, whose 65 members are elected for five-year terms. Before 1992, candidates came from a single list submitted by the ruling party, the Popular Rally for Progress (RPP).

In January 1992, the Gouled government named a committee to draft a new constitution that would permit multi-party democracy, limit presidential powers, and establish an independent judiciary. On 4 September 1992, 75% of the voters approved the new constitution in a referendum. And on 18 December 1992, legislative elections were held, with the RPP gaining 74.6% of the vote and the Democratic Renewal Party (PRD) 25.4%. Other parties boycotted the elections on the grounds that Gouled did not consult the opposition in the "democratization" process. Most Afars did not vote. The RPP, therefore, won all 65 seats. Gouled was reelected, although not convincingly, on 7 May 1993. The four losing parties and FRUD, at the time a paramilitary organization in the north (Front for the Restoration of Unity and Democracy) accused the government of election fraud, a charge supported by international observers. Only 50% of the eligible voters were reported to have turned out.

In the December 1997 legislative elections, which were generally considered to be fraudulent, the RPP won 54 of the seats contested, and the FRUD won 11 contested seats, though their campaigns were supported by the RPP, in alliance. The PRD and PND contested the elections and received 19.2% and 2.3% of the votes, respectively, but won no National Assembly seats. There were no female candidates in the election.

In February 1999 President Gouled designated his successor, longtime advisor Ismael Omar Guelleh, who was then duly elected president on 9 April 1999 and installed on 8 May 1999. His cabinets reflected the proportional ethnic composition required by the constitution, with continued dominance of his sub-clan of the Issas. Barkat Gourad Hammado, the prime minister, was replaced by Mohamed Dileita Dileita on 4 March 2001.

In the country's first full multiparty parliamentary elections held 10 January 2003, an RPP-led coalition continued its dominance garnering 62.2% of the vote to 36.9% for the FRUD, which won no assembly seats. According to Djibouti's winner-takes-all electoral rules, the party obtaining a majority in a constituency is awarded all the seats. The next elections were scheduled for 2005.

[14]POLITICAL PARTIES

A law passed in October 1981 restricted political activity to the ruling People's Rally for Progress (Rassemblement Populaire pour le Progrès—RPP). That year, the government temporarily detained the leaders of and banned the Djiboutian People's Party (Parti Populaire Djiboutien). There were also illegal Issa and Afar parties, including an Ethiopian-backed Afar party-in-exile and a Somali-backed Issa party-in-exile. For the 1987 elections to the Chamber of Deputies, a single list of candidates was drawn up by the RPP, headed by President Gouled; about 90% of the nation's 100,985 voters cast ballots.

Despite the 1992 constitutional changes that legalized opposition party political activity, and the official acceptance of four registered political parties, Djibouti is still tightly controlled by the RPP (People's Rally for Progress). After the January 2003 election, the RPP held all 65 seats in the legislature in addition to the presidency. The moderate and perhaps co-opted wing of the FRUD (Front for the Restoration of Unity and Democracy, originally formed in 1991) lost its 11 seats. In the capital, Djibouti-Ville, the opposition Union pour une Alternance Démocratique (UAD) took 44.9% of the votes, and the UMP 55%.

Two groups, the Democratic Renewal Party (PRD) and the Democratic National Party (PND) have contested elections since 1992. FRUD-Renaissance, which separated from the FRUD in 1996, signed a peace accord in Paris on 7 February 2000 with the government, which also included a general release of prisoners held by both sides. The Movement for Unity and Democracy (MUD) allegedly is associated with the Somali National Movement operating out of northern Somalia. It is a coalition of Afar-oriented and Issa-oriented dissidents.

[15]LOCAL GOVERNMENT

There are five *cercles*, or districts, with councils and appointed administrators: Ali Sabieh, Obock, Dikhil, Tadjoura, and Djibouti.

[16]JUDICIAL SYSTEM

The judicial system consists of courts of first instance, a High Court of Appeal, and a Supreme Court. Each of the five administrative districts also has a customary court. The legal system is a blend of French codified law, Shari'ah (Islamic law) and customary law of the native nomadic peoples.

The 1992 constitution is modeled on the 1958 French constitution. The judiciary is not completely independent of the executive branch. A state security court handles political trials and cases involving purported threats to national security. Political trials may be applied to the Supreme Court.

The Constitutional Council rules on the constitutionality of laws. The constitution states that the accused enjoys a presumption of innocence and has the right to counsel.

[17]ARMED FORCES

Djibouti's armed force of approximately 9,850 members was divided into an 8,000-man army, a 200-man navy with seven patrol craft, and a 250-man air force with no combat aircraft. Paramilitary forces included about 1,400 in the gendarmerie and a national security force of an estimated 2,500. About 3,200 French troops were based near the city of Djibouti to deal with threats to French interests in the region. The defense budget in 2001 totaled $26.5 million, or 4.4% of GDP.

[18]INTERNATIONAL COOPERATION

Admitted to UN membership on 20 September 1977, Djibouti belongs to ECA and all the non-regional specialized agencies except IAEA and WIPO. It is also a member of the WTO, African Development Bank, G-77, League of Arab States, and AU, as well as a signatory of the Law of the Sea. In 1981, treaties of friendship and cooperation were signed with Ethiopia, Somalia, Kenya, and the Sudan.

[19]ECONOMY

Djibouti has a market-based, free-enterprise economy. Its economy is dependent upon its strategic position at the narrow straits at the southern entrance to the Red Sea. The French

military base in Djibouti is the country's largest single source of economic and commercial activity. The remainder of the money economy is service oriented and centered upon the free port of Djibouti, the railway terminus there, the airport, and government administration. The free port features a deep-water container terminal; France has committed substantial funds to its continuing modernization. There is also an active construction industry.

There is little arable farm land in Djibouti, and the country is subject to periods of severe drought. As a consequence, Djibouti produces only 3% of its food needs. Over half of the population derives its income from livestock: goats, sheep, and camels. A fishing industry has emerged, and the Islamic Development Bank helped finance a canning factory.

Since 1990, recession, civil war, and a high population growth rate have combined to reduce per capita consumption by 35%. The unemployment rate exceeds 50% (some estimates place it at over 70%). The border conflict between Ethiopia and Eritrea disturbed the normal commerce in which Djibouti allowed Ethiopia the use of its port and conducted regular trade relations. As a consequence, average annual growth of GDP between 1988 and 1998 was -3.1%, and the economy was at zero growth in 2001.

Due to the fact that Djibouti has few exploitable natural resources and little industry, it is heavily dependent upon foreign aid to finance development projects and support its balance of payments. Its has fallen behind on its debt payments in recent years and has had difficulty meeting the reform requirements set by foreign aid donors. Ethiopia has developed other trade routes, limiting Djibouti's port activity.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Djibouti's gross domestic product (GDP) was estimated at $586 million. The per capita GDP was estimated at $1,400. The annual growth rate of GDP was estimated at 0%. The average inflation rate in 2001 was 2%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 3% of GDP, industry 10%, and services 87%. Foreign aid receipts amounted to about $85 per capita and accounted for approximately 9% of the gross national income (GNI). It was estimated that in 2001 about 50% of the population had incomes below the poverty line.

[21]LABOR

Labor in the cash economy is concentrated in the city of Djibouti, particularly on the docks and in shipbuilding and building construction. In 2002, the labor force numbered 282,000. The railway is a significant employer, as is the national government. Unemployment and underemployment are widespread and was estimated at 50% in 2002.

Under the constitution, workers are free to join unions and strike provided they legally comply with prescribed requirements. However, in 1999, the government took control of the major unions and since then there has been little independent union activity. Until that year, about 70% of persons in the formal economy belonged to unions. Those who participate in strikes may be arrested. Collective bargaining rarely occurs.

In 2002, the monthly minimum wage was approximately $125. By law, the standard workweek is 40 hours, often spread over six days. These regulations affect only the small fraction of the population which is involved in wage employment. The minimum age for child labor is 14 years old, although the lack of labor inspectors means that compliance is left largely to market forces. The government also lacks inspectors to enforce workplace safety standards, therefore many workers face hazardous work conditions.

[22]AGRICULTURE

Agriculture in Djibouti is very limited, due to acute water shortages in rural areas. In 2000, agriculture contributed only a little more than 4% to GDP. In 1999, some 23,000 tons of vegetables were produced. Tomatoes are grown for domestic consumption. Date palms are cultivated along the coastal fringe. Famine and malnutrition in Djibouti have created a reliance on the distribution of food aid for millions of its people. In 2001, grain imports totaled 37,970 tons.

[23]ANIMAL HUSBANDRY

Cattle, fat-tailed sheep, goats, and camels are grazed in the interior; hides and skins are exported. In 2001, Djibouti had an estimated 512,000 goats, 475,000 sheep, 269,000 cattle, and 7,000 asses. Meat production in 2001 totaled 10,800 tons, of which beef accounted for 3,600 tons. An estimated 8,000 tons of milk were produced in 2001, along with 1,000 tons of cattle hides, sheepskins, and goatskins.

[24]FISHING

There is no local tradition of commercial fishing or seafaring, although the Gulf of Tadjoura, the Gulf of Aden, and the Red Sea are potentially rich sources of commercial and game fish. The catch was 350 tons in 2000.

[25]FORESTRY

There are protected forests on the slopes of the mountains north of the Gulf of Tadjoura. Less than 1% of the country's total land area is forested.

[26]MINING

Mining and energy accounted for 1% of the GDP, which grew by 2% in 2001. Djibouti has been known to produce occasional small quantities of clays, granite, limestone, marble, salt, sand and gravel, and crushed and dimension stone for domestic construction projects. There was no cement production in the country; most imports came from Persian Gulf countries. Other mineral occurrences of potential economic interest included diatomite, geothermal fluids and mineral salts, gold, gypsum, perlite, petroleum, and pumice. Salt was extracted from evaporated pans by artisanal miners in the marshes of Tadjoura; production of salt, which was exported to Ethiopia, increased to 135,933 tons in 2000 from 82,876 in 1998. Lime was produced from an old limestone quarry just west of Djibouti city. The government hoped to establish, by the end of 2002, a fiscal, institutional, and legal framework to support the development of domestic natural resources. The government also planned to promote the use of local materials in construction and public works. The outlook for the mineral industry was for little growth in the short run; constraints included small domestic markets, minimal known natural resources, and slow GDP growth.

[27]ENERGY AND POWER

All of Djibouti's electricity is generated from an oil-fired generating station in the capital. Installed capacity was 85,000 kW in 2001. In 2000 production totaled 180 million kWh, and consumption was 167.4 million. As of 2001, a $115 million, 30 MW geothermal plant was planned for the Lake Assal region west of the capital. All petroleum products are imported. Fuel and energy generally account for one-quarter of total imports. The port in Djibouti's capital city is an important oil shipment and storage site. The Dubai Ports Authority, which in 2000 was awarded a long-term contract to manage the port, hoped to increase its handling capacity to 300,000 metric tons per year

over the next 20 years through modernization and expansion of port facilities.

[28]INDUSTRY

Shipbuilding and urban construction traditionally have been industrial undertakings. The two main factories in 2002 were a mineral-water bottling facility and a dairy, although small plants produce food, beverages, furniture, building materials, and bottled gas.

With the help of France, Italy, the World Bank, OPEC, and the United Nations Development Program, Djibouti was promoting a project to develop geothermal energy resources. Interest was focused on the Goubet-Lac Assal region and, through this project, Djibouti hoped to become self-sufficient in energy. This had not happened by 2003. Industry accounted for 10% of GDP in 2001.

[29]SCIENCE AND TECHNOLOGY

Because Djibouti is an active volcanic zone, its two principal research organizations—the Higher Institute for Scientific and Technical Research and the Bureau of Geological and Mineral Research—concentrate on the earth sciences.

[30]DOMESTIC TRADE

As of 2001, about 87% of the GDP was contributed by the service sector, primarily those services related to international import/export trade. The main commercial centers are around the Port of Djibouti, the international airport, and the railroad. Domestic trade is dominated by traffic in live sheep and camels, dates, and melons. The government maintains price controls on a number of essential commodities, including wheat flour, bread, sugar, and petroleum products. French citizens dominate the commerce of the city of Djibouti. Business hours normally are 7:30 AM to noon and 3:30 to 6 PM, Sunday through Thursday, and 7:30 AM to noon on Saturday. Banks are open Sunday–Thursday from 7:15 to 11:45 AM.

[31]FOREIGN TRADE

About 75% of imports are consumed or used in Djibouti, while the remainder is forwarded to Ethiopia or northern Somalia. Exports include hides and skins, and coffee. However, trade statistics should not be considered entirely reliable.

In 1992 Djibouti's imports were distributed among the following categories:

Consumer goods	19.2%
Food	24.2%
Fuels	8.0%
Industrial supplies	27.9%
Machinery	7.9%
Transportation	8.6%
Other	4.1%

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Somalia	66	2	64
Yemen	28	3	25
Ethiopia	6	19	-13
China (inc. Hong Kong)	4	2	-2
Italy	2	19	-17
Saudi Arabia	1	9	-8
France	1	43	-42
United Arab Emirates	n.a.	9	n.a.
United States	n.a.	5	n.a.
United Kingdom	n.a.	5	n.a.
Korea	n.a.	1	n.a.

[32]BALANCE OF PAYMENTS

Since independence, Djibouti has run large trade deficits, which have been offset by surpluses on services and by transfers attributable to the French base, port receipts, the national airline, the national airport, and grants from donors.

The US Central Intelligence Agency (CIA) reports that in 1999 the purchasing power parity of Djibouti's exports was $260 million while imports totaled $440 million resulting in a trade deficit of $180 million.

The International Monetary Fund (IMF) reports that in 1995 Djibouti had exports of goods totaling $34 million and imports totaling $205 million. The services credit totaled $151 million and debit $87 million. The following table summarizes Djibouti's balance of payments as reported by the IMF for 1995 in millions of US dollars.

Current Account	**-23**
Balance on goods	-172
Balance on services	64
Balance on income	17
Current transfers	67
Capital Account	**...**
Financial Account	**-2**
Direct investment abroad	...
Direct investment in Djibouti	3
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	...
Other investment liabilities	-5
Net Errors and Omissions	**1**
Reserves and Related Items	**25**

[33]BANKING AND SECURITIES

The Djibouti franc was created in 1949 by the government of France. The Djibouti Treasury was replaced in 1983 as the bank of issue and central bank by the new National Bank of Djibouti. There were five commercial banks in 1993 and a National Development Bank, 51% government owned. The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $161.2 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $318.3 million.

There is no securities exchange.

Both the pace and content of economic reforms are inconsistent. Failures to meet the financial criteria established with the IMF led to a postponement of the disbursal of the second installment of a $6.6 million credit agreed in April 1996. Wrangling over conditionality with France also delayed payment of part of the $9.3 million assistance package agreed upon in September 1996. The attitudes of the IMF and France, combined with problems in rescheduling debts to France, provided a rather somber backdrop to the negotiation of the 1997 budget.

[34]INSURANCE

The State Insurance Co. of Somalia and about ten European insurance companies provide most of the insurance coverage.

[35]PUBLIC FINANCE

Increased military expenditures, declining tax receipts, and political unrest in bordering countries have exacerbated the deterioration of public finance in recent years. France, a major provider of aid to Djibouti, has insisted that future aid packages be conditional on an overhaul of the country's muddled finances.

The US Central Intelligence Agency (CIA) estimates that in 1999 Djibouti's central government took in revenues of approximately $135 million and had expenditures of $182

million. Overall, the government registered a deficit of approximately $47 million. External debt totaled $366 million.

[36]TAXATION

The individual income tax, payable by the employer, is collected by withholding from wages and salaries. In addition, the employee and the employer contribute to a medical and pension fund. There is a separate system for civil servants and soldiers. Private corporations and personal companies, as well as public companies and limited companies, pay a flat tax. Other taxes include property, stamp, and registration taxes. There is also an ad valorem consumption tax with a surtax on luxury items.

[37]CUSTOMS AND DUTIES

Formerly a "Free Zone," although the term only applied to the port, Djibouti now levies customs duties on most commodities, with most import taxes ranging from 5–40%. Luxury goods, such as cigarettes and alcoholic beverages, are taxed at higher rates, as much as 160%. Additionally, Djibouti requires import licenses for all those wishing to import or sell in the country.

[38]FOREIGN INVESTMENT

Foreign investment is predominantly French, largely in connection with the military base and the port. Sa'udi Arabia, Pakistan, China, Korea, and Uganda have cooperation agreements. Bilateral investment agreements (BITs) were concluded with Egypt and Malaysia in 1998 and with Switzerland in 200l. Official development assistance (ODA) was $42 million in 2000. There are no exchange controls and investors are allowed to transfer their profits freely without tax. Tax relief is offered to some investors.

In 1998, annual foreign direct investment (FDI) inflow rose from $2.4 million in 1997 to $3.5 million and then peaked at a record $4.2 million in 1999. FDI inflow averaged $3.35 million for 2000 and 2001.

[39]ECONOMIC DEVELOPMENT

In 1990, the Djibouti government significantly expanded its public investment program. Projects in communications, agriculture, and fisheries, as well as in social and environmental areas, were planned. Execution of these plans was put on hold as a result of subsequent domestic disturbances. The Persian Gulf War also disrupted investment programs sponsored by Iraq, Kuwait, and Saudi Arabia.

French budgetary support of the Djibouti economy is crucial to its stability, providing some 45% of foreign aid. The long-standing French financial commitment has weakened since 1989, and the International Monetary Fund (IMF) has expressed serious concern over key budget and trade deficits. In 1999, Djibouti negotiated a three-year $26 million Enhanced Structural Adjustment Facility (ESAF, subsequently Poverty Reduction and Growth Facility—PRGF) with the IMF.

[40]SOCIAL DEVELOPMENT

Despite full legal protection, women generally play a subordinate role in the workplace and in the household. Customary law favors men in areas of inheritance and property rights. Domestic violence against women is treated as a family problem. As many as 98% of women have undergone female circumcision, also known as female genital mutilation (FGM), a painful and potentially life-threatening procedure. Although the procedure is illegal, no one has been prosecuted under those provisions.

Discrimination against minority ethnic clans in Djibouti is pervasive. The dominant clan, the Issa, control most government positions and are dominant in the military forces as well. Djibouti's human rights record remains poor, despite the transition to a multi-party system. There are reports of police brutality, deplorable prison conditions, and illegal detentions.

[41]HEALTH

Malnutrition is severe and the incidence of tuberculosis high. Malaria is endemic. There were 3,111 reported cases of tuberculosis in 1994. The city of Djibouti's publicly supplied water is suspect because the system is in disrepair.

At last estimate, there were 18 hospitals, medical centers, and dispensaries, with a total of 1,283 beds; medical personnel included 89 physicians, 14 dentists, 20 pharmacists, and 1,314 paramedical personnel. As of 1996, there were 0.1 physicians, 0.7 nurses, 0.02 dentists, and 0.02 pharmacists per 1,000 people. Djibouti's government has developed plans to improve public health and the management of hospitals, train more staff, and rehabilitate existing facilities.

There was an estimated fertility rate of 5.6 as of 2002. Life expectancy was 51.5 years and the infant mortality rate was 100 per 1,000 live births. In 1993, 75% of the country's children were vaccinated against measles. In 1999, there were 14.4 deaths per 1,000 inhabitants. As of 2002, the birth rate was estimated at 40 births per 1,000 people.

As of 1999, the number of people living with HIV/AIDS was estimated at 37,000. Deaths from AIDS in 2002 were estimated at 4,400. There were 1,007 cases of malaria in 1994. Between the mid-1970s and the mid-1990s, 23% of children under five were underweight. In Djibouti nearly every woman has had female genital mutilation.

[42]HOUSING

Djiboutian nomads generally live in branch-framed, transportable huts (toukouls), which are covered with woven mats or boiled bark pulled into fine strands and plaited; they are carried from place to place on camels. Good-quality urban housing is in short supply. Construction of 5,000 low-cost dwellings was planned for the 1981–86 period, but only 729 were built. In the past, housing costs have often been subsidized by the government, particular for government or civil employees. This status has begun to change since the late 1990s as the government has imposed housing taxes as part of a greater economic reform package sponsored in part by the International Monetary Fund. In 2000, nearly 100% of the total population had access to imporved water sources; about 99% of urban and 50% of rural dwellers had imporved sanitation systems.

[43]EDUCATION

In 1997 36,896 students were enrolled in 72 primary schools, with 1,096 teachers and a student to teacher ratio of 34 to 1. Secondary schools had a total of 13,311 students in the same year. The pupil-teacher ratio at the primary level was 32 to 1 as of 1999. In the same year, 31% of primary-school-age children were enrolled in school. Education is compulsory for six years at the primary level followed by seven years of secondary education. Projected adult illiteracy rates for the year 2000 stand at 48.6% (males, 35%; females, 61.6%). In 1997, there were 161 students engaged in post-secondary education, 44% of which were female. As of 1990, public expenditure on education was estimated at 3.5% of GDP.

[44]LIBRARIES AND MUSEUMS

No information is available.

[45]MEDIA

From the city of Djibouti, telephone connections are available by satellite to Europe and the West and by land line to the main cities and towns of the interior; there were 8,000 mainline telephones and 203 cellular phones in use throughout the country in 1997.

All media are government controlled. In 1983, Djibouti inaugurated a powerful state-owned AM radio transmitting

station, built with French and FRG funds. A television service was first introduced in 1967. Both are state run and broadcast in French, Afar, Somali, and Arabic. As of 1999, there were 1 AM and 2 FM radio stations and 1 television station. In 1997, there were 77 radios and 37 television sets per 1,000 population. Internet Access was not easily available, with one Internet Service Provider serving 1,000 users in 2000.

Djibouti has one weekly newspaper, the government-owned *La Nation de Djibouti,* which had a circulation of 4,300 in 2000.

The Constitution provides for freedom of speech and the press, and the government is said to generally uphold these rights. Although the government owns the electronic media and the principal newspaper, there are several opposition-run weeklies and monthlies that operate freely.

[46]ORGANIZATIONS

A chamber of commerce and industry, founded in 1912, has its headquarters in the capital. Youth organizations include the Association of Youth Homes in Djibouti, Djibouti Scout Association, and Red Crescent Youth of Djibouti (JCRD). The Eglise Protestante (Protestant Church) offers educational and social welfare programs as well as religious evangelism.

[47]TOURISM, TRAVEL, AND RECREATION

In addition to several little-visited sandy beaches along the Gulf of Tadjoura, tourist attractions include islands in the Gulf of Tadjoura and the Bab alMandab. At Goubbet alKharab, at the western end of the Gulf of Tadjoura, there are steep cliffs and a bay turned dark green by black lava. Inland from this point is Lake Assal with a number of active volcanoes nearby. The Forest of the Day is a national park for rare trees on Mt. Goda. In the south, the alkaline Lake Abbé is visited by flocks of flamingos, ibis, and pelicans. Near Ali Sabieh are the famous red mountains and a national park full of various gazelles. Passports and visas must be secured in advance; antimalarial precautions are advisable. In 1998 an estimated 21,000 tourists visited Djibouti. In 2001, the US government estimated the cost of staying in Djibouti at $229 per day, depending upon the choice of hotel. Stays in other areas, however, can be considerably less, even as low as about $80 per day.

[48]FAMOUS DJIBOUTIANS

Hassan Gouled Aptidon (b.1916) was president from independence in 1977 until 1999, when he decided to step down; his nephew and handpicked successor, Ismael Omar Guelleh (b.1947) was elected to the office in April 1999.

[49]DEPENDENCIES

Djibouti has no territories or colonies.

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EGYPT

Arab Republic of Egypt
Jumhuriat Misr al-'Arabiyah

CAPITAL: Cairo (Al-Qahira)

FLAG: The flag is a tricolor of three horizontal stripes—red, white, and black—with the national emblem in the center white stripe.

ANTHEM: *The Arab Republic of Egypt Hymn.*

MONETARY UNIT: The Egyptian pound (E£) is a paper currency of 100 piasters or 1,000 milliemes. There are coins of 1, 5, 10, and 20 piasters and notes of 25 and 50 piasters and 1, 5, 10, 20, 50, and 1000 pounds. E£1 = $0.1706 (or $1 = E£5.86) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the official standard, but various local units also are used: 1 feddan, consisting of 333.3 kassabah, equals 0.42 hectare (1.038 acres).

HOLIDAYS: New Year's Day, 1 January; Evacuation Day, 18 June; Revolution Day, 23 July; Armed Forces Day, 6 October; Popular Resistance Day, 24 October; Victory Day, 23 December. Movable holidays include Sham an-Nassim (Breath of Spring), of ancient origin, as well as such Muslim religious holidays as 'Id al-Fitr, 'Id al-'Adha', and the 1st of Muharram (Muslim New Year).

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated at the northeastern corner of Africa, the Arab Republic of Egypt has an area of 1,001,450 sq km (386,662 sq mi), extending 1,572 km (997 mi) SE–NW and 1,196 km (743 mi) NE–SW. However, the cultivated and settled area (Nile Valley, Delta, and oases) constitutes only about 3.5% of Egypt's land area; the Libyan and Western deserts occupy about 75% of the total. Comparatively, the area occupied by Egypt is slightly more than three times the size of the state of New Mexico. Beyond the Suez Canal in the east, the Sinai Peninsula overlaps into Asia; the Sinai was occupied by Israeli forces from 1967 to 1982.

Egypt is bounded on the N by the Mediterranean Sea, on the E by Israel and the Red Sea, on the S by Sudan, and on the W by Libya. The total land boundary length is 2,665 km (1,656 mi) and its total coastline is 2,450 km (1,522 mi). Egypt's capital city, Cairo, is located in the northeastern part of the country.

[2]TOPOGRAPHY

The altitude of Egypt ranges from 133 m (436 ft) below sea level in the Libyan Desert to 2,629 m (8,625 ft) above in the Sinai Peninsula. The Nile Delta is a broad, alluvial land, sloping to the sea for some 160 km (100 mi), with a 250-km (155-mi) maritime front between Alexandria (Al-Iskandariyah) and Port Sa'id. South of Cairo, most of the country (known as Upper Egypt) is a tableland rising to some 460 m (1,500 ft). The narrow valley of the Nile is enclosed by cliffs as high as 550 m (1,800 ft) as the river flows about 900 km (560 mi) from Aswan to Cairo. A series of cascades and rapids at Aswan, known as the First Cataract (the other cataracts are in the Sudan), forms a barrier to movement upstream.

The bulk of the country is covered by the Sahara, which north of Aswan is usually called the Libyan Desert. East of the Nile, the Arabian Desert extends to the Red Sea. The Western Desert consists of low-lying sand dunes and many depressions. Kharijah, Siwah, Farafirah, Bahariyah, and other large oases dot the landscape; another lowland, the Qattara Depression, is an inhospitable region of highly saline lakes and soils covering about 23,000 sq km (8,900 sq mi). The outstanding topographic feature is the Nile River, on which human existence depends, for its annual floods provide the water necessary for agriculture. Before the completion of the Aswan High Dam in 1970, the floods, lasting generally from August to December, caused the river level to rise about 5 m (16 ft). Now, however, floodwaters can be stored, making it possible to provide year-round irrigation and to reclaim about 1 million feddans (about 1.04 million acres) of land. Damming the Nile resulted in the creation of Lake Nasser, a reservoir 292 km (181 mi) long and 9–18 km (6–11 mi) wide.

[3]CLIMATE

Most of Egypt is a dry subtropical area, but the southern part of Upper Egypt is tropical. Northern winds temper the climate along the Mediterranean, but the interior areas are very hot. The temperature sinks quickly after sunset because of the high radiation rate under cloudless skies. Annual rainfall averages 2.5 cm (1 in) south of Cairo and 20 cm (8 in) on the Mediterranean coast, but sudden storms sometimes cause devastating flash floods. Hot, dry sandstorms, known as khamsins, come off the Western Desert in the spring. In Cairo, average temperatures range from 14°C (57°F) in January to 28°C (82°F) in July. Relative humidity varies from 68% in February to over 70% in August and 77% in December.

[4]FLORA AND FAUNA

Plants are those common in dry subtropical and tropical lands, such as papyrus. Egypt has no forests but does have date palm and citrus groves; eucalyptus and cypress have been introduced. Sheep, goats, and donkeys are found throughout the country, and camels are found in all the deserts. Egypt has some 300 types of birds, with about half of them being breeding species within the country. Wild animals are few, except for the hyena, jackal, lynx, mongoose, and wild boar, the last-named inhabiting the Nile Delta. The ibex may be found in the Sinai, and gazelles in the deserts. The Nile is adequately stocked with fish, but crocodiles have been reduced to a few along the shores of Lake Nasser. Reptiles include the horned viper and the hooded snake.

[5]ENVIRONMENT

Egypt's environmental problems stem from its aridity, extremely uneven population distribution, shortage of arable land, and pollution. Soil fertility has declined because of overcultivation and agricultural land has been lost to urbanization and desert winds. In addition, the nation's beaches, coral reefs, and wildlife habitats are threatened by oil pollution. Heavy use of pesticides, inadequate sewage disposal, and uncontrolled industrial effluents have created major water pollution problems. The expanded irrigation of desert areas after completion of the Aswan High Dam in 1970 has increased soil salinity and aided the spread of waterborne diseases. As of 1994, 28% of Egypt's soils had been damaged by increased salinity. Egypt's cities produce 3.0 million tons of solid waste per year. Only 79% of the population living in rural areas have adequate sanitation facilities. Half of Cairo's raw sewage is carried to the sea in open sewers and some 100 of 120 towns do not have sewer systems at all. Even the existing sewers are decrepit; in December 1982, the bursting of a sewer main flooded a large area of Cairo with untreated waste and temporarily curtailed tap water for about 2 million people. To improve sewage disposal, the government earmarked E£2.9 billion under the 1983–87 five-year plan for sewage projects, allocating E£2 billion to Cairo alone. The nation has 1.8 cu km of renewable water resources, with 86% used for farming purposes. With recent improvements, about 97% percent of the population have access to pure water. The National Committee for Environment, within the Office of the Prime Minister, is the principal agency with environmental responsibilities.

Centuries of human habitation in the Nile Valley over the centuries has decimated Egypt's wildlife in that region. Altogether, less than 1% of Egypt's total land area is protected. The hunting of any bird has been prohibited by law. In 2000, 15 of Egypt's 98 mammal species, 11 birds, 6 types of reptiles and 1 type of amphibian were endangered. About 59 of the nation's 2,076 plant species were threatened with extinction. Endangered species include the Sinai leopard, northern bald ibis, and green sea turtle. The Bubal hartebeest, Egyptian barbary sheep, and Sahara oryx are extinct.

[6]POPULATION

The population of Egypt in 2003 was estimated by the United Nations at 71,931,000, which placed it as number 15 in population among the 193 nations of the world. In that year approximately 4% of the population was over 65 years of age, with another 36% of the population under 15 years of age. There were an equal amount of males and females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.99%, with the projected population for the year 2015 at 89,996,000. The average population density in 2002 was 71 per sq km (184 per sq mi). However, density varies from 32,500 per sq km (84,150 per sq mi) in Cairo to 23 per sq km (60 per sq mi) in the Suez governate.

Populated areas constitute only 6% of Egypt's total area. Some 99% of all Egyptians live in the Nile Valley. It was estimated by the Population Reference Bureau that 45% of the population lived in urban areas in 2001. The capital city, Cairo, had a population of 10,345,000 in that year. Alexandria's metropolitan population was 3,995,000. Other large cities include Giza (Al-Jizah), 2,156,000; Shubra El-Khemia, 1,556,000; Port Said, 461,000; and Suez, 392,000. Aaccording to the United Nations, the urban population growth rate for 2000–2005 was 2.3%.

[7]MIGRATION

In the early 1960s, most of the Greek population emigrated as the result of the government's nationalization measures; nearly all Jews, who formed less than 0.3% of the population in 1966, left the country after the 1967 war with Israel. With the completion of the Aswan High Dam in 1970, up to 100,000 Nubian tribesmen were moved from flooded parts of the upper Nile and resettled in the plain downstream. During the 1970s there was significant internal migration from rural to urban areas. During the 1970s and first half of the 1980s, more than 3 million workers took jobs in other countries. In 1992 some 2,850,000 Egyptians were living abroad, including about 1 million in Libya and 850,000 in Saudi Arabia.

The Egyptian government estimates that there are 3–5 million Sudanese refugees, and some have lived in Egypt for over 30 years. In 2000 there were 169,000 migrants living in Egypt. In 2000, the net migration rate was -1.2 migrants per 1,000 population. The government views the immigration level as satisfactory, but the emigration level as too low.

[8]ETHNIC GROUPS

Ethnic groups of Eastern Hamitic stock make up about 99% of the population of Egypt; these include Egyptians, Bedouins, and Berbers. They are a product of the intermixture of ancient Egyptians with the invaders of many millennia from various parts of Asia and Africa. The remaining 1% of the population is made up of minorities, including mainly Nubians, Armenians, Greeks, and other Europeans, primarily Italian and French.

[9]LANGUAGES

The language of most of the population is Arabic, a Semitic tongue; the 1971 constitution declares Arabic to be Egypt's official language. Dialects vary from region to region and even from town to town. English and French are spoken by most educated Egyptians and by shopkeepers and others. The ancient language of Pharaonic Egypt, a Hamitic tongue, survives vestigially in the liturgy of the Copts, a sizable Christian sect dating back to the 5th century AD. The Nubians of Upper Egypt speak at least seven dialects of their own unwritten language. There are a small number of Berber-speaking villagers in the western oases.

[10]RELIGIONS

The majority religion is Islam, of which the Sunnis are the largest sect. The 1971 constitution declares Islam to be the state religion. According to official estimates, 90% of the population are Muslim and 8% to 10% are Christian, with the Coptic Orthodox Church being the largest Christian denomination. Other denominations represented include Armenian Apostolic, Greek and Syrian Orthodox, Catholics (including Armenian, Chaldean, Greek, Melkite, Roman, and Syrian), and a variety of evangelical Protestant denominations. The Baha'i faith is also represented. The Jewish community is extremely small.

Though the constitution provides for religious freedom, the government has a long history of infringements upon this right. Any religious practices that can be considered in conflict to Shari'ah (Islamic law) are prohibited and Article 98(F) of the Penal Code allows for prosecution for unorthodox practices and beliefs that are considered to be "insulting heavenly religions." Government discrimination extends to both Muslim fundamentalists and Christians. Religious tensions in Cairo, Alexandria, and other cities led President Anwar al-Sadat (as-Sadat) to order the arrest in September 1981 of militant Muslims and Copts. Sadat also stripped the Coptic Pope Shenuda III of his temporal powers, replacing him with a committee of five bishops; in 1985, however, Shenuda was allowed to resume his duties. Sadat had also authorized direct state supervision of the nation's mosques, estimated at 40,000, and required Muslim preachers to register with government authorities. During 1986 and 1987 there were numerous violent incidents involving Islamic fundamentalists and Copts, including bombings, riots, and burning of Coptic churches.

LOCATION: 21°35′ to 31°35′ n; 25° to 36°e. BOUNDARY LENGTHS: Total coastline, 2,450 kilometers (1,520 miles); Israel, 255 kilometers (160 miles); Gaza strip 11 kilometers (7 miles); Sudan: 1,273 kilometers (790 miles); Libya, 1,150 kilometers (716 miles). TERRITORIAL SEA LIMIT: 12 miles.

In February 1993, American workers were arrested on suspicion of attempted Christian proselytizing, an activity forbidden under Egyptian law. They were later released. In February 1998, the government lifted travel restrictions that had been imposed on four former Muslims who had converted to Christianity. Also 1998, the Egyptian Organization for Human Rights (EOHR) and other local human rights groups reported that in the course of an investigation into the murder of two Copts, the police detained hundreds of citizens in the largely Coptic village of al-Kush in Sohag. Observers reported that dozens of the detainees, mostly Christians, were subjected to torture and mistreatment. The same year, author Ala'a Hamed was convicted and imprisoned for insulting Islam in a novel. In 2001, two men were convicted and sentenced to 5 and 3 years imprisonment under Article 98(F) for allegedly advocating a tolerance of homosexuality in the Islamic faith. In 2002, 8 individuals were convicted under the same article for holding unorthodox Islamic beliefs and practices. Sentences ranged from 3 years imprisonment for two of the offenders to a 1 year suspended sentence for those who were not accused of promoting their beliefs to others. Proselytizing is generally considered a violation of Article 98(F).

11 TRANSPORTATION

Egypt's transportation system is well developed, with 64,000 km (39,770 mi) of roads in 2002, of which about 50,000 km (31,070 mi) were paved. In 2000, 758,500 passenger cars and 514,100 commercial vehicles were registered. In 1982, in an attempt to alleviate Cairo's notorious traffic congestion, work began on a city subway system. The first phase, 5 km (3 mi) long, was completed in 1987 at a cost of some $370 million; Cairo Metro, modeled after the Paris Metro, is the first subway to be built in Africa. Alexandria and Cairo are connected by both the Western Desert Highway, a high-speed toll road and the busier Delta Road. Railroads are managed by the state-owned Egyptian Railways, founded in 1852. Track totaling some 4,955 km (3,079 mi) links all parts of the country. Steamer service on the Nile is an important means of domestic transport, as are 3,500 km (2,175 mi) of navigable canals. Alexandria and Port Sa'id are the principal ports. Egypt's oceangoing merchant fleet of 175 ships totaled 1,331,186 GRT in 2002.

Attempts to link the Mediterranean Sea with the Gulf of Suez and the Red Sea date back at least 4,000 years. The modern Suez Canal, about 193.5 km (120 mi) long (including approaches), was constructed between 1859 and 1869 under the supervision of the French engineer Ferdinand de Lesseps. Great Britain became the canal's leading shareholder in 1875. Under the Constantinople Convention (1888), Britain became the guarantor of the canal's neutrality; management of the canal was entrusted to the privately owned Suez Canal Co. British rights over the canal were reaffirmed in the Anglo-Egyptian Treaty of 1936, then repudiated by Egypt in 1951. In 1956, at Egypt's insistence, the British withdrew from the area, and Egypt nationalized the canal and placed it under the management of the Suez Canal Authority, which had paid former stockholders $64 million by 1963. The canal was closed during the 1967 war with Israel and remained closed until 5 June 1975, when it resumed operations after having been cleared of mines and debris by teams of US, UK, and Egyptian engineers. During its first six months after resuming operations, the canal provided passage for a substantial number of dry-cargo ships but was used by only a comparatively small number of oil tankers, since the newer supertankers could not navigate the canal's 38-ft depth. The first phase of a project to widen and deepen the canal was completed in 1980, permitting ships of 53-ft draft (up to 150,000 tons) to pass through. The second phase includes increasing the navigable depth to 67 ft (up to 270,000 tons). Egypt also announced plans to build five tunnels under the canal and dig a second channel to permit the two-way passage of convoys; the first tunnel at the southern end of the canal was opened to traffic in 1980. In 1990/91, the Suez Canal Authority earned about $1.8 billion in revenue, more than in any other year.

Cairo International Airport is used by numerous international airlines, including Egypt's own Egypt Air; in 2001, 4,389,200 passengers were carried on scheduled domestic and international flights. In 2001, Egypt had a total of 92 airports, 71 of which had paved runways.

12 HISTORY

Egypt has the oldest recorded history in Western civilization, dating back 5,000 years. In early times, the desert provided protection against marauders, while the Nile River provided bread. Therefore, by 3400 BC the civilization of Egypt was well developed. The country was united about 3100 BC by Menes (or Narmer), king of Upper Egypt, who conquered Lower Egypt and established the first of some 30 dynasties, ruled over by a divine king, or pharaoh. Menes created a centralized state; under his dynastic successors, trade flourished, and the hieroglyphic form of writing was perfected. During the so-called Old Kingdom, the pharaohs of the fourth dynasty (c.2613–2494 BC), of whom Cheops (Khufu) was the most notable, began to build the great pyramids as royal tombs. The twelfth dynasty of the Middle Kingdom (c.1991–1786 BC) built vast irrigation schemes and developed a thriving civilization at Thebes; under their rule, a system of cursive writing was developed. After a century of domination by Semitic peoples known as the Hyksos, who introduced the horse-drawn chariot, ancient Egypt attained its apex during the eighteenth dynasty (c.1570–1320 BC) of the New Kingdom, under pharaohs Thutmose III, who extended the empire into Asia as far as the Euphrates; Amenhotep III and his son, Amenhotep IV (Akhenaten, or Ikhnaton), who, with his queen, Nefertiti, attempted forcibly to replace Egyptian polytheism with monotheistic worship of the sun god Aten, or Aton; and the boy-king Tutankhamen.

In subsequent centuries, political instability weakened the kingdom, and Egypt was invaded by Assyria (673–663 BC), annexed by Persia (525 BC), and conquered by Alexander the Great (332 BC). Alexander established the Macedonian dynasty of the Ptolemies, which ruled Egypt from 323 to 30 BC. During this period, the city of Alexandria flourished as the intellectual center of the Hellenistic world. The best-known ruler of this dynasty was Queen Cleopatra VII (sometimes designated as VI), who was defeated, together with her lover Mark Antony, at the Battle of Actium in 31 BC by Caius Octavius, later the Roman emperor Augustus. After the official division of the Roman Empire following the death of Theodosius in AD 395, Egypt became part of the Eastern Roman (Byzantine) Empire.

Egypt played an integral role in the Muslim world after the Arab conquest by 'Amr ibn-al-'As in 639–42. Egypt's conquerors brought in settlers from Arabia and established firm control under the Abbasid caliphate (established in 749) and the Fatimids (909–1171), who founded Cairo as their capital in 969. The Fatimids were overthrown by Saladin (Salah ad-Din), founder of the Ayyubid dynasty, which gave way about 1250 to a local military caste, the Mamluks. The Mamluks continued to control the provinces after the conquest of Egypt by the Ottoman Turks in 1517.

Egypt remained a Turkish satrapy for four centuries. In 1805, an energetic Albanian soldier, Muhammad 'Ali, was appointed ruler (wali) of Egypt. He succeeded in establishing his own dynasty, which ruled the country, first under nominal Ottoman control and later as a British protectorate. Muhammad 'Ali destroyed Mamluk feudalism (already weakened by Napoleon's Egyptian campaign in 1798), stabilized the country, encouraged the planting of cotton, and opened the land to European penetration and development.

After the completion of numerous ambitious projects, including the Suez Canal (1869), Egypt became a world transportation hub and heavily burdened by debt. Ostensibly to protect its investments, England seized control of Egypt's government in 1882 and, at the time of the outbreak of World War I, made Egypt a protectorate. After the war, in 1922, the UK took account of the gathering momentum of Egyptian nationalism and recognized Egypt as a nominally sovereign country under King Fuad, but retained control over the conduct of foreign affairs, defense, security of communications, and the Anglo-Egyptian Sudan. Militant nationalism was represented by the Wafd Party, led by Sa'ad Zaghlul Pasha and, after his death, by Nahas Pasha. The conditions of association were revised in the 1936 Anglo-Egyptian Treaty, under which Britain maintained armed forces only in specified areas and especially along the Suez Canal. In that year, Faruk ascended the throne.

Egyptian nationalism gathered further momentum in World War II, during which Egypt was used as an Allied base of operations, and in 1951 the government in Cairo abrogated the 1936 treaty. Royal extravagance, government corruption, the unsuccessful Palestine campaign against Israel in 1948, and delays in long-expected social and political reforms motivated a

successful coup on 23 July 1952 by a group called the Society of the Free Officers. Faruk was dethroned and replaced by his seven-month-old son. A republic was proclaimed on 18 June 1953, with Gen. Muhammad Naguib (Najib), the nominal leader of the officers, as its first president. He, in turn, was forced out of power in 1954 by a younger man, Lt. Col. Gamal Abdel Nasser (Jamal 'Abd al-Nasir), leader of the revolution.

To increase the productive capacity of his country, Nasser entered into preliminary agreements with the United States, the UK, and the UN to finance in part a new high dam at Aswan. At the same time, he also negotiated economic aid and arms shipments from the Soviet Bloc when he was unable to obtain what Egypt needed from the West. Financial backing for the dam was subsequently withheld by the United States, whereupon, on 26 July 1956, President Nasser proclaimed the nationalization of the Suez Canal and announced that profits derived from its operations would be used for the building of the dam. (The last British occupation troops had been evacuated from their Suez Canal bases a month earlier.) The dam was completed with aid and technical assistance from the USSR.

Simultaneously, a crisis erupted between Egypt and Israel. Incidents involving Egyptian and Palestinian guerrillas (fadayin) and Israeli border patrols multiplied. On 29 October 1956, as part of a three-nation plot to bring down Nasser and reassert control over the Canal, Israeli armed forces swept into Egypt's Sinai Peninsula. The UK and France then issued an ultimatum to the belligerents to cease fire. When Egypt rejected the ultimatum, Britain and France took military action in the Port Sa'id area, at the northern end of the canal, landing troops and bombing Egyptian cities from the air. However, the intervention of the United States and the USSR, acting through the UN, led to the withdrawal of the British, French, and Israeli forces by March 1957.

On 1 February 1958, Egypt and Syria proclaimed their union in the United Arab Republic (UAR), under one head of state, one flag, a common legislature, and a unified army. The proclamation was approved by a plebiscite vote of 99.9% in Egypt and 99.98% in Syria. Nasser became president of the UAR, and a new cabinet was formed in March 1958, consisting of 2 Egyptian and 2 Syrian vice presidents, as well as 22 Egyptian and 12 Syrian ministers. Differing economic and political conditions prevented a complete fusion of the two regions, however. Nasser's economic measures were generally accepted, but his program of socialism and nationalization of banks and other commercial establishments were resented and opposed by Syrian businessmen. Syrian opposition to the union was crystallized when Nasser eliminated the separate regional cabinets and set up a unified cabinet in August 1961. On 28 September, the Syrian army revolted, and two days later it proclaimed Syrian independence. Even after the failure of the merger with Syria, Egypt, consistent with its Arab unity ideology, persisted in its attempts to form a union with other Arab states. Cooperation agreements were signed with Iraq, Yemen, Syria again, and Libya during the 1960s and early 1970s. None of these agreements produced a lasting, meaningful political union.

One reason for these political maneuverings was the continuing tension with Israel, which again erupted into open warfare on 5 June 1967, after the UN Emergency Force had on 19 May been withdrawn from the Egyptian-Israeli border at Egypt's demand; on 23 May, Egypt closed the Gulf of Aqaba to Israeli shipping. Israel quickly crippled the Egyptian air force and occupied the Gaza Strip and the Sinai to the Suez Canal, which was blocked and remained so until June 1975. A cease-fire was established on 8 June 1967. On 22 November 1967, the UN Security Council passed a resolution calling on Israel to withdraw from occupied Arab territories and for the recognition by the Arab states of Israel's right to independent existence within peaceful and secured frontiers. But neither side would agree to peace terms, and Israel continued to occupy the Gaza Strip and the Sinai. During the years after 1967, a "War of Attrition" was fought along the Canal with each side shelling the other and Israeli planes bombing Egyptian cities.

When Nasser died on 28 September 1970, his vice president, Anwar al-Sadat, became president. After a political crisis that resulted in the dismissal from office in May 1971 of 'Ali Sabri and other left-wing leaders who had been close to Nasser (they were subsequently convicted of treason), President Sadat firmly established his hold on the government and began to implement pragmatic economic and social policies. Beginning in July 1971 with the announcement of a 10-year development program, he quickly followed with the introduction in September of a permanent constitution and a series of financial measures designed to give more freedom to the banking system and to encourage investment of foreign and domestic capital. In a surprise move on 18 July 1972, Sadat ordered the expulsion of the 15,000 Soviet military advisers and 25,000 dependents who had come to Egypt after the 1967 war. After the ouster of the Russians, Egypt was able to improve relations with the United States, Europe, and the more conservative Arab states, which provided substantial financial assistance under the Khartoum Agreement to replace Suez Canal revenues (which had ceased when the Canal was closed by the 1967 war with Israel).

Frustrated in his ambition to recover the Sinai, President Sadat broke the 1967 cease-fire agreement on 6 October 1973 by attacking Israeli forces in the Sinai Peninsula; this assault was coordinated with a Syrian attack on Israeli forces occupying the Syrian Golan Heights. After initial successes, the Egyptian strike forces were defeated by the rapidly mobilized Israeli troops, who then crossed the Canal south of Isma'iliyah, destroyed Egypt's surface-to-air missile sites, and cut off the Egyptian 3d Army. A cease-fire that came into effect on 24 October left Egyptian troops in the Sinai and Israeli troops on the west bank of the Canal. A series of disengagement agreements negotiated by US Secretary of State Henry Kissinger left Egypt in full control of the Canal and established a UN-supervised buffer zone in the Sinai between the Egyptian and Israeli forces. In November 1975, the Sinai oil fields at Abu Rudeis and Ra's Sudr were returned to Egypt.

President Sadat took a bold step toward establishing peace with Israel by going to Jerusalem in November 1977 and by receiving Israeli Prime Minister Menachem Begin at Isma'iliyah the following month. In September 1978, he entered into negotiations with Begin, mediated by US President Carter, at Camp David, Md., where the two Middle East leaders agreed to a framework for a comprehensive settlement of the conflict. Following further negotiations, Sadat signed the Egyptian-Israeli Peace Treaty in Washington, D.C., on 26 March 1979. The treaty provided for the staged withdrawal of Israeli forces from the Sinai, which was completed on schedule by 25 April 1982; set limits on forces and armaments for both sides; established a UN force to supervise the terms of the treaty; and called for full normalization of relations. However, the two nations were unable to agree on the question of autonomy for the Palestinians of the West Bank of the Jordan and in Gaza, as provided for in the Camp David framework. For their roles as peacemakers, Sadat and Begin were jointly awarded the 1978 Nobel Peace Prize. But other Arab leaders denounced the accords and sought to isolate Egypt within the Arab world.

Domestically, Sadat encouraged a shift from Nasser's socialism to greater free-market conditions and some political liberalization, one result of which was an upsurge of activity by religious extremists. In early September 1981, Sadat ordered the arrest of 1,536 Muslims, Christian Copts, leftists, and other persons accused of fomenting violent acts. One month later, on 6 October, Sadat was assassinated in Cairo by four Muslim fundamentalists. The vice president, Muhammad Hosni (Husni)

Mubarak, who had been Sadat's closest adviser, succeeded him as president and immediately pledged to continue Sadat's policies, particularly the terms of the peace treaty with Israel. Relations with Israel cooled during 1982, however, especially after Israeli troops moved into Lebanon. In 1986, renewed efforts at normalization of diplomatic relations with Israel led to the resolution in Egypt's favor of a dispute over Taba, a tiny sliver of land, which had not been returned with the rest of the Sinai.

As a result of Arab fears of an Iranian victory over Iraq in their eight-year war (1980–88), Egypt, which has the largest army in the Arab world as well as an important arms industry, was welcomed back into the Arab fold following the Amman Arab summit conference in November 1987. Egypt quickly renewed diplomatic relations with a number of Arab states and in May 1989 ended its isolation by rejoining the Arab League, the headquarters of which returned to Cairo. Mubarak continued Sadat's policies of moderation and peacemaking abroad and gradual political liberalization and movement towards free market reforms at home. In July 1989, he became chairman of the Organization of African Unity for one year. In 1990, Egypt played a key role in the coalition to expel Iraq from Kuwait and in 1993 and 1994 was active in promoting the Israeli-Palestinian peace accord.

Mubarak was reelected president in 1987 and 1993. Parliamentary elections in 1987 were termed the fairest since 1952; 100 members of the opposition were elected to the 458-seat chamber. Opposition political forces, however, had become increasingly disenfranchised over the years and after Mubarak's third election, he conceded to their concerns and announced the government would hold a National Dialogue to hear the grievances of any legal political party. Representatives of the Muslim Brotherhood, an illegal but tolerated political grouping with massive appeal, were not invited. Just before the meeting, the Nasserists and the New World Party announced they would not participate, essentially nullifying the Congress' work.

In 1995, legislative elections were again held, but, unlike the 1990 polling, the opposition parties announced they would not boycott these elections. The elections were held on 29 November and 6 December and the ruling NDP won 316 seats, losing several but retaining a vast majority. Although independents won more than 100 seats, nearly all of them were in reality firmly allied with the NDP. In January 1996, Mubarak replaced the sitting prime minister, Dr. Alif Sidqi, with Kamal Ahmed al-Ganzouri.

The most serious opposition to the Mubarak government comes from outside the political system. Religious parties are banned and, as a consequence, Islamic militants have resorted to violence against the regime, singling out Christian Copts and posing a threat to tourism, a major source of foreign exchange earnings. Starting in the mid-1990s, security forces cracked down hard on the militants, resorting to authoritarian measures, including arbitrary arrest, imprisonment, and torture to subdue the movement. However, it continued to gather strength, fueled by discontent with poor economic conditions, political autocracy, corruption, secularism, and Egypt's ties with the United States and Israel. In November 1997, militants murdered over 70 persons at a popular tourist site in Luxor. It was alleged that Gamma Islamiyya, one of Egypt's Islamic groups, was responsible for the attacks. However, in 1998 and 1999 the number of violent incidents decreased, and the government began releasing some of the jailed members of Islamist groups, said to number 20,000 by that time.

In September 1999, weeks after surviving an assassination attempt, Mubarak was elected to a fourth six-year term as president, running unopposed. Political opponents and Western observers have criticized the ruling NDP's refusal to open up the political system, one result of which, they say, would be to channel some of the political passion now given to outlawed Islamists into legal political parties, who could then use it to create a more open society—thus further marginalizing the extremists. However, the government has refused to implement electoral reforms. In February 2003, the state of emergency first declared in 1981 was renewed for another three years by President Mubarak.

Following the 11 September 2001 terrorist attacks on the United States, the United States called upon all states to adopt counterterrorism measures. The attacks on the United States gave Egypt a reason for increasing its restrictions on the Islamic opposition, including members of the Muslim Brotherhood and Gamaa Islamiyya. After 11 September, Egyptian authorities referred increasing numbers of cases of Islamic militants to military courts. One of the leaders of the attacks on the World Trade Center and the Pentagon, Muhammed Atta, was Egyptian, as is Ayman al-Zawhiri, the leader of Egyptian Islamic Jihad, who appeared with Osama bin Laden in videotapes following 11 September. The high-profile positions of these Egyptians in the al-Qaeda organization caused some to place increased scrutiny on Egypt's ability to control Islamic extremism.

Following the increase in violence in Israel and the West Bank and Gaza Strip in early 2002, and Israeli Prime Minister Ariel Sharon's sequestration of Yasser Arafat in his Ramallah headquarters, Egypt in April downgraded its relations with Israel, restricting its contacts to those who "serve the Palestinian cause." At an Arab League summit that March, Saudi Arabian Crown Prince Abdullah introduced a peace proposal for Israel and the Palestinians, offering Israel normalized relations with the Arab states and a guarantee of peace and security in exchange for a full Israeli withdrawal from the territories occupied by Israel after the 1967 Arab-Israeli war, a "just solution to the Palestinian refugee problem," and Israeli recognition of a Palestinian state with its capital at East Jerusalem. Mubarak stated he supported the Saudi proposal. However, Egypt's role as the leader of the Arab world was seen to have been jeopardized. Mubarak's relationship with US President Bush were regarded as chilly, irrespective of the fact that Egypt receives US$2 billion annually in civilian and military aid from the United States, and that Egypt remains a key ally for the United States in the Arab and Muslim worlds.

In February 2003, Mubarak invited newly reelected Israeli Prime Minister Sharon to Cairo for talks on restarting the Middle East peace process. It would have been the first visit by Sharon to an Arab leader since he took office in February 2001. Prior to the US-led war on Iraq in March, Mubarak had warned that unless Iraq complied with UN resolution 1441 passed on 8 November 2002, calling on Iraq to immediately disarm itself of weapons of mass destruction, to allow the reintroduction of UN and International Atomic Energy Agency (IAEA) weapons inspectors, and to comply with all previous UN resolutions regarding the country since the end of the Persian Gulf War in 1991, it would be attacked. Although official Egyptian statements were critical of Iraq, Mubarak had met with Arab leaders to discuss ways to avoid war.

13 GOVERNMENT

On 25 March 1964, President Nasser proclaimed an interim constitution; it remained in effect until a permanent constitution, drafted by the National Assembly, was approved by the electorate in a plebiscite on 11 September 1971. The 1971 constitution declares Egypt to be a democratic socialist state and an integral part of the Arab nation. The state of emergency, in effect since the Sadat assassination in 1981, and tough new antiterrorism laws against Islamists have given the government sweeping powers of repression, reminiscent of the Nasser era.

The president of the republic is the head of state and supreme commander of the armed forces. He appoints and retires as many vice presidents and cabinet members as he wishes; he also appoints the prime minister. In addition, he appoints and retires

civil, military, and diplomatic personnel in accordance with the law. The president's power to declare war and conclude treaties with foreign countries is subject to the approval of the People's Assembly, a unicameral legislative body consisting in 2003 of 444 elected and 10 appointed members serving five-year terms. A 264-member advisory body, the Shura Council, was formed in 1980. The People's Assembly nominates the president, who must then be confirmed by plebiscite for a six-year term. The constitution was amended by popular referendum in 1980 to permit Sadat to serve more than two terms. Vice President Mubarak, who became president upon Sadat's assassination, was confirmed in that office in national referendums in October 1981, 1987, 1993, and 1999. Suffrage is universal at age 18. The next elections were scheduled October 2005 for president, and November 2005 for the Assembly.

[14]POLITICAL PARTIES

Since the founding of the republic in 1953, the president and his army colleagues have dominated Egyptian politics. The Arab Socialist Union (ASU; founded by President Nasser as the Egyptian National Union in 1957) was the sole legal political party until 1976, when President Sadat allowed three minor parties to participate in parliamentary elections. In 1978, Sadat replaced the ASU with his own organization, the National Democratic Party (NDP), of which he became chairman. In elections held in June 1979, the NDP won 342 seats in the People's Assembly; the Socialist Labor Party (SLP), 29 seats; the Liberal Socialist Party, 3; and independents, 8. In 1980, however, Sadat denounced the SLP as the "agent of a foreign power," and 13 of the party's deputies defected either to join the NDP or to become independent members of the legislature, thus reducing the number of SLP seats to 16.

In January 1982, President Mubarak was elected without opposition as chairman of the NDP. In elections held in May 1984, the NDP won 390 seats in the National Assembly. The New Wafd (Delegation) Party, the middle class successor of the dominant party of the pre-Nasser period allied with the Muslim Brotherhood, won 58. In the 1987 Assembly elections, the ruling NDP again won about 70% of the vote. Seventeen percent voted for an alliance of Socialist Labor, Liberal Socialist and, under their banner (religious parties are banned), the Muslim Brotherhood; 11% voted for the New Wafd. Elections in 1990 drew only some 25% of eligible voters when the opposition boycotted the poll, charging unfair and undemocratic procedures.

In 1995, the opposition contested the elections, but to little effect. Balloting was held on 29 November and the NDP won a huge majority (317) of the body's 444 seats. Although independents won more than 100 seats, they are so closely allied with the NDP that nearly all of them joined the party after the elections. The New Wafd Party won 6 seats; the National Progressive Unionist Party won 5; the Socialists won 1; and the Nasserists won 1.

In elections for the National Assembly held 18 and 29 October and 13 November 2000, the NDP took 353 of 444 elected seats. The New Wafd Party won 35; the New Delegation Party won 7; the National Progressive Unionist Party took 6; the Nasserists won 3; the Liberal Party took 1 seat; independents won 37 seats and 2 seats remained vacant.

Since the beginning of a campaign of terror against tourists and Egypt's Coptic minority, the government has clamped down on Islamist parties, notably the Muslim Brotherhood, which had always been technically illegal. The Mubarak regime has resorted to strict authoritarian measures and by 1999, held 20,000 suspected Islamic militants in prison. In September 1999, President Mubarak, running unopposed, was elected to a fourth six-year term in office.

[15]LOCAL GOVERNMENT

Egypt has traditionally been divided into two regions: Lower Egypt (Wagh al-Bahari), north of Cairo, and Upper Egypt (As-Sa'id), south of the capital. Under the local government system established in 1960, Egypt is organized into 26 governorates, each headed by an appointed governor. The governorates are responsible for social, health, welfare, and educational services and for the social and economic development of their region. They are also required to supervise the city and village councils, which are constituted in a similar manner. Real authority resides in Cairo in a highly centralized regime, heavily burdened by bureaucracy. Since 1994, village mayors, who were previously elected, have been appointed by the Ministry of the Interior.

[16]JUDICIAL SYSTEM

The judicial system is based on English common law, Islamic law, and Napoleonic codes subject to judicial review by the Supreme Court and the Council of State, which oversees the validity of administrative decisions. A tension between civil law derived from France and competition from promoters of Islamic law exists. Recently, Islamic activists succeeded in amending the constitution to state that Shari'ah (Islamic) law is in principle the sole source of legislation. Formerly, Shari'ah applied primarily to Muslims with regard to family, personal status, and inheritance matters. Egypt accepts compulsory ICJ jurisdiction, with reservations.

Simple police offenses, misdemeanors, and civil cases involving small amounts are subject to the jurisdiction of single-judge summary tribunals. The trial courts of the central tribunals, consisting of three justices each, sit in cases exceeding the jurisdiction of summary courts and also consider appeals. Traffic in narcotics and press offenses, considered serious crimes, are tried by the courts of appeals of the central tribunals in the first instance, sitting as assize courts. There are seven courts of appeals—at Cairo, Alexandria, Tanta, Al-Mansurah, Asyut, Bani-Souef, and Ismailia—which sit in chambers of three judges. The highest tribunal is the Court of Cassation, composed of 30 justices, which sits in panels of at least 5 justices.

The 1971 constitution declares that the judiciary is independent of other state powers and that judges are independent and not subject to enforced retirement. The Supreme Constitutional Court is responsible for enforcing adherence to laws and regulations and for interpreting legislation and the constitution. The Office of the Socialist Public Prosecutor is responsible to the People's Assembly for the security of the people's rights, the integrity of the political system, and other matters.

The president appoints all civilian judges, from nominations by the Supreme Judicial Council, a body designed to assure the independence of the judiciary and composed of senior judges, lawyers, law professors, and the president of the Court of Cassation. Judges are appointed for life, with mandatory retirement at age 64. The judiciary has demonstrated a good degree of independence from the executive branch; for example, it handed down recent decisions invalidating bans on political parties.

The State of Emergency in place since the assassination of President Anwar Sadat (and most recently extended in 2003) has led to detention without due process for many persons. Emergency security courts try suspected terrorists whose only recourse upon conviction is an appeal for clemency to the president or prime minister.

[17]ARMED FORCES

Total active armed forces in Egypt numbered 443,000 in 2002. There were 254,000 reserves divided among all services. The army had 320,000 personnel in four armed divisions. The air

force had 19,000 members and was equipped with 608 combat aircraft and 128 armed helicopters. There were 75,000 personnel in the air defense command. The navy numbered 19,000 , including 2,000 coast guard personnel; it was equipped with 4 submarines, 1 destroyer, 10 frigates, and about 39 other armed vessels for coastal defense. Paramilitary forces numbered around 330,000, including a national guard of 60,000, a central security force of 250,000, and 20,000 border guard forces. Egypt spent $4.04 billion on defense in 1999–00, or 4.1% of GDP.

[18]INTERNATIONAL COOPERATION

Egypt joined the UN as a charter member on 24 October 1945 and participates in ECA, ESCWA, and all the non-regional specialized agencies. Egypt became the first Arab state to normalize relations with Israel following the conclusion of the 1979 peace treaty. As a result of this act, however, Egypt's membership in the League of Arab States was suspended; Egypt did not rejoin the League until 1989. The country is a signatory to the Law of the Sea and a member of the WTO. It belongs to the African Development Bank, G-77, and African Union (AU), and is a permanent observer at the OAS. Egypt's relations with the United States have improved since 1973; relations with the former USSR continued to deteriorate until 1984, when diplomatic relations were restored, with an economic cooperation agreement announced between the two countries in 1986.

Between 1958 and 1973, Egypt made several attempts to establish united or federated states with its Arab neighbors. Egypt and Syria formed the United Arab Republic from February 1958 to September 1961, when Syria broke away; the United Arab States, consisting of Egypt, Syria, and Yemen, survived formally from March 1958 through December 1961, although never a political reality; and a federation between Egypt, Syria, and Iraq, officially established in April 1963, was never implemented. On 1 January 1972, Egypt, Syria, and Libya established the Federation of Arab Republics, but to little practical effect. A formal merger attempt between Egypt and Libya, nominally consummated on 1 September 1973, dissolved in practice when relations between the two countries soured. An Egyptian-Sudanese Charter of Integration was signed in October 1982 but never implemented.

[19]ECONOMY

The Egyptian economy has been historically agricultural, with cotton as the mainstay. Land prices are extremely high because of the shortage of arable land, and output of food is not sufficient to meet the needs of a 2.1% population growth rate as of 2003. Although Egypt has expanded its private sector in recent years, industry remains centrally controlled and for the most part government owned; since the 1950s, the government has developed the petroleum, services, and construction sectors, largely at the expense of agriculture.

Egypt's significant economic growth rate from 1975 to 1981, made possible in large measure through foreign aid and credits, had declined to about 5% by 1986. Revenues for 1985–86 from petroleum exports, Suez Canal traffic, tourism, and remittances from Egyptians working abroad were eroded in the wake of sharp declines in international oil prices and developments in the Iran-Iraq war. The inflation rate grew from less than 5% annually in the 1960s to nearly 23% by 1986, reflecting worldwide price increases and the government's deficit spending. Egypt's economic position was strengthened when the Gulf states and the United States rewarded the Egyptians for their role in forming the Arab anti-Iraq coalition, reducing external debt to about $40 billion in 1990.

In the early 1990s, the collapse of world oil prices and an increasingly heavy debt burden led Egypt into negotiations with the IMF for balance-of-payments support. As a condition of the support, Egypt embarked on a comprehensive economic reform and structural adjustment program, under the aegis of the IMF and the World Bank. Egypt succeeded in stabilizing the macroeconomic fundamentals necessary for sustained economic growth: the budget deficit was around 1.3% of GDP, and the inflation rate held steady at 3.8% in 1999. However, progress toward privatizing and streamlining the public sector and liberalizing trade policy was slow. Consequently, despite the improvements, the economy has not experienced the economic growth necessary to reduce unemployment (around 12% in 2001, unofficial estimates are higher) and generate the targeted 6–7% growth rates in the GDP (only 2.3% in early 2003). Nonetheless, Egypt's balance of payments had improved by 2001, led by higher oil prices, high revenues from tourism and textile exports, and a decline in import growth. Remittances from Egyptians working abroad have also aided the Egyptian economy. Reform legislation in the areas of intellectual property rights, mortgage laws, and legislation developing banking and capital markets have made the business climate more favorable to investment. However, following the 11 September 2001 terrorist attacks on the United States, tourism in Egypt was down, as were Suez canal tolls and exports, and the country was in a recession.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Egypt's gross domestic product (GDP) was estimated at $258 billion. The per capita GDP was estimated at $3,700. The annual growth rate of GDP was estimated at 2.5%. The average inflation rate in 2001 was 2.3%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 14% of GDP, industry 30%, and services 56%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $2.852 billion or about $42 per capita and accounted for approximately 3.1% of GDP. Worker remittances in 2001 totaled $2.973 billion. Foreign aid receipts amounted to about $19 per capita and accounted for approximately 1% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $1,013. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 13%. Approximately 44% of household consumption was spent on food, 7% on fuel, 3% on health care, and 17% on education. The richest 10% of the population accounted for approximately 25.0% of household consumption and the poorest 10% approximately 4.4%. It was estimated that in 1996 about 23% of the population had incomes below the poverty line.

[21]LABOR

Egypt's civilian labor force increased from 14.8 million in 1990 to 16.8 million in 1994, to about 20.6 million in 2001. In 1999, an estimated 29% of the workforce was employed in agriculture, 49% in services, and 22% in industry. Unemployment was estimated at 12% in 2001.

Egyptian workers obtained the legal right to organize into trade unions in 1942. A law in 1952 authorized the formation of trade union federations and permitted the formation of a national confederation to which unions having 1,000 or more members may belong. Private sector unions are not common. In 2002, there were 23 trade unions, enrolling about 27% of the Egyptian labor force. Unionization is higher in public-sector jobs. Conciliation and arbitration procedures for the settlement of labor disputes are compulsory, and strikes are prohibited while these procedures are in effect. Collective bargaining does not

occur because the government sets wages and all other workers benefits.

Although the law sets the minimum working age at 14, child labor is a large part of the Egyptian workforce. In 2002, an estimated 1.5 million children were working. The minimum wage for public-sector employees in 2002 was about $33 per month for a 36-hour, six-day workweek. This wage does not provide adequately for a family, but a series of bonuses and other benefits generally triples the amount. The law limits the workweek to a maximum of 48 hours. Enforcement of health and safety regulations is sporadic.

[22]AGRICULTURE

During the 1970s, despite substantial investment in land reclamation, agriculture lost its position as the dominant economic sector. Agricultural exports, which accounted for 87% of all merchandise export value in 1960, fell to 35% in 1974 and to 11% by 2001. In 2000, agriculture accounted for 17% of GDP and 34% of employment.

Cotton has been the staple crop, but it is no longer important as an export. Production in 1999 was 243,000 tons. Egypt is also a substantial producer of wheat, corn, sugarcane, fruit and vegetables, fodder, and rice; substantial quantities of wheat are also imported despite increases in yield since 1970, and significant quantities of rice are exported. Citrus, dates, and grapes are the principal fruits by acreage. Agricultural output in tons in 1999 included corn, 9,350,000; wheat, 6,347,000; rice, 5,816,000; potatoes, 1,900,000; and oranges, 1,525,000. The government exercises a substantial degree of control over agriculture, not only to ensure the best use of irrigation water but also to limit the planting of cotton in favor of food grains. However, the government's ability to achieve this objective is limited by crop rotational constraints.

Egypt's arable area totals about 3.3 million hectares (8.1 million acres), about one-quarter of which is land reclaimed from the desert. However, the reclaimed lands only add 7% to the total value of agricultural production. Even though only 3% of the land is arable, it is extremely productive and can be cropped two or even three times per year. Most land is cropped at least twice a year, but agricultural productivity is limited by salinity, which afflicts an estimated 35% of cultivated land, and drainage problems.

Irrigation plays a major role in a country the very livelihood of which depends upon a single river. Most ambitious of all the irrigation projects is that of the Aswan High Dam, completed in 1971. A report published in March 1975 by the National Council for Production and Economic Affairs indicated that the dam had proved successful in controlling floodwaters and ensuring continuous water supplies, but that water consumption had been excessive and would have to be controlled. Some valuable land was lost below the dam because the flow of Nile silt was stopped, and increased salinity remains a problem. Further, five years of drought in the Ethiopian highlands—the source of the Nile River's water—caused the water level of Lake Nasser, the Aswan High Dam's reservoir, to drop to the lowest level ever in 1987. In 1996, however, the level of water behind the High Dam and in Lake Nasser reached the highest level since the completion of the dam. Despite this unusual abundance of water supply, Egypt can only utilize 55.5 billion cu m (1.96 trillion cu ft) annually, according to the Nile Basin Agreement signed in 1959 between Egypt and Sudan. Another spectacular project designed to address the water scarcity problem is the New Valley (the "second Nile"), aimed at development of the large artesian water supplies underlying the oases of the Western Desert. Total investment in agriculture and land reclamation for the government's Third Plan (1993–1997) was E£16,963 million.

The agrarian reform law of 1952 provided that no one might hold more than 190 feddans for farming and that each landholder must either farm the land himself or rent it under specified conditions. Up to 95 additional feddans might be held if the owner had children, and additional land had to be sold to the government. In 1961, the upper limit of landholding was reduced to 100 feddans, and no person was allowed to lease more than 50 feddans (1 feddan = 0.42 hectares). Compensation to the former owners was in bonds bearing a low rate of interest, redeemable within 40 years. A law enacted in 1969 reduced landholdings by one person to 50 feddans. By the mid-1980s, 90% of all land titles were for holdings of less than five feddans, and about 300,000 families, or 8% of the rural population, had received land under the agrarian reform program. According to a 1990 agricultural census, there were some three million small land holdings, almost 96% of which were under five feddans (2.1 hectares/5.2 acres). Since the late 1980s, many reforms attempting to deregulate agriculture by liberalizing input and output prices and by eliminating crop area controls have been initiated. As a result, the gap between world and domestic prices for Egyptian agricultural commodities has been closed.

[23]ANIMAL HUSBANDRY

Because of the very intensive cultivation of the soil, little land is available for animal husbandry, but efforts were made in the 1980s to increase the output of fodder per land unit and the productivity of livestock raising. In 2001, the estimated livestock population included 91,000,000 chickens, 3,466,000 goats, 4,671,000 sheep, 3,532,000 head of buffalo, 3,801,000 head of cattle, and 29,000 hogs. Livestock products in that year included 1,870,000 tons of cow milk, 1,435,000 tons of meat, and 196,600 tons of eggs.

[24]FISHING

Fishing is concentrated in the Nile Delta and River and in the Mediterranean and Red seas. The catch of sea, lake, and river fish amounted to 348,314 tons in 2000. Mullet and eels are caught in the Delta and sardines in the Mediterranean. Egypt's total catch from the Mediterranean Sea and Indian Ocean were 54,872 tons and 75,972 tons, respectively, in 2000. There is a small-scale freezing and canning industry. Nevertheless, Egypt has been a net importer of fish. In the early 1980s, new fish-farming facilities were established at Maryut in the Delta.

[25]FORESTRY

There are no forests in Egypt. In 2000, Egypt imported $796.3 million in forest products. The construction and furniture-making industries rely on wood imports. Furniture production engages about 40,000 persons and is concentrated in the Damietta Governorate in the northern part of the Nile Delta. Softwood products come from Sweden, Finland, and Russia; hardwood products from Western Europe.

[26]MINING

In recent decades, crude oil, natural gas, and petroleum products have dominated Egypt's mineral industry, petroleum and petroleum products comprising the top export commodity in 2002. Cement was a leading industry in 2002, although consumption declined in 2000. Among nonfuel minerals, phosphate rock (around the Red Sea, along the Nile, and in the Western Desert) and iron ore were the most important in terms of value and ore grade. In 2000, Egypt also produced manganese ore, titanium, ilmenite, asbestos, barite, cement, bentonite, fire clay, kaolin, crude feldspar, fluorspar, gypsum and anhydrite, lime, nitrogen, salt, soda ash, sodium sulfate, basalt, dolomite, granite, dimension stone, gravel, limestone, marble blocks (including alabaster), glass sand, construction sand, talc, soapstone, pyrophyllite, and vermiculite, and there were occurrences of gold, ocher, sulfate of magnesia, and nitrate of soda. The government was engaged in efforts to partially

privatize mining and metal assets. Although mineral resources have been exploited in Egypt since antiquity, including gemstones and zinc, some regions of the country remained geologically unexplored. Extraction of limestone, clay, and gypsum during World War II rose in response to the Allied armies' urgent demand.

In 2000, 1.02 million tons of phosphate rock was produced, up from 808,000 in 1996. Output of iron ore and concentrate was 2.5 million tons in 2000, down from 3 million tons in 1999. Development of an iron ore mine and steel plant near Aswan ceased in 2000 when the government charged the promoters with misappropriating public funds. Higher-quality deposits were being exploited in the Western Desert. Gold and copper deposits were not of sufficient grade to justify profitable extraction.

[27]ENERGY AND POWER

Egypt is an important non-OPEC energy producer. (OPEC is the Organization of the Petroleum Exporting Countries.) Commercial quantities of oil were first found in 1908, and more petroleum was found in the late 1930s along the Gulf of Suez. Later, large oil fields were discovered in the Sinai Peninsula, the Gulf of Suez, the Western Desert, and the Eastern Desert. The Abu Rudeis and Ra's Sudr oil fields in the Sinai, captured by Israel in 1967, were returned to Egyptian control in November 1975, and the remaining Sinai oil fields reverted to Egyptian control by the end of April 1982. Egypt's proven crude oil reserves were estimated at 2.9 billion barrels as of 1 January 2001. Oil production in 2000 averaged 710,000 barrels per day, down from 922,000 barrels per day in 1996. Domestic consumption was estimated at 585,000 barrels per day in 2000. The Suez Canal and 322-km (200-mi) Sumed Pipeline from the Gulf of Suez to the Mediterranean Sea are two routes for oil from the Persian Gulf, which makes Egypt a strategic point of interest in world energy markets. As of 2002, the Suez Canal Authority (SCA) was planning to deepen the canal by about an additional 21 m (70 ft) to accommodate very large crude carriers (VLCCs).

The General Petroleum Authority, established in 1956 to supervise the oil industry, was converted as part of the nationalization program of the 1960s into the Egyptian General Petroleum Corporation (EGPC). As of 2002, production from most wells in the Gulf of Suez, operated mainly by Gupco (Gulf of Suez Petroleum Company), a joint venture of EGPC and British Petroleum (BP), was declining; these wells had mostly been in operation since the 1960s and 1970s. BP was planning to invest $450 million in technology that would prolong the producing life of these oil fields.

Major discoveries in the 1990s have given natural gas increasing importance as an energy source; by 2002 all of Egypt's oil-fired thermal power plants had been converted to natural gas. Recoverable reserves of natural gas were estimated at 1.6 trillion cu m (56 trillion cu ft) in September 2001, with probably reserves thought to be as large as 3.4 trillion cu m (120 trillion cu ft). Natural gas production in 1999 was estimated at 15.5 billion cu m (547 billion cu ft).

The Egyptian electric power system is almost entirely integrated, with thermal stations in Cairo and Alexandria and generators at Aswan. In 2000, output totaled 71.7 billion kWh, of which 77% was from fossil fuels and 23% was from hydropower (mostly from the Aswan High Dam). In the same year, consumption of electricity was 64.7 billion kWh. Total installed capacity was 17.7 million kW in 2001. Generators in the barrages (structures to divert the water) constructed downstream of the Aswan High Dam to reduce erosion supply electricity to rural communities.

A $239 million electricity network link with Jordan was completed in 1998. In late 2002 Egypt announced that it would coordinate a regional energy distribution center to coordinate energy distribution among the nations of the region, including Egypt, Jordan, Syria, Lebanon, Iraq, Libya, Tunisia, Algeria, and Morocco.

[28]INDUSTRY

Egypt at the time of the 1952 revolution was much further advanced industrially than any other Arab country or indeed any country in Africa except South Africa. Under the socialist Nasser administration, the government coordinated industrial expansion and the establishment of an industrial base. As a result, bureaucracy and a dependence on political directives from the government became common to Egyptian industry. Since the early 1990s the government has promoted privatization as a way to eventually increase industrial output.

Industry accounted for 30% of GDP in 2001. Major industrial products included textiles, chemicals (including fertilizers, polymers, and petrochemicals), pharmaceuticals, food processing, petroleum, construction, cement, metals, and light consumer goods. The clothing and textiles sector is the largest industrial employer.

Greater Cairo, Alexandria, and Helwan are Egypt's main industrial centers, producing iron and steel, textiles, refined petroleum products, plastics, building materials, electronics, paper, trucks and automobiles, and chemicals. The Helwan iron and steel plant, 29 km (18 mi) south of Cairo, using imported coke, processes iron ore mined near Aswan into sheets, bars, billets, plates, and blooms.

The petroleum industry accounts for 40% of export earnings, but there are concerns that by 2005–10 Egypt will have to import oil, as oil fields mature and domestic demand increases. Egypt's proven oil reserves in 1999 were estimated at 3.5 billion barrels. In 2002, the country had 9 oil refineries, and was producing 631,616 barrels per day of crude oil, down from 748,000 barrels per day in 2000. Egypt is encouraging oil exploration, but natural gas is becoming the focus of the country's oil and gas industries. In 2002, two multi-billion dollar liquefied natural gas projects designed to export gas to Europe were underway. A large natural gas field off the Mediterranean coast of the Egyptian city Damietta was discovered in 2002, with the field's reserves estimated at 530–1,060 billion cubic feet. Natural gas reserves in the country are estimated at 55 trillion cubic feet (Tcf).

Egypt's industrial sector has undergone major reforms since World Bank adjustment programs went into effect during 1991, privatizing and restructuring state owned enterprises. Some of the companies in important non-oil industries are technically in the private sector, but control still remains with the government.

[29]SCIENCE AND TECHNOLOGY

Founded in 1971, the Academy of Scientific Research and Technology in Cairo is the national body responsible for science and technology. Egypt also has 12 specialized learned societies in the fields of agriculture, medicine, science, and technology. The National Research Center, also in Cairo, carries out research in pure and applied sciences. The Ministry of Agriculture has 20 attached research institutes in Cairo and Giza. Twenty other institutes conduct research in medicine, science, and technology. In 1987–97, research and development expenditures totaled 0.2% of GNP; 341 technicians and 459 scientists and engineers per million people engaged in research and development.

Located in Cairo are museums devoted to agriculture, geology, railways, and marine technology. In addition to polytechnic institutes in Cairo and Mansoura, Egypt in 1996 had 13 universities offering courses in basic and applied sciences. In 1987–97, science and engineering students accounted for 12% of college and university enrollments.

[30]DOMESTIC TRADE

Cairo and Alexandria are the most important commercial centers. Virtually all importers, exporters, and wholesalers have

offices in one or both of these cities. Egypt's retail trade is dominated by a large number of small privately-owned shops and vendors. Government cooperatives with hundreds of outlets also combine wholesale and retail activities. The principal retail centers have general and specialized stores as well as large bazaars. Smaller bazaars and open markets are found in the towns and villages. There are large wholesaling markets for meat and produce in Cairo, Alexandria, and Mansoura. The franchising of fast food restaurants and retail chains continues to grow quickly, with both American and Egyptian based companies holding franchises.

Though most of farms are privately owned, manufacturing is largely controlled by the public sector. Domestic industries include textiles (especially in cotton), food processing, and vehicle assembly. In 2000, about 49% of the work force was employed in the service sector.

Usual business hours are from 9 AM to 2 PM and from 5 to 8 PM; Sunday through Thursday. Friday is the weekly day of rest. While the official language is Arabic, commercial firms frequently employ English or French for business correspondence. Haggling is a standard business process for determining a fair price for goods and services in Egypt, in Arabic, "momarsa" (auction). The Cairo International Trade Fair, held every spring, has been an important promotional event for a number of years.

31 FOREIGN TRADE

Before 1973, when Egypt was linked to the then-Soviet Union, 55% of its exports went to Soviet bloc countries, which supplied 30% of its imports. In 1999, the EU countries were the market for about 35% of Egypt's exports, and provided Egypt with 36% of its imports. The US provided some 14% of Egypt's imports and received over 12% of its exports. Trade with Libya and Saudi Arabia has increased in recent years. Petroleum replaced cotton and cotton products as Egypt's principal export in 1976. Fuel exports accounted for 37% of Egypt's estimated $3.5 billion in merchandise exports in 1999. Other exports include textile yarn and cotton (7%), fabric, and finished garments (7.9%). In 1999, Egypt's imports were distributed among the following categories:

Consumer goods	6.1%
Food	15.4%
Fuels	6.0%
Industrial supplies	41.4%
Machinery	21.3%
Transportation	5.1%
Other	4.7%

Principal trading partners in 1999 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
United States	436	2,296	-1,860
Italy	353	1,049	-696
Netherlands	249	374	-125
France	134	787	-653
Germany	109	1,382	-1,273
Saudi Arabia	98	698	-600
Turkey	97	357	-260
United Kingdom	89	478	-389
Japan	45	521	-476
China (inc. Hong Kong)	n.a.	621	n.a.

32 BALANCE OF PAYMENTS

Structural reforms instituted in the early 1990s have helped Egypt to slowly take care of its debt. Total outstanding debt stood at $29 billion in 2001, down from $30 billion in 1997. However, Egypt's annual trade deficit has increased steadily during the late 1990s and early 2000s.

Egypt's traditional large merchandise trade deficit has been offset by strong surpluses in services (fueled by tourism and Suez Canal revenues), remittances from workers living abroad, and capital inflows. Tourism receipts achieved record levels of 5.5 million arrivals and $4.3 billion in earnings during 2000.

The government has attempted in recent years to improve the balance of payments situation through monetary and foreign exchange policies that have kept interest rates high and made access to credit and foreign exchange for imports difficult. These policies, while improving the balance of payments situation, have had an overall negative impact on economic growth and the country's ability to encourage foreign investment.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Egypt's exports was $7.1 billion while imports totaled $164 billion resulting in a trade deficit of $156.9 billion.

The International Monetary Fund (IMF) reports that in 2001 Egypt had exports of goods totaling $7.03 billion and imports totaling $13.7 billion. The services credit totaled $9.04 billion and debit $7.04 billion. The following table summarizes Egypt's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-388**
Balance on goods	-6,935
Balance on services	2,005
Balance on income	583
Current transfers	3,958
Capital Account	**...**
Financial Account	**190**
Direct investment abroad	-12
Direct investment in Egypt	510
Portfolio investment assets	-2
Portfolio investment liabilities	1,463
Other investment assets	-1,261
Other investment liabilities	-509
Net Errors and Omissions	**-1,146**
Reserves and Related Items	**1,345**

33 BANKING AND SECURITIES

The National Bank of Egypt, founded in 1898, had as a private institution the exclusive right to issue currency and act as the government's banker. In January 1961, although permitted to retain its commercial banking business, it was divested of its central banking function, which was given to the newly established Central Bank of Egypt. In 1957, when foreign banks refused to finance Egypt's cotton crop after the Suez Canal was nationalized, the government took over foreign banks and insurance companies. By the end of 1962, all banks had been nationalized. The number of registered banks dwindled to only four by 1971.

As of 1999, there were 69 banks operating in Egypt: 4 state-owned commercial banks; 29 commercial banks; 33 investment banks, and 7 specialized banks; including 20 foreign bank branches. The 4 state-owned commercial banks-the National Bank of Egypt, the Bank of Alexandria, the Banque du Caire, and the Banque Misr-dominate the sector due to their size in terms of assets, deposit base, and branches (an average of 200 branches each), accounting for 55% of the banking system's total assets. The Central Bank of Egypt supervises all banks in Egypt except for Misr African International Bank, the Arab International Bank, and the Egypt Export Development Bank. The national stronghold on the system becomes apparent when the public-sector banks' shares in joint-venture banks are taken into account, which reveals the big four to be holders of over 90% of the total assets of commercial banks. The dominance of the public sector is heightened if the National Investment Bank (NIB) is included. Holding the long-term resources mobilized by the

social security system, the NIB possesses roughly 25% of total bank deposits. Private sector ownership accounted for less than 30% of the banking sector in 2002, while the total assets of Egypt's banks in the same year amounted to $72 billion.

In 1975, the public sector was allowed to perform transactions freely with all banks, which became largely free to exercise all banking functions. The government's "open door" policy toward banking permitted international banks of good standing to establish branches in Egypt and exempted those banks from regulations governing the control of foreign exchange. In 1991, foreign exchange rates were liberalized. In 1992 and 1993, laws were passed allowing foreign bank branches to deal in Egyptian currency. In order to bring the Egyptian banking sector into line with international banking norms, banking law 155 of 1998 established a legal basis for the privatization of the four public-sector banks, but by 2002 this process was just getting started.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $14.9 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $65.8 billion. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 11%.

Egyptians habitually have invested their funds in real estate, in foreign countries, or in gold. In June 1992, a comprehensive Capital Markets Law was passed, sparking a revival of the Cairo and Alexandria exchanges that had been dormant since 1961 nationalization. In 1994, Egypt had one of the world's best-performing stock markets, but the primary stock market remained thin. Most investors preferred to establish closed companies and to resort to bank loans. Stock trading in the secondary market was also limited. Nevertheless, Egypt's first corporate bond since 1951, issued by the German-Egyptian Hoechst Orient in May 1994, was almost three times oversubscribed. In 2001, the Egyptian stock market's capitalization was estimated at about $24 billion, and the volume of trading had dropped by 65% from 2000 levels.

34 INSURANCE

Until the 1950s, insurance companies operating in Egypt were mostly branches of foreign institutions. In July 1961, Egypt promulgated laws nationalizing all insurance companies. From 1996, the insurance market was dominated by four public-sector insurance companies (one of which was a re-insurance company), although three private-sector companies existed. Two joint ventures with foreign firms operated in the free zones. The domestic insurance market was closed to foreign companies, although they were able to operate as minority partners in Egypt's eight free zones.

As part of its IMF agreement, the government pushed a new, if still restrictive, insurance law through the People's Assembly in early May 1995. This allowed foreign access to the domestic market on condition that the foreign company owned no more than a 49% stake in the insurance company, that the manager of the company was Egyptian, and that the company met the capitalization requirement of $9 million. By 1998, the Egyptian Parliament had passed a law allowing 100% ownership by foreign insurance companies, and complete privatization of public-sector insurance companies, but little progress has been made towards these goals. In 1999, there were 12 national insurance companies practicing in Egypt, and by 2001 there was $174 million in life insurance premiums written.

35 PUBLIC FINANCE

The US Central Intelligence Agency (CIA) estimates that in 2001 Egypt's central government took in revenues of approximately $21.5 billion and had expenditures of $26.2 billion including capital expenditures of $5.9 billion. Overall, the government registered a deficit of approximately $4.7 billion. External debt totaled $29 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**21,500**
Tax revenue	57.2%	12,305
Non-tax revenue	33.5%	7,212
Capital revenue	7.3%	1,580
Grants	1.9%	403
EXPENDITURES	**100.0%**	**26,200**
General public services	3.1%	801
Defense	9.4%	2,471
Public order and safety	4.8%	1,262
Education	14.8%	3,868
Health	3.3%	862
Social security	0.5%	123
Housing and community amenities	5.3%	1,389
Recreation, cultural, and religious affairs	8.1%	2,113
Economic affairs and services	10.8%	2,826
Other expenditures	20.3%	5,328
Interest payments	19.7%	5,158

36 TAXATION

In 2003, Egypt's corporate tax rate was 40%, reduced to 32% for industrial companies, and profits made through export operations. Branches of foreign companies are treated the same as domestic companies. The government is planning to introduce a uniform corporate tax structure.

Personal income tax is assessed according to a progressive schedule with rates from 5% to 25%. The standard deduction for a single person is E£2,000 (about $328).

The main indirect tax is the General Sales Tax (GST), set at 10% for most product, and 25 on a few others. Services are taxed at lower rates of 5% and 10%. There are also stamp duties that range from ranging from E£100 to E£600 (roughly, $15 to $100).

37 CUSTOMS AND DUTIES

Customs duties in Egypt serve not merely for protection but also for revenue. Under-invoicing is common, prompting customs officials to add 10% to 30% of invoice value to calculate the true value. Imports are mostly unrestricted, except for apparel, in an effort to protect local apparel manufacturers. In 1998, following IMF and World Bank structural reforms, most customs tariffs ranged between 30% and 40%, down from 40% to 160% in 1994. Tariffs on food items ranged between 1% and 50% and textiles tariffs were increased from 40% to 54%. Some items are taxed much higher, however, such as alcoholic beverages, which hold tariffs of 600-3000%. Egypt assesses a 2% or 4% service fee on imports (depending on the customs duty assigned to the commodity) and a 5% to 25% sales tax is added to the final customs value of imports.

Free zones have been established in Alexandria, Cairo (Nasr City), Port Sa'id, Ismailia, Damietta, Safaga, Sohag, and Suez; these are exempt from customs duties.

38 FOREIGN INVESTMENT

Egypt has declared that foreign private capital is both desired and welcome and that foreign capital investment has a place in the country's economic development. Investors in approved enterprises are assured of facilities for transfer of profits, withdrawal of capital, and employment of necessary foreign personnel. In 1974, Egypt sought specifically to encourage capital investments from multinational corporations in the West, so new projects financed with foreign capital were protected, capital was freed for reexport within five years of its investment in Egypt, and

investment profits earned within Egypt were allowed transfer abroad. In 1991, all foreign exchange transfer restrictions were lifted.

The main laws governing foreign investment are the Capital Market Law of 1992, as amended to increase stock market regulation in 1998; the Investment Incentives and Guarantees Law of 1997, establishing the regime for free trade zones (FTZs); and a series of laws in 1998 setting conditions for private (including foreign) participation in public banks, insurance, maritime transport, electricity distribution, and telecommunications.

Depending on their size, location, and other characteristics, new projects financed with foreign capital are exempt from taxation for five to ten years; in addition, payments of interest on foreign loans are not taxable and investors are exempt from certain customs duties. There is one basic condition for approval: the project must be on an approved list in the fields of industrialization, mining, energy, tourism, transportation, reclamation and cultivation of barren land, or animal husbandry. Applications must be made to the General Authority for Arab Investment and the Free Zones, which consists of the minister of state for Arab and foreign economic cooperation and seven other members. The bidding process for contracts has been made more transparent, but Egyptian bids have preference up to 15% above foreign bids. Since 1991, Egypt has liberalized its foreign trade by reducing the number of items on its list of banned imports. In 1990, the list covered 37% of all imports; in 1992, 11%; and in 1999, only apparel was banned. The use of other non-tariff barriers on imports and export restrictions has also been reduced. Bureaucratic barriers, however, still hamper investment. In 2002, there were seven operative FTZs,and two being developed. FTZs offer exemption from import duties, sales taxes, and taxes and fees on capital goods. A 1% tax is charged on warehoused goods and on exports from assembly plants. Investments are often located in the free zones of Alexandria, Cairo (Nasr City), Port Sa'id, Ismailia, Damietta, Safaga, Sohag, and Suez. In 2003, to deal with the chronic shortage in foreign exchange, a law was passed requiring that 75% of foreign exchange earnings be converted into local currency.

From 1992, foreign direct investment (FDI) inflow was about $1 billion a year. As of 2001, FDI stock totaled at least $10 billion. Inflows of FDI peaked in 1999 at nearly $3 billion, but then fell to $1.2 billion in 2000, and then to only $510 million in 2001. In terms of portfolio investment, the Egyptian stock market declined nearly 60% in 2001, and did not recover in 2002.

[39]ECONOMIC DEVELOPMENT

At the time of the 1952 revolution, Egypt presented the familiar picture of a dual economy, having a small modern sector developed within a tradition-bound society. A rapidly expanding population was pressing hard on limited agricultural resources; there were severe problems of poverty, unemployment, unequal distribution of income and wealth, disease, political corruption, and illiteracy. Rapid industrialization was viewed as essential to economic improvement. The revolution was both a national revolution, Egyptianizing the economy by ridding it of foreign influence, and a social revolution, developing a "democratic, cooperative, socialist" society. The promised "socialism" was not at that time doctrinaire; it was pragmatically selective in its application. A major objective was the diversion of private investment from land into industry. In this earlier period, industrialization also was fostered through government creation and expansion of industrial firms.

In July 1961, in a major policy shift, socialist decrees brought virtually all economic activity under government ownership or control. The Charter for National Action, which elaborated the philosophy of Arab socialism, was approved by the National Congress of Popular Forces on 1 July 1962. It is clear that the Egyptian government had decided that industrialization and improvement of living standards could come only through central planning and direct government ownership and control of virtually the entire system of production and foreign trade.

Egypt inaugurated its first five-year development program in 1960. By the end of 1965, national income had increased in the five-year period by 39.6%; 171,000 new jobs had been created; and wages and salaries had increased by 54%. A second five-year development plan (1966–70) was canceled in 1967 because of the Arab-Israeli war, and annual plans were instituted. Shortly after the 1973 war, President Sadat introduced an "open door" economic development program that confirmed Egypt's socialist policy but decentralized decision making in the public sector, removed government constraints on the private sector, and attracted foreign private capital by liberalizing financial and trade regulations. As a result, most public-sector industries developed rapidly during the 1973–79 period. A five-year development plan (1980–84) was replaced in 1982 by the new plan for 1982–87, of which the public sector was allocated 76.5% of the total funds. Of fixed investments in development projects, the industrial and mining sector was to receive 26%, transport and communications 16%, agriculture 12%, housing 11%, and electric power 8%. By 1987/88–1991/92 investment allocation for the public sector dropped to 62% and to 42% in the 1992/93–1996/97 plan. It aimed at the privatization of several sectors by encouraging the private sector to invest more capital. Egypt at the end of the 1990s was able to attract more foreign investment, cut the inflation rate, and decrease budget deficits.

As of the early 2000s, the state still controlled virtually all heavy industry, although agriculture was in private hands, and has been deregulated, with the exception of the cotton and sugar sectors. This and other efforts at privatization have increased the growth of the economy. The 1997 terrorist attacks at Luxor, and the 11 September 2001 terrorist attacks on the United States negatively impacted the economy, and particularly the tourism sector. At the end of 2000–01, total public debt amounted to 64% of gross domestic product (GDP), and foreign public debt amounted to about 26% of GDP. A general sales tax was extended to the wholesale and retail levels of business in 2001. Increased spending on infrastructure projects in the early 2000s widened budget deficits once more. In 2003, after a series of currency devaluations, Egypt adopted a floating exchange rate mechanism—the Egyptian pound was no longer pegged to the dollar.

[40]SOCIAL DEVELOPMENT

Social programs focus on services including health care and family planning. Employers pay a percentage of their total wage bills to the government's social insurance organization to finance various benefits: 3% for workers' compensation and 15–17% for old age pensions and death and disability benefits. Employed persons are also eligible for sickness and maternity benefits. Employees pay 10–13% of their wages toward old age, disability, and survivor pensions. Unemployment legislation was first passed in 1959, unemployed workers receive 60% of their last monthly wage for up to 28 weeks.

Equality of the sexes is provided by law, but many aspects of law and traditional practice discriminate against women. Under Egyptian law, only males can transmit citizenship to their children or spouses. Women have won employment opportunities in a number of fields, but Egyptian feminists fear these gains will be halted by resurgent Islamic fundamentalism. Muslim female heirs receive half of the amount of a male heir, and Christian widows of Muslims retain no inheritance rights. The government continues its efforts to eradicate the widespread practice of female genital mutilation (FGM). Domestic abuse and violence is common. Because the concept of family integrity supersedes the

well-being of the woman, few women seek redress from authorities.

Christian minorities in Egypt are often subject to discrimination and harassment. Extremists have attacked churches and have killed Christians. They sometimes face discrimination in obtaining higher education and employment. Muslim converts to Christianity have been subject to harassment by police and have been charged under the Penal Code.

Human rights abuses of torture, extrajudicial killings, and prolonged pretrial detentions are on the decline. However, the Emergency Law, in effect since 1981, continues to restrict basic rights. Arbitrary arrest and detention continue, and prison conditions remain poor. The government restricts freedom of press, assembly, religion, and expression. Islamic extremists also engaged in terrorist attacks, killing civilians. Human rights organizations do not have legal recognition, but they do operate openly.

[41]HEALTH

Nearly all Egyptians have access to health care. Between 1982 and 1987 (during the first five-year plan), the government established 14 public and central hospitals, 115 rural health units, and 39 rural hospitals. The total number of beds increased by 9,257 during this period (to a total in 1985 of 96,700). In 1987, 190 general and central hospitals were established (26,200 beds), as well as 2,082 rural health units, and 78 village hospitals. In 2000, 95% of the population had access to safe drinking water and 94% had adequate sanitation.

The Egyptian government formulated its second five-year plan from 1988 to 1992, with planned for the completion or replacement of 103 public/central hospitals and 25 health units in rural hospitals. There were also plans to establish 25 urban health centers (each serving around 150,000 people) and 100 rural health units (each serving about 5,000 people). As of 1999, there were an estimated 1.6 physicians and 2.1 hospital beds per 1,000 people.

Serious diseases in Egypt include schistosomiasis, malaria, hookworm, trachoma, tuberculosis, dysentery, beriberi, and typhus. Although malaria and polio cases were small in number, nearly 1,444 measles cases were reported in 1994. In 1999, Egypt vaccinated children up to one year old against tuberculosis; diphtheria, pertussis, and tetanus (94%); polio; and measles (95%). Of children under age five, 4% were malnourished as of 2000.

The country's fertility rate was 3.3 in 1999. As of 2000, 56% of reproductive-age women practiced contraception. Abortion is legal only for medical reasons. The overall death rate was estimated at 7,6 per 1,000 inhabitants in 2002 and the infant mortality rate in 2000 was 42 per 1,000 live births. Life expectancy in 2000 was 67 years.

A full 80% of all Egyptian women undergo female genital mutilation. There are no specific laws against this practice.

Egypt planned to expand its health insurance, with the target of covering 75% of the population. As of 1999 total health care expenditure was estimated at 3.8% of GDP.

There were 129 cases of AIDS in 1996.

[42]HOUSING

Prior to 1952, most Egyptians lived in mud huts. Postrevolutionary governments, however, have actively concerned themselves with housing. In order to encourage rural housing activities on nonfertile soil, "extension areas" have been allocated for villages. Efforts have been made to provide low-rent housing in towns; the units were constructed in cooperation with the Reconstruction and Popular Dwellings Co., in which the government held a share. Assisted by the state, which grants long-term and low-interest loans, cooperative societies also engage in housing construction. The state affords facilities for cooperatives to acquire land from the religious foundations.

Despite these efforts, Egypt's housing shortage remains acute, with about one million units needed in urban areas. Housing construction was a major priority of development plans in the 1980s, but it was considered likely that it would take many years for Egypt's housing deficit to be met. The greatest shortage is in low-cost housing.

According to the 1996 census, there were about about 9.6 million apartments and 4.5 million rural homes throughout the country. About 2.6 million units were built between 1981–1999. There were nearly 400 slum/squatter areas housing over seven million people.

[43]EDUCATION

In 1966, illiteracy in Egypt was estimated at more than 70%; in 1995, it was 48.6% (males, 36.4%; females, 61.2%). For the year 2000, projected adult illiteracy rates stand at 44.7% (males, 33.4%; females, 56.3%). In 1952, primary schools had space for only about half the school-age children. However, marked progress has been achieved since then. By 1998 there were 7,499,303 students and 310,116 teachers in primary schools. At the secondary level, there were 4,385,938 students in general education, with 259,618 teachers. The pupil-teacher ratio at the primary level was 23 to 1 as of 1999. In the same year, 93% of primary-school-age children were enrolled in school, while 80% of those eligible attended secondary school.

The Education Act of 1953 provided free and compulsory education for all children between the ages of 6 and 12. Preparatory schools offer three-year courses leading to a basic-education completion certificate, which is the entrance requirement for three-year courses in secondary schools. The curriculum was updated in 1995 and includes a greater emphasis on vocational training, as well as on physics and foreign languages. The general secondary education certificate entitles the holder to enter a university. A majority of primary-school graduates continue their education in preparatory, secondary, or vocational schools.

A decree of 23 July 1962 provided free tuition at all Egyptian universities. The traditional center for religious education in the Muslim world is Al-Azhar in Cairo, which in 1983 celebrated 1,000 years of teaching as the oldest continuously operating school in the world. Al-Azhar offers instruction in three faculties and 14 affiliated institutes and maintains its own primary and secondary schools. There are a total of 13 universities, and numerous institutes of higher learning. Egypt's universities had a total of 850,051 students in 1996. Universities and equivalent institutions had a faculty of 38,828 in 1994.

There is also the American University in Cairo, which offers a wide range of undergraduate and graduate courses, as well as an American school in Cairo and one in Alexandria. The American Research Center in Cairo is supported by US universities and museums. It was established in 1948 to encourage the exchange of archaeologists and other researchers in almost all fields of interest.

Adult education, under the Ministry of Education, is increasingly important. Since 1993 the government conducted a campaign against illiteracy. Business firms are required to combat illiteracy among their employees. Recent university graduates are being hired to lead literacy classes, and armed forces recruits are also expected to teach. In addition, the government has set up 3,000 one-class schools to teach a nontraditional study plan. These schools are aimed at girls who are unlikely to attend formal schooling, and as a result, are likely to remain illiterate. The schools provide vocational training and lessons on income generating businesses, in addition to the more traditional classes in Arabic, religion, sciences and arithmetic. As of 1999, public expenditure on education was estimated at 4.7% of GDP.

[44]LIBRARIES AND MUSEUMS

In 2003 the Bibliotheca Alexandria was established on the site of the ancient library destroyed in a fire 2,000 years before. It is the largest library in the Middle East, and is a cultural center with exhibit areas, planetarium, and conference center. Egypt's other major libraries are the Egyptian National Library (2.5 million volumes), Alexandria University Library (with 15 collections, of which the largest—belonging to the Faculty of Arts—numbers 141,300 volumes), and the Cairo University Library (more than 1.4 million volumes). The National Library also functions as the main public library for the nation's capital and supervises 11 branch libraries located throughout the country. The Municipal Library in Alexandria contains one of the country's largest public library collections, with 23,390 Arabic and 35,400 European volumes. One of the most important special libraries is the Scientific and Technical Documentation Division of the National Research Center at Cairo, which has the best collection of scientific and technical material in the Arab world. American University in Cairo (289,000 volumes) holds the Creswell Collection of Islamic art and architecture, comprising about 3,200 bound volumes. In all, Egyptian libraries affiliated with institutions of higher education hold over 35 million volumes.

The Egyptian National Museum, founded in 1902, contains unique exhibits from prehistoric times up to the 3rd century AD, and it also has a notable Department of Antiquities, established in 1835, which supervises excavations and administers archaeological museums. There are many specialized museums, including the Coptic Museum, devoted to the history of the old Christian Monophysites; the Museum of Islamic Art; the Greco-Roman Museum; the Agricultural Museum; the State Museum of Modern Art; the Islamic Archaeological Museum; the Railway Museum; and the Cotton Museum. There is a museum dedicated exclusively to the work of Mohmoud Mokhtar in Cairo. Several former royal palaces have been transformed into museums: the Al-Gawhara Palace in Cairo (a converted 19th-century Ottoman palace), Ras at-Tin Palace in Alexandria, and Al-Montazah Palace in Montazah-Alexandria.

In 1969, after the original site was flooded as a result of the building of the Aswan High Dam, two of the most famous monuments of ancient Egypt at Abu Simbel were removed and re-created on a different site. In 1976, the Temple of Isis and other monuments on Philae, an island flooded by the dammed waters, were similarly relocated. Of course, the pyramids and Sphinx at Giza remain one of the world's greatest historical tourist attractions.

[45]MEDIA

Telephone, telegraph, radio, and television services are operated by the state-owned Telecommunication Organization. There were an estimated 3.9 million mainline telephones in use in 1998; an additional 380,000 cellular phones were in use in 1999. As of 1999, there were 57 AM and 14 FM radio stations and 42 television stations, broadcasting mostly in Arabic. In 2000, there were 339 radios and 189 television sets for every 1,000 people. In 2000, Internet access was available through 50 Internet service providers, serving 300,000 users.

The two leading newspapers, with their estimated 2002 daily circulations, are *Al-Ahram* (*The Pyramid*; 900,000) and *Al-Akhbar* (*The News*; 780,000). *Al-Jumhuriyah* (*The Republic*; 900,000) is the official publication of the government; *Al-Ahram* is the unofficial publication. The leading evening paper is *Al-Misa'a* (405,000). There is also an English-language newspaper, the *Egyptian Gazette* (40,000). *Arev* is a daily Armenian paper. There are two weekly Greek publications, *Phos* (20,000) and *Tachydromos-Egyptos* (2,000). *Le Journal D'Egypte* (weekly, 72,000) and *La Reforme* (daily) are the leading French publications.

On 23 May 1960, all Egyptian newspapers were nationalized and subjected to censorship. President Sadat ended formal press censorship in 1974, but the following year he set up a government council to supervise the newspapers. In 1981, President Mubarak revoked the ban on opposition newspapers, but the press remains sensitive to the wishes of the government. The Middle East News Agency is under the supervision of the information section of the Ministry of National Guidance. The constitution does provide for freedom of speech and press, though the government exercises control through media ownership, oversight, and a monopoly on resources such as newsprint.

[46]ORGANIZATIONS

Most organizations in Egypt serve occupational and professional (particularly agricultural) goals. The land reform law makes it compulsory for landholders who have obtained land under it to join cooperative societies to help supply them with tested seeds, tools if available, and possibly markets. Several multinational organizations are based in Egypt, including the African farmers Association and the Arab Labor Organization. There are many chambers of commerce, representing various cities and various economic groups.

There are scholastic and archaeological, accounting, economic, historical, and other learned organizations. A national Academy of Scientific Research and Technology was established in 1971. Egypt serves as a multinational center for many sports organizations, including Arab federations for boxing, fishing, basketball, judo, gymnastics, and fencing, to name a few. Many youth organizations are affiliated with religious institutions. Scouting programs are active, as are chapters of the YMCA/YWCA. The Red Crescent Society is active.

[47]TOURISM, TRAVEL, AND RECREATION

Passports and visas are required of foreign visitors except nationals of certain Middle Eastern countries. However, transit passengers by ship or plane need no visas. Tourists arriving from many African countries must have proof of cholera and yellow fever vaccination.

Tourism has been a major foreign exchange earner. It grew steadily after the end of the Iran-Iraq war. In 2000, there were 5,506,179 foreign visitor arrivals, with more than 3,800,000 from European countries, and tourism receipts totaled over $4.3 billion. That year there were 113,611 rooms in hotels and other facilities, with 227,222 beds and a 73% occupancy rate. Principal tourist attractions include the pyramids and Great Sphinx at Giza, the Abu Simbel temples south of Aswan, the Valley of the Kings at Luxor, and the Muhammad 'Ali Mosque in Cairo. Rides are available on *fellucas*, traditional sailing boats of the Nile. Popular pastimes among Egyptians include card playing, moviegoing, and sports such as soccer, swimming, tennis, and horse racing.

In 2002, the US government estimated the daily cost of staying in Cairo at about $167, depending upon the choice of hotel. Expenses in Aswan and Alexandria are about the same.

[48]FAMOUS EGYPTIANS

Egypt's first recorded ruler, or pharaoh, was Menes (or Narmer, fl.3100? BC), who united the southern and northern kingdoms and founded the capital at Memphis. Notable successor pharaohs included Cheops (Khufu, fl.26th cent. BC), who built the Great Pyramid at Giza; Thutmose III (r.1504?–1450 BC), who greatly extended the empire through conquest; Amenhotep III (r.1417–1379 BC), who ruled at the summit of ancient Egyptian civilization and built extensive monuments; his son Amenhotep IV (Akhenaten, or Ikhnaton, r.1379–1362 BC), who, with his queen, Nefertiti, instituted a brief period of monotheism; and Tutankhamen (r.1361–1352 BC), whose tomb containing valuable

treasures was found practically intact in 1922. Cleopatra VII (69–30 BC) was involved in the political conflicts of the Romans.

Philo Judaeus (13? BC–AD 50?) attempted to combine Greek philosophy with Judaism. Ptolemy (Claudius Ptolemaeus, fl.2d cent. AD) was the foremost astronomer of ancient times. Egyptian-born Plotinus (AD 205?–270) was a neoplatonic philosopher in Rome.

The most notable of Egypt's rulers under the Muslim caliphate was Saladin (Salah ad-Din, 1138–93), sultan of Egypt and Syria and founder of the Ayyubid dynasty. The founder of Egypt as a part of the Ottoman Empire was Muhammad 'Ali (1769–1849), of Albanian origin, the first of a dynasty that ended with the deposition of Faruk in 1952. 'Arabi Pasha (Ahmad 'Arabi, 1841?–1911) led a popular uprising against British intervention in 1882 but was defeated. Later, the fiery political fight against British rule was waged by Sa'ad Zaghlul Pasha (1860?–1927), a founder of the Nationalist Party, Wafd.

No one had greater influence on Egypt during the 1950s and 1960s than Gamal Abdel Nasser (Jamal 'Abd al-Nasir, 1918–70), the moving spirit of the army's revolt against the monarchy in 1952. As prime minister (1954–56) and president (1956–70), Nasser set Egypt on its socialist course and attempted to unify the Arab world through confederation. His successor as president, Anwar al-Sadat (as-Sadat, 1918–81), continued Nasser's policies but with important modifications, especially in relation to Israel; with Menachem Begin he shared the Nobel Peace Prize in 1978 and negotiated the Egypt-Israel Peace Treaty of 1979. Upon Sadat's assassination in 1981, Muhammad Hosni (Husni) Mubarak (b.1928), who had been air force chief of staff (1969–72) and vice-president (1975–81), became president of Egypt, a post he held as of 2000.

The poet Sami al-Barudi (1839–1904) wrote popular and highly regarded verses about Islam's heroic early age. 'Abbas al-Aqqad (1889–1964) has been called the greatest contemporary Arab poet and the most original Arab writer. Involved in a political plot, he was jailed and composed an Arab "De Profundis" about his life in prison. Taha Husayn (1889–1973), the most widely known modern Egyptian intellectual leader, was minister of education from 1950 to 1952. The poet and essayist Malak Hifni Nasif (1886–1918) sought an improvement in the status of women. Ahmad Zaki Abu Shadi (1892–1955) was a renowned poet, essayist, and dramatist. Mahmud Taymur (1894–1973), a leading dramatist, wrote popular social satires and comedies. Um Kalthum (Fatma al-Zahraa Ibrahim, 1898?–1975) was the most famous singer of the Arab world. Mohammed Hassanein Heikal (b. 1923), journalist and author, was the outspoken editor of the influential newspaper *Al-Ahram* (1957–74) until he was forced by the government to resign. In 1988, Naguib Mahfouz (b.1912) won the Nobel Prize for Literature.

[49] DEPENDENCIES

Egypt has no territories or colonies.

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EQUATORIAL GUINEA

Republic of Equatorial Guinea
República de Guinea Ecuatorial

CAPITAL: Malabo (formerly Santa Isabel)

FLAG: The flag is a tricolor of green, white, and red horizontal stripes; a blue triangle joins them at the hoist. The arms in the center of the white stripe hold a cotton tree (the national symbol), six stars—one for each physical division of the country—and the motto "Unidad, Justicia, Paz."

ANTHEM: *Himno Nacional*, beginning "Caminemos pisando la senda de nuestra inmensa felicidad" ("Let us walk on the path of our immense happiness").

MONETARY UNIT: Communauté Financière Africaine franc (CFA Fr), which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. CFA Fr 1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003. There are coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs and notes of 50, 100, 500, 1,000, 5,000, and 10,000 francs.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Independence Day, 5 March; Labor Day, 1 May; OAU Day, 25 May; President's Birthday, 5 June; Armed Forces Day, 3 August; Human Rights Day, 10 December; Christmas, 25 December. Movable Christian holidays include Good Friday and Easter Monday.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Located on the west coast of Africa, Equatorial Guinea consists of a mainland enclave, Río Muni, and five inhabited islands: Bioko (between 1973 and 1979, Macías Nguema Biyogo, and before that Fernando Póo), Annobón (Pagalu during the 1970s), Corisco, Elobey Chico, and Elobey Grande. The total area is 28,051 sq km (10,831 sq mi), of which Río Muni, along with Corisco and the Elobeys, accounts for 26,017 sq km (10,045 sq mi) and Bioko, along with Annobón, 2,034 sq km (785 sq mi). Comparatively, the area occupied by Equatorial Guinea is slightly larger than the state of Maryland. Río Muni is bounded on the N by Cameroon, on the E and S by Gabon, and on the W by the Gulf of Guinea (Atlantic Ocean), with a length of 248 km (154 mi) ENE–WSW and 167 km (104 mi) SSE–NNW. Bioko, situated 56 km (35 mi) W of Cameroon and about 259 km (161 mi) NW of Río Muni, extends 74 km (46 mi) NE–SW and 37 km (23 mi) SE–NW. Annobón is 686 km (426 mi) SW of Bioko; Corisco and the Elobeys are off the SW coast of Bioko, within sight of Gabon. The total boundary length of Equatorial Guinea is 835 km (519 mi), of which 296 km (183 mi) is coastline.

The capital city of Equatorial Guinea, Malabo, is located on the island of Bioko (Isla de Bioko).

[2]TOPOGRAPHY

Bioko and Annobón are volcanic islands that are part of the chain starting with the Cameroon Highlands and outcropping into the Atlantic as far as St. Helena. Río Muni is a fluvial mainland plateau, except for the sandy shore and the ridges of the Sierra Cristal range that separate the coast from the interior plateau. The Muni and Ntem rivers, on the south and north boundaries of Río Muni, are estuaries navigable for about 20 km (12 mi); the Mbini River, midway between them, is typical of the cascading streams that drain all of Río Muni. Bioko has short cascading streams; Annobón has only storm arroyos. Most of the country, including the islands, is tropical rain forest. On Annobón, volcanic deposits restrict agriculture, and the Muni estuarial islands are sandy, but the rest of the country has tropical humus conducive to agriculture.

[3]CLIMATE

Equatorial Guinea has a tropical climate with distinct wet and dry seasons. From June to August, Río Muni is dry and Bioko wet; from December to February, the reverse obtains. In between there is gradual transition. Rain or mist occurs daily on Annobón, where a cloudless day has never been registered. The temperature at Malabo, Bioko, ranges from 16°C to 33°C (61–91°F), though on the southern Moka Plateau normal high temperatures are only 21°C (70°F). In Río Muni, the average temperature is about 27°C (80°F). Annual rainfall varies from 193 cm (76 in) at Malabo to 1,092 cm (430 in) at Ureka, Bioko, but Río Muni is somewhat drier.

[4]FLORA AND FAUNA

Dense tropical rainforest vegetation prevails throughout Equatorial Guinea. There are 140 species of trees, especially palms and hardwoods. Yams and bananas were introduced by the early inhabitants and became staples. Monkeys, chimpanzees, elephants, and gray doves are common.

[5]ENVIRONMENT

In 2002, Equatorial Guinea's most significant environmental problems were deforestation, water pollution, desertification, and the preservation of wildlife. The forests are threatened by agricultural expansion, fires, and grazing. The nation has 30 cubic kilometers of renewable water resource with 6% used for farming purposes. As of 2002, the nation's wildlife is threatened by the expansion of population centers and none of the nation's natural areas are protected. Of 184 mammal species, 12 are endangered. Four species of birds in a total of 273, two types of reptiles, and one amphibian are also endangered. Six species of plants are threatened with extinction. Endangered species include

the drill (*Papio leucophaeus*), Preuss's monkey, and the green sea, hawksbill, and olive ridley turtles.

[6]POPULATION

The population of Equatorial Guinea in 2003 was estimated by the United Nations at 498,000, which placed it as number 159 in population among the 193 nations of the world. In that year approximately 4% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.65%, with the projected population for the year 2015 at 662,000. The population density in 2002 was 17 per sq km (45 per sq mi).

It was estimated by the Population Reference Bureau that 48% of the population lived in urban areas in 2001. Malabo, the capital city located on Bioko, had a 2002 population of 31,000. According to the United Nations, the urban population growth rate for 2000–2005 was 4.0%.

[7]MIGRATION

As many as 45,000 Nigerian laborers served in Equatorial Guinea in the early 1970s, mostly working on Bioko cocoa plantations. In 1975, Nigeria began evacuating those contract laborers, charging the Equatorial Guinean government with a long history of mistreating them. These plantations are now short of labor.

About 100,000 people fled into exile during the regime of Francisco Macías Nguema. About 130,000 were abroad in 1993, including an estimated 80,000 in Gabon and 30,000 in Cameroon.

The net migration for Equatorial Guinea in 1999 was zero. However, migration to Spain is a traditional and ongoing occurrence. Between 80% and 90% of Equatorial Guinean nationals who go to Spain do not return. There were approximately 1,000 migrants in Equatorial Guinea in 2000. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The largest single tribe is the Fang (Fon, or Pamúe), who entered Río Muni from the east largely between 1687 and 1926. The earlier Riomunians, who had probably arrived in the 14th century, were forced by the Fang to flee to the coast. The Bubi on Bioko are descendants of the indigenous African Bantu-speaking population that fled from the Cameroonian and Riomunian mainland in the 13th century. Fernandinos—descendants of mainland slaves liberated by the British navy in the 19th century—and Europeans, especially Spanish Asturians and Catalonians, have long dominated commerce and government. It is estimated that the 67 Fang clans represent 80% of the population. Europeans, mostly Spanish, number less than 1,000.

[9]LANGUAGES

Spanish is the official language of the government, commerce, and schools. French is also an official language. The principal vernacular is Fang, which, like all the country's indigenous languages, is a Bantu tongue. Bubi and Ibo are also spoken. Annobón uses the fād'Ambō, a pidgin form of Bantu speech with heavy 16th-century Portuguese inflection. Much petty commerce is conducted in pidgin English (Pichinglis).

[10]RELIGIONS

Although African traditional religion has left its vestiges among the indigenous tribes, about 93% of the population are Christian. Within the Christian population, 87% are Roman Catholic and about 5% are mainline Protestant, primarily Baptist and Episcopalian. Though there is no state religion, a 1992 law established an official preference for the Catholic Church and the Reform Church of Equatorial Guinea, based on the traditional importance of these two denominations in popular culture. Religious study (primarily Catholic) is required in public schools.

[11]TRANSPORTATION

There are 2,880 km (1,790 mi) of highways in Equatorial Guinea, none of which were paved in 2002. The chief ports are Bata and Mbini in Río Muni and Malabo and Luba on Bioko. Bata, modernized in the 1970s, can accommodate up to four vessels of 20,000 tons each. There is regular service between Malabo and Bata. In 2002, 6 merchant ships (1,000 GRT or over) were in service, totaling 14,413 GRT: 3 cargo, 1 passenger, 1 bulk, and 1 passenger-cargo.

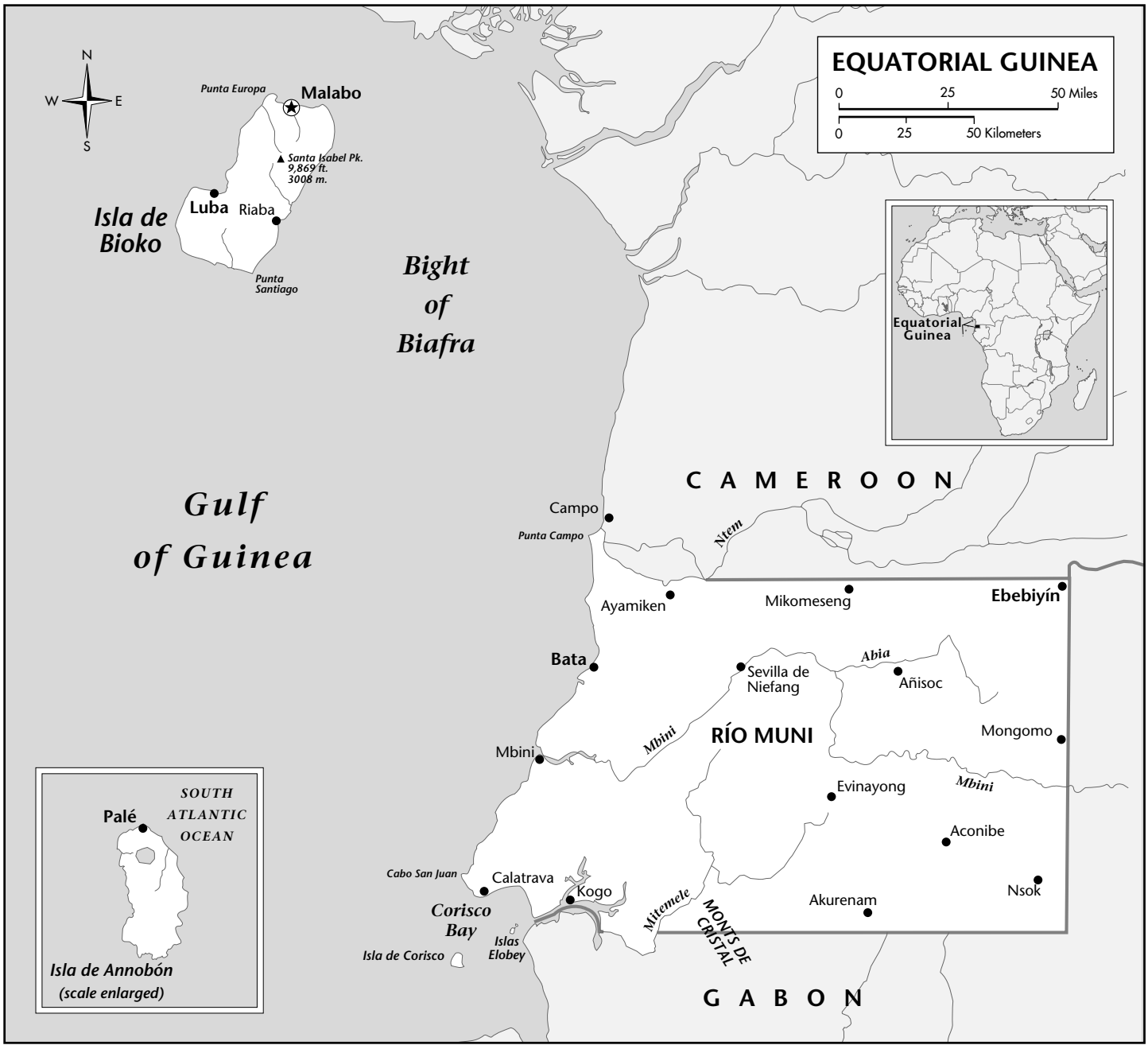
Bata's airport was the first major air transport facility. Malabo's airport was raised to jet standards in 1964 and became the focus of regional air services. A landing strip was built on Annobón in 1968. As of 2001, there were still only 3 airports, 2 having paved runways. Air transport between Bata, Malabo, and Douala, Cameroon, is provided by Equatorial Guinea Air Lines (Algesa). There is international air service to Gabon, Nigeria, Morocco, and Spain. In 1997, 21,000 passengers were carried on scheduled domestic and international airline flights.

[12]HISTORY

Although numerous archaeological discoveries indicate a very early Sangoan (modified Acheulean) culture throughout Equatorial Guinea, the earliest traceable inhabitants were Pygmies, remnants of whom remain in northeastern Río Muni. Bioko was apparently uninhabited when the Bubi came by sea from the mainland in the 13th century. Río Muni seems to have been occupied by the Bantu in a series of waves that superseded the Pygmies—first by the Bubi, before 1200; then by the Benga, Bujeba, and Combe, perhaps about 1300; and, finally, by the Fang from the Congo Basin, after 1687. Although Annobón was uninhabited in 1471 when the Portuguese discovered it, it was the only one of the territories later incorporated into Equatorial Guinea that they attempted to develop. The proprietorship of Annobón was ill administered, however, and it was virtually self-governing for 250 years. In 1778, Portugal transferred its nominal claims over Annobón, Fernando Póo, and the entire coast from the Niger Delta to Cape López (in modern Gabon) to Spain, in return for Spain's renunciation of pirate claims in southern Brazil. Later that year, a Spanish expedition of occupation arrived from South America. The expedition withdrew in 1781 after disease and poor administration had cost the lives of 370 of the 547 Spaniards.

The primary Spanish mainland explorations were undertaken between 1875 and 1885. Catholic missionary efforts by the Claretians extended Spanish influence to Annobón (1884), completed the exploration of Fernando Póo (1883–1924), and began the penetration of Río Muni (1886–1925). The first effective efforts to penetrate the interior were undertaken in 1926–27 by Governor Ángel Barrera, who reportedly employed considerable force to subjugate the Fang. The administrative procedure for the colony was defined as the process of reducción (conquest), repartimiento (resettlement), and encomienda (placing in trust) of the indigenous people—the policy followed in Mexico and Peru 400 years earlier—but this time, the people were encomendado (entrusted) not to private masters but to the Claretians. After World War II, the Franco government initiated a policy of heavy investment to turn Spanish Guinea into a model colony.

Spanish Guinea became a province of Spain in 1958. In 1964, two provinces (Fernando Póo and Río Muni) were created under an autonomous regional government. Political opposition and Protestant missions, both banned in Spain, were tolerated, and the regional regime of Bonifacio Ondó Edú was virtually self-governing internally. In 1966, independence was promised. Two years later, an opposition faction under Francisco Macías



LOCATION: 1°1′ to 3°48′ N; 8°26′ to 11°20′ E Annobón at 1°25′ S and 5°36′ E. BOUNDARY LENGTHS: Cameroon, 189 kilometers (118 miles); Gabon, 350 kilometers (218 miles); total coastline, 296 kilometers (183 miles). TERRITORIAL SEA LIMIT: 12 miles.

Nguema won the preindependence elections and organized a sovereign government on 12 October 1968, when the colony became the independent Republic of Equatorial Guinea. Within six months, hostility between Riomunians and Fernandinos had sharpened. The continued presence of Spanish civil servants, troops, and ships and the unchanged influence of Spanish plantation management provoked a crisis in 1969. Two coups failed, the Spanish were evacuated, medical services were suspended (until WHO restaffed them), and fiscal transactions ceased. However, within six weeks a new understanding was reached with Spain, under UN auspices, and Spanish subsidies were restored.

On 23 August 1972, Francisco Macías Nguema was proclaimed president for life; subsequently he assumed ministerial posts of defense, foreign affairs, and trade. An exile group, the Equatorial Guinean Liberation Front, and others charged in December 1974 that more than two-thirds of the National Assembly elected in 1968 had disappeared, and that many prominent persons, especially political opponents of the president, had been assassinated. It was estimated that a quarter of the country's population was in exile in Cameroon, Gabon, and Europe. On 3 August 1979, Macías Nguema was overthrown in a military coup led by his Spanish-trained nephew, Lt.-Col. Teodoro Obiang Nguema Mbasogo; the former president was tried shortly after the coup and executed on 29

September. International human rights organizations estimated that during his 11-year rule at least 50,000 people had been killed and 40,000 had been enslaved on state-owned plantations.

Under Obiang's leadership, the Supreme Military Council became the highest power in the country. The country continued to decay as corruption flourished and political opponents and others were imprisoned or put to death. Soviet influence was reduced, and economic and military cooperation with Spain was restored. A new constitution, approved in a referendum on 15 August 1982, provided that Obiang would remain head of state until 1989, when direct popular elections would take place. Parliamentary elections (based on a single list, with no political parties permitted) were held on 28 August 1983, and the PDGE won all 41 seats in the Chamber of People's Representatives in 10 July 1988 elections. Obiang was elected without opposition on 25 June 1989.

On 17 November 1991, a new constitution was adopted. Opposition parties began to be organized and sought official recognition in 1992. Eventually an election was held on 21 November 1993 and the PDGE won 68 of 80 seats. But the major opposition parties boycotted the election and as many as 80% of the eligible voters refused to participate. The new cabinet was expanded from 34 to 42 members. On 25 February 1996, Obiang was reelected to the presidency for another 7-year term, receiving 98% of the vote. The poll was declared farcical by foreign observers. Despite a boycott of the elections by the three main opposition parties, voter turnout was 86%. Obiang's plan to form a government of national unity failed due to refusal of the opposition, because their conditions for participation had not been met.

New wealth from substantial oil and gas reserves discovered off the coast in 1996 boosted the tiny country's impoverished economy, but the wealth did not reach the poor. Government corruption and mismanagement were rampant and some 80% of the wealth was amassed by less than 5% of the population, mostly Obiang's family clan. Growing discontent resulted in at least two coups d'état (the government attributed one in May 1997 to opposition Progress Party leader, Severo Moto) and a rebellion on Bioko Island by members of the disenfranchised Bubi ethnic group in January 1998. A military court sentenced 15 of the 215 Bubi activists to death. In September Obiang suspended the sentence, under international pressure.

The ruling PDGE won 65 of the 80 seats in the second multi-party parliamentary elections held on 7 March 1999. In July 1999, the Prime Minister, Angel Serafin Seriche Dougan, and his government resigned, apparently to pave way for a government of national unity. The president offered to give a cabinet position to each of the opposition parties. Second multi-party legislative elections were held on 7 March 1999. Mainstream opposition parties participated in the elections, but along with the international community, denounced the elections for serious irregularities. The ruling PDGE again won 75 seats. The Convergence for a Social Democracy (CPDS) and the People's Union (UP) respectively got one and four seats.

In elections held 15 December 2002 Obiang officially was re-elected with 97.1% to 2.2% of the vote for Celestino Bonifacio Bacale, but as in the past, the elections were marred by fraud, and held little credibility either domestically or abroad.

The judiciary, which often has come under international scrutiny, scheduled a national conference in January 2003 to seek ways to improve human rights and to strengthen rule of law following criticism by rights groups, the opposition, and the Spanish government of the sentencing of 68 opposition activists for between six and 20 years in jail on charges of plotting to overthrow the president. Also in January 2003, Equatorial Guinea sent a contingent of soldiers to Central African Republic as part of the Economic and Monetary Community of Central African States' (CEMAC) peacekeeping force in the region.

13 GOVERNMENT

By referendum on 11 August 1968, Equatorial Guineans approved a constitution that became effective on Independence Day, 12 October 1968. The constitution required the country to join the UN and to coordinate Spanish financial, technical, and administrative assistance until total "Africanization" was achieved. Separatist activities on Bioko led to the suspension of the 1968 constitution in May 1971. The president assumed all powers and ruled by decree until a second constitution was approved by referendum in July 1973. Under this constitution, the only legal party, the United National Workers Party, designated deputies to the National Assembly and had the power to remove them. An article requiring election of the president by direct, secret, universal suffrage was suspended for President Francisco Macías Nguema, who had been proclaimed president for life on 23 August 1972.

After the 1979 coup, a new constitution was drafted with UN assistance. Approved by 95% of the voters in a referendum on 15 August 1982, this document provided for elections every five years to a National Assembly and for establishment of a Council of State. It also guaranteed civil rights and sets out the foundations of a free-market economy, while reserving for the public sector such key enterprises as energy and broadcasting.

Nominally, since 17 November 1991, Equatorial Guinea has had a constitutional democracy with judicial integrity and multiparty elections. In reality, Obiang's Democratic Party of Equatorial Guinea (PDGE) heads an essentially one-party state. Lt.-Col. Obiang Nguema was inaugurated as president in Bata on 12 October 1982, was elected president unopposed on 25 June 1989, and was re-elected in polls widely considered fraudulent in 1996 and 2002.

14 POLITICAL PARTIES

Following an abortive coup in March 1969, all existing political parties were merged into the United National Party (Partido Único Nacional) under the leadership of President Macías Nguema. Political activity outside this party was made illegal. The name of the party was later modified to United National Workers Party (Partido Único Nacional de los Trabajadores—PUNT). After the 1979 coup, all political parties were banned and the ruling Democratic Party for Equatorial Guinea (PDGE) monopolized power, benefiting from strong government patronage. Among the opposition parties in exile in the mid-1980s were the National Alliance for the Restoration of Democracy and the Democratic Movement for the Liberation of Equatorial Guinea. A source of opposition is resentment by Biokans of mainland domination.

The 1991 constitution legalized political parties and a January 1992 law on party formation initiated the process of party organization. But it restricted party membership and activity to those who had lived continuously in Equatorial Guinea for 10 years. Since most opposition politicians had been in exile since independence, the effect was to prohibit serious opposition. Small parties—the Liberal Democrat Convention, the Popular Union, and the Progressive Democratic Alliance—were recognized in 1992. The Equatorial Guinea Progress Party (PPGE) was legalized after a long delay and, in 1993, the Socialist Party of Equatorial Guinea (PSGE) was approved. By mid-1993, 13 legal opposition parties stood prepared to contest elections, scheduled for 12 September. A number of opposition leaders were even granted amnesty. Yet by May, several leaders were arrested and, in August, one died in jail. The September elections were postponed until 21 November, but opposition parties boycotted them. The PDGE won easily (68 out of 80 seats) amid a low voter

turnout. The Joint Opposition Platform (POC), an alliance of eight opposition parties, had called for the boycott. In 1995, the government reduced the residency requirement for politicians to five years leading up to an election. Political parties, however, continue to face harassment.

In June 1997 the Progress Party, perhaps the only party that could constitute an alternative government, was banned by presidential decree. The government accused journalist Severo Moto, leader of the Progress Party, of plotting a coup against Obiang, by linking him to arms intercepted by Angolan authorities on a Russian boat destined for Equatorial Guinea in mid-May. Moto exiled himself to Spain, but the government continues to seek his extradition to face trial in the country.

The remaining opposition parties participated in the 7 March 1999 elections but rejected the results due to serious irregularities, challenging them in court. They also refused to take up their seats in the House. Once again, the ruling PDGE won an overwhelming majority with 75 of the 80 seats to 4 seats for the People's Union (UP), and 1 seat for the Convergence for a Social Democracy (CPDS). The international community also criticized the conduct of the elections. The opposition's presence in the National Assembly was further reduced when the UP dismissed two of its four parliamentary delegates in April, accusing them of endorsing Obiang's dictatorial government. The next presidential elections were to be held December 2009 with parliamentary elections scheduled for March 2004.

[15]LOCAL GOVERNMENT

The country is divided into seven provinces, each headed by a governor appointed by the president. The provinces are divided into districts and municipalities.

[16]JUDICIAL SYSTEM

The court system, based on Spanish civil law and tribal custom, includes a Supreme Court, two appeals courts, lower provincial courts (first instance), military courts, and customary (traditional) courts. The courts apply a blend of traditional law, military law, and Franco-era Spanish law, which leads to some unpredictability in results. Appeals from courts of first instance are rare. A five-member Constitutional Council established in 1993 decides constitutional issues and releases election results. The customary courts composed of tribal elders adjudicate civil claims and minor criminal matters.

Under the 1991 constitution, the judiciary is not independent from the executive branch. In fact, all judges and clerks and other judicial personnel are appointed and dismissed at the will of the President. In addition, corruption is a problem because of low wages for judicial personnel.

Defendants have constitutional rights to an attorney and to appeal. However, in practice, these rights are not always afforded.

Recently, the treatment of Bubi ethnic group activists who were arrested after a rebellion in January 1998, and the conduct of the trial by a military court, which meted out 15 death sentences, was strongly criticized by Amnesty International and the European Parliament, respectively. Obiang suspended the death sentences in September 1998. Reports of serious and systematic human rights abuses in Equatorial Guinea continue.

[17]ARMED FORCES

In 2002, military personnel numbered 1,320—army, 1,100; navy, 120; and air force, 100. The army consisted of three infantry battalions whose equipment included 10 armored personnel carriers. Paramilitary forces included the Civil Guard and the Coast Guard. In 2001 military expenditures amounted to $27.5 million, or 2.5% GDP.

[18]INTERNATIONAL COOPERATION

Equatorial Guinea joined the UN on 12 November 1969; it participates in ECA and all the nonregional specialized agencies except IAEA and WMO. The nation is also a member of the African Development Bank, G-77, and AU, and has applied for membership in the WTO. In December 1983, it joined the Central African Republic, the Congo, Chad, Cameroon, and Gabon in the Central African Customs and Economic Union (Union Douanière et Économique de l'Afrique Centrale—UDEAC). In 1984, the nation signed the Law of the Sea treaty.

[19]ECONOMY

The agricultural industry employs the majority of the population. The country exports cocoa, coffee, and timber, and imports large quantities of foodstuffs. Production of oil began in 1991, and substantial new reserves were discovered in 1995. Trace deposits of a few minerals have been located. Industry is limited to a few processing facilities for agricultural products. In 1990, compliance difficulties with the IMF structural adjustment program and the government's repeated violations of human rights resulted in the suspension of most foreign economic assistance. The arrival of significant oil revenues, however, has caused the economy to be viewed with guarded optimism. Continuing fiscal mismanagement and the lack of economic reforms casts doubt on the government's ability to fully capitalize on the oil revenues. Nonetheless, oil now accounts for 90% of exports and over 60% of GDP. Oil production was forecast to rise from 120,000 barrels per day (bpd) in 2001 to 350,000 bpd in 2002. Other natural resources that are undeveloped are titanium, iron ore, manganese, uranium, and gold.

In 1985, Equatorial Guinea joined the CFA franc zone, improving the economic situation. In 1994, France devalued the CFA franc, causing its value to drop in half overnight, and raising the value of exports. Increased export revenue, together with newly exploited petroleum reserves, caused GDP to rise dramatically (over 50%) during 1996 and 1997. GDP growth was estimated at 6% in 2001.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Equatorial Guinea's gross domestic product (GDP) was estimated at $1.04 billion. The per capita GDP was estimated at $2,100. The annual growth rate of GDP was estimated at 6%. The average inflation rate in 2001 was 6%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 20% of GDP, industry 60%, and services 20%. Foreign aid receipts amounted to about $28 per capita and accounted for approximately 3% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $296. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 60%.

[21]LABOR

The majority of the population was engaged in subsistence agriculture in 2002. The unemployment rate in 1998 was estimated at 30%. Workers have the right to form unions, but there is no legislation to implement this right or to prohibit antiunion discrimination in the workplace. In 2001, the first Small Farmers Syndicate became the first legally recognized union. There was still no collective bargaining at that time.

Wages are set by the government and employers, with little or no input by workers. There was a statutory, monthly minimum wage of about $100 in 2002 for unskilled workers, with the minimum for oil sector professionals set at 10 times that amount. The legal minimum age for employment is 14, but the government does not enforce this. The standard legal workweek is set at 35 hours, with a 48-hour rest period.

[22]AGRICULTURE

Agriculture is the main economic activity, involving about 71% of the economically active population. An estimated 8% of the land is engaged in crop production. The island of Bioko has year-round rainfall, and the prevailing economic activity is cocoa cultivation. In Río Muni (on mainland Africa), where 80% of the population lives, food crops are the dominant economic activity, and cash crop cultivation is secondary. Agriculture (including forestry and fishing) accounts for about 50% of GDP and 60% of exports. The main food crop is cassava, of which 49,000 tons were produced in 1998. Sweet potatoes are the second-largest food crop, with 45,000 tons in 1999, followed by bananas (20,000 tons).

Before independence, the main cash crops were cocoa, coffee, and palm kernels for palm oil. Guinean cocoa, of excellent quality, had an annual production of 38,000 tons in 1967. However, production experienced a sharp drop in the 1970s, falling to 4,512 tons in 1980. In 1999, production was estimated at 6,000 tons. Coffee of comparatively poor quality is grown in northern Río Muni, along the Cameroon border. The preindependence production of 8,959 tons in 1967 fell to 500 tons in 1978; the decline was mainly caused by forcible transfer of coffee farmers to the Bioko cocoa plantations. Coffee production was an estimated 4,000 tons in 1999. Actual cocoa and coffee production is higher, but official figures do not take into account quantities smuggled abroad rather than delivered to state marketing agencies.

[23]ANIMAL HUSBANDRY

Cattle and poultry production is rapidly reaching its preindependence levels of self-sufficiency with the financial help of the African Development Bank. However, production of domesticated animals is hindered by the presence of trypanosomiasis and other tropical deterrents. In 2001 there were 37,600 sheep, 9,000 goats, 6,100 hogs, and 5,000 cattle.

[24]FISHING

The fishing industry gained strength through the 1980s and is now almost entirely modernized; a tuna processing plant went into operation in 1990. Annobón subsists almost entirely on fishing and retains its traditional preeminence in offshore whaling and turtle gathering. Bioko is also a major fishing center, the chief catches being perch, tuna, mackerel, cod, pike, shark, and crayfish. The country's own catch was about 3,364 tons in 2000.

[25]FORESTRY

Timber from Rio Muni is Equatorial Guinea's leading export. Forests cover over 62% of the land area. The Rio Muni area on the mainland produces okoumé and akoga from rainforests of considerable age. Even though the government has given permission to foreign firms, exploitation is difficult due to infrastructural problems. The government enacted a new forestry action plan in 1990 in an effort to strengthen the sector's development. In 2000, roundwood production was estimated at 811,000 cu m (28.6 million cu ft). In 2000, exports of forest products amounted to $97 million .

[26]MINING

Petroleum, the country's leading industry and export commodity in 2002, was associated with Equatorial Guinea's rapid economic growth since 1996; natural gas was the country's fourth-leading industry. Geological surveys indicated occurrences of bauxite, alluvial gold, copper, diamond, titanium-bearing sands, ilmenite beach sands, lead, phosphates, zinc, iron, manganese, tantalum, and uranium in Rio Muni; there has been no significant exploitation. A 1981 law stipulated that all mineral deposits were state property, and the Mining Law was under revision in 2001. Artisanal miners produced 500 kg of gold in 2001, and clay, gravel, and sand were also presumably produced.

[27]ENERGY AND POWER

Installed power capacity in 2001 was 5,000 kW; production in 2000 totaled 22 million kWh, of which fossil fuels accounted for 91% and hydroelectric power for 9%. In 1983, China completed a hydroelectric plant near Bata, with installed capacity of 3,200 kW. The 3.6 MW Riabo River hydroelectric plant opened in 1989 and supplies most of the power on Bioko. As of 2002 a gas-fired 4–6 MW plant was under construction on Bioko.

In the 1990s Equatorial Guinea emerged as an important oil producer in the Gulf of Guinea. The first exploratory offshore petroleum well was drilled in early 1982. In 1991, production was initiated from the offshore Alba gas condensate field in the Gulf of Guinea. Exports of oil began in April 1992. By mid-1999, production amounted to about 90,000 barrels per day. Equatorial Guinea's total oil production in 2001 averaged 181,000 barrels per day, a tenfold increase from 1996. Future oil production was estimated at 120,000–300,000 barrels per day following an oil discovery at the La Ceiba deep-water field in September 1999. A $450 million methanol plant on Bioko began production of natural in 2001.

[28]INDUSTRY

Equatorial Guinea's manufacturing sector is very small. Sawmilling leads industrial production, followed by cement, bleach, and tuna canning plants. Small-scale soap manufacturing and food processing operations round out the industrial sector. The petroleum mining industry is growing rapidly, as large oil reserves have been discovered. Oil in 2002 accounted for over 60% of GDP and over 90% of exports. Proven oil reserves are estimated at 12 million barrels. Oil production increased from 17,000 barrels per day in 1996 to around 181,000 barrels per day in 2001. There is a methanol plant on Bioko island that processes natural gas. Proven natural gas reserves are estimated at 1.3 trillion cubic feet (Tcf).

[29]SCIENCE AND TECHNOLOGY

Spain, China, the former USSR, and several other countries have provided Equatorial Guinea with technological assistance.

[30]DOMESTIC TRADE

Most interior wholesale and retail trade has been maintained through *factorías* (small general agencies) managed by individual Spanish owners or the representatives of small firms. Most trade occurs in the major cities of Malabo and Bata.

Consumer price inflation has fluctuated quite a bit throughout the last decade with rates settling to about 6% in 2001. Recent economic policies are designed to encourage foreign investment.

Normal business hours are 8 AM to 12 noon and 4 to 8:00 PM, Monday through Friday, and 9 AM to 2 PM on Saturday. Spanish is the dominant business language, while French and English are also spoken.

[31]FOREIGN TRADE

Exports were estimated at $461 million in 1998, while imports came to $434 million. Leading exports for 1996 were petroleum (50%), timber (13%), cocoa (3%), and coffee (1%). Imports consisted primarily of machinery (77%), building material (7.1%), food and beverages (3.6%), and petroleum products

(1.9%). Spain, the US and China are Equatorial Guinea's principal export markets.

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Spain	160	32	128
United States	67	95	-28
China (inc. Hong Kong)	65	4	61
France	35	41	-6
Japan	33	4	29
Cameroon	31	27	4
United Kingdom	12	17	-5
Netherlands	4	15	-11
Italy	1	7	-6
Norway	n.a.	16	n.a.

32BALANCE OF PAYMENTS

New oil and natural gas production has improved Equatorial Guinea's balance of payments situation since the mid-1990s. Additional oil production that came online in 2001, combined with methanol gas exports from the new CMS-Nomeco plant, was expected to increase export earnings in the early 2000s. Imports are growing as well: in 2000, purchases of equipment for the oil and gas sector accounted for approximately three-quarters of imports. The country's debt service ratio fell from 20% of GDP in 1994 to 1% in 2000. Although relatively low in terms of covering the payments of imports, foreign exchange reserves were increasing slightly in the early 2000s. Many of the aid programs Equatorial Guinea benefited from in the 1980s and 1990s had diminished or ceased altogether by 2000. Some project assistance continued to be provided by France and the EU, as well as by China and Cuba.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Equatorial Guinea's exports was $2.1 billion while imports totaled $736 million resulting in a trade surplus of $1.364 billion.

The International Monetary Fund (IMF) reports that in 1996 Equatorial Guinea had exports of goods totaling $175 million and imports totaling $292 million. The services credit totaled $5 million and debit $185 million. The following table summarizes Equatorial Guinea's balance of payments as reported by the IMF for 1996 in millions of US dollars.

Current Account	**-344**
Balance on goods	-117
Balance on services	-180
Balance on income	-45
Current transfers	-3
Capital Account	**...**
Financial Account	**314**
Direct investment abroad	...
Direct investment in Equatorial Guinea	376
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	...
Other investment liabilities	-62
Net Errors and Omissions	**25**
Reserves and Related Items	**5**

33BANKING AND SECURITIES

The Bank of Issue of Equatorial Guinea was established on 12 October 1969 as the central bank. In January 1985, the country joined the CFA zone, and the Bank of the Central African States (Banque des États de l'Afrique Centrale-BEAC) became its central bank. In 1993, a supranational supervisory authority was created for BEAC states, called the Commission Bancaire de l'Afrique Centrale (COBAC). The story of commercial banking since independence has been a sorry one, and the lack of cheap and efficient commercial credit is blamed as a major obstacle to economic growth. Banking functions prior to independence were carried out mainly by the Banco Exterior de España (BEE), in association with two smaller Spanish institutions. Spanish banks almost stopped functioning after independence and withdrew altogether in 1972. As of 2002, there were only two banks operating in the country, with net holdings of $53 million.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $65.9 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $88.3 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

There are no securities exchanges.

34INSURANCE

No information is available.

35PUBLIC FINANCE

Equatorial Guinea made its first standby loan agreement with the IMF in 1985 and negotiated a structural adjustment agreement in 1988. Government problems with budget overruns and a continuing, structural imbalance of trade frustrated IMF technicians, who stopped payments in 1990. Nonetheless, the government reduced the 1990 budget and enacted key portions of the structural adjustment program: import price liberalization, economic diversification, utility rate increases, clarification of property rights, and private sector stimulus. With these steps taken and with petroleum revenues increasing, the IMF restarted the blocked structural adjustment program in December 1991. By 1994, however, repeated human rights violations and the failure to enact economic reform led to the suspension of most foreign economic assistance. In 1998, the government privatized distribution of petroleum products; petroleum revenues, along with sales taxes and duties, account for two-thirds of government revenues.

The US Central Intelligence Agency (CIA) estimates that in 2001 Equatorial Guinea's central government took in revenues of approximately $200 million and had expenditures of $158 million. Overall, the government registered a surplus of approximately $42 million. External debt totaled $225 million.

36TAXATION

The primary tax sources are customs duties, real and personal property, personal incomes, and estate levies.

37CUSTOMS AND DUTIES

As a member of the six-nation Central African Economic Community (CEMAC), Equatorial Guinea shares customs systems and practices with its neighbors. The CEMAC, if it succeeds, promises to make trade with Central African countries much easier and more efficient. The tariff system is divided into four simple categories: basic necessities are taxed at a rate of 5%, raw materials and equipment at 10%, capital goods at 20%, and consumer goods at 30%. There is also a fiscal tax of 15–40% charged on all imports except alcohol and tobacco, for which there is a different rate, and a turnover tax of 5-12%.

38FOREIGN INVESTMENT

Spain and France are the major aid donor countries working with the Equatorial Guinean government. Spain has recently conditioned aid, however, on improvements in the human rights record and progress in the democratization effort. Other donors include China, Nigeria, and several other Western and Middle Eastern countries.

Foreign investment in the petroleum and lumber industries increased sharply during the late 1990s. Timber production

increased by 70% in 1997 and petroleum production reached 85,000 barrels per day in the same year. Offshore drilling operations began production in 2000. In 2001, Equatorial Guinea had the world's fastest growing economy as oil production, with ExxonMobile as the main producer, reached 200,000 barrels per day. The inflow of foreign direct investment (FDI) jumped from an average of $22 million a year in 1997 and 1998 to an average of $120 million in 1999 and 2000. FDI inflow was $88 million in 2001.

[39]ECONOMIC DEVELOPMENT

During the 1990s, in conjunction with Spain, Equatorial Guinea focused on education, health, administrative reform, and economic infrastructures with little success. According to a 1996 International Monetary Fund (IMF) report, the production base of Equatorial Guinea was extremely small, the level of human capital very weak, and the country had no basic infrastructure. Mismanagement and corruption were widespread in public administration. US oil companies have invested in development of the country's infrastructure.

New oil and gas exploration and development of existing fields resulted in rapid growth in energy exports in the early 2000s. The government has sold some state-owned enterprises, and has attempted to establish a more favorable investment climate. As of 2003, there had been no formal agreements or arrangements with the IMF since 1996.

[40]SOCIAL DEVELOPMENT

There is little provision for social welfare. Old age, disability, sickness and work injury laws cover employees, public officials, and members of production cooperatives. Family allowances are also paid. However, subsistence farmers and agricultural workers are not covered by formal social security systems. The great majority of the population goes without potable water, electricity, basic education, or even minimal health care.

Women have the same legal rights as men, but in practice face discrimination. Male-dominated traditions and customs lead many parents to withdraw their daughters from school. Men are accorded favorable inheritance and property rights. Polygamy is common within the Fang ethnic group. Domestic violence against women is commonplace, and the government does not prosecute perpetrators.

Human rights violations are commonplace. Human rights abuses include incommunicado detention, extrajudicial killings, torture, arbitrary arrest and detention, and searches without warrants.

[41]HEALTH

The national health system of Equatorial Guinea consists of four levels: health posts in each village of 600 people, dispensaries in health centers with a qualified nurse at the intermediate level, district level hospitals, and two referral hospitals at the most centralized level. In 1992, there were 1,026 hospital beds nationwide; of these, 910 were in hospitals, 8 were in health centers, and 108 were in health posts. In addition, there were 11 observation beds in dispensaries. In 1990, Equatorial Guinea had 99 physicians as well as 154 nurses and 55 midwives.

In 1999, the infant mortality rate was 91 per 1,000 live births. The maternal mortality rate in 1990 was 820 women per 100,000 live births. Life expectancy in 1999 was 54.4 years, with an overall death rate of 12.9 per 1,000 people.

Major health problems (1992 data) are preventable diseases, mainly malaria (increasingly chloroquine resistant), parasitic disease, upper respiratory infections, gastroenteritis, and complications of pregnancy. In the continental zone, sickle cell anemia is common. Approximately 61% of the country's children were immunized against measles between 1991 and 1994.

At the end of 2001, the number of people living with HIV/AIDS was estimated at 5,900 (including 3.4% of the adult population) and deaths from AIDS that year were estimated at 370.

[42]HOUSING

In 1995 there were about 50,000 households with an average of eight persons per household.

[43]EDUCATION

Education is free and compulsory from 6 to 11 years of age. Primary education is for five years followed by four years of secondary in the first stage and three subsequent years of secondary education in the second stage. In 1994, 75,751 pupils attended 781 primary schools, with 1,381 teachers. There were 16,616 students enrolled in secondary school, with 588 teachers. The pupil-teacher ratio at the primary level was 43 to 1 in 1999. In the same year, 79% of primary-school-age children were enrolled in school, while 26% of those eligible attended secondary school. Projected adult illiteracy rates for the year 2000 stand at 16.8% (males, 7.5%; females 25.5%). This represents a substantial decline in female illiteracy rates, which were estimated at 51.5% in 1983. In 1991, 58 teachers and 578 students were engaged in post-secondary education. As of 1999, public expenditure on education was estimated at 1.8% of GDP.

[44]LIBRARIES AND MUSEUMS

The Malabo Public Library, housed in three branches, contains some 17,000 volumes. The Claretian Mission at Malabo has about 4,000 volumes of Africana and Guineana, and an archaeological-ethnographic museum. In Santa Isabel, the Mission Ethnological Museum houses a collection of the art of the Bubus people and stone sculptures of the Druids.

[45]MEDIA

A radiotelephone system connects the manual exchanges of Malabo, Luba, and Bata; it also serves outposts in other major towns and offers connections to the Canary Islands (and thence by cable to Europe). In 1996 there were about 4,000 telephones in use. The central radio transmissions from Malabo and Bata are augmented by a television transmitter on Santa Isabel Peak installed in 1968. Equatorial Guinea has two government-owned radio stations broadcasting in Spanish, French, and local languages, including Fang, Bubi, and Combe. There is one television station, also government-owned. Cable television is also available. In 1997, there were about 180,000 radios and 4,000 televisions nationwide. In 2000, there were only 600 Internet subscribers served by one service provider.

Poto Poto, published in Spanish and Fang, may be the only daily national newspaper. There were five general-interest newspapers published regularly in 200:. *La Gaceta*, a monthly publication with informal connections to the Government; *El Correo Guineo Ecuatoriano*, a bimonthly newspaper published by the Gaceta group; *La Opinion*, an opposition newspaper published every 2 to 3 weeks; *El Tiempo*, an opposition newspaper; and *Ebano*, a twice monthly publication of the Ministry of Information, Tourism, and Culture. *Egyptian Mail* is a national English-language publication.

Although the constitution of Equatorial Guinea provides for free speech and a free press, the government is said to severely restrict these freedoms in practice, censoring all criticism of the president and security forces. Access to foreign publications is limited.

[46]ORGANIZATIONS

Apart from official and semiofficial organizations, most non government organizations are religious societies and sports clubs. An International Lion's Club has formed and the Red Cross has an active chapter.

[47]TOURISM, TRAVEL, AND RECREATION

Because Equatorial Guinea has undergone many years of international isolation, its tourism industry is very undeveloped, with limited hotel space available in Malabo and Bata. Yellow-fever, smallpox, and cholera inoculations are generally required. A visa is not needed.

In 2002, the US government estimated the cost of staying in Malabo at $127 per day. Elsewhere in the country, expenses can be as low as $40 daily.

[48]FAMOUS EQUATORIAL GUINEANS

Francisco Macías Nguema (1924–79) was president until his overthrow and execution in 1979. His successor, Lt.-Col. Teodoro Obiang Nguema Mbasogo (b.1946), has ruled Equatorial Guinea since 1979.

[49]DEPENDENCIES

Equatorial Guinea has no territories or colonies.

[50]BIBLIOGRAPHY

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ERITREA

State of Eritrea
Hagere Ertra

CAPITAL: Asmara (Asmera)

FLAG: A red triangle divides the flag into two right triangles; the upper triangle is green, the lower one is blue. A gold wreath encircling a gold olive branch is centered on the hoist side of the red triangle.

ANTHEM: *Eritrea National Anthem* beginning "Eritrea, Eritrea, Eritrea."

MONETARY UNIT: After establishing independence from Ethiopia, Eritrea used Ethiopian currency until November 1997. At this time the nafka was issued to replace the Ethiopian birr at approximately the same rate. 1 nafka = $0.0738 (or $1 = 13.55 nafka) as of January 2003.

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: New Year's Day, 1 January; Independence Day, 24 May; Martyrs' Day, 20 June; Anniversary of the Start of the Armed Struggle, 1 September. Movable holidays include 'Id al-Fitr, 'Id al-Adha, and 'Id Milad al-Nabi. Movable Orthodox Christian holidays include Fasika and Meskel.

TIME: 3 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Eritrea is located in eastern Africa. The area occupied by Eritrea is slightly larger than the state of Pennsylvania with a total area of 121,320 sq km (46,842 sq mi). Eritrea shares boundaries with the Red Sea on the NE, Djibouti on the SE, Ethiopia on the S, and Sudan on the W, and has a total land boundary of 1,626 km (1,010 mi) and a coastline of 2,234 km (1,388 mi).

[2]TOPOGRAPHY

The topography of Eritrea is dominated by the extension of the Ethiopian north-south trending highlands, descending on the east to a coastal desert plain and on the northeast to hills and on the southwest to flat-to-rolling plains. Approximately 4% of the land is arable. Natural resources include gold, potash, zinc, copper, salt, and fish. Frequent droughts, soil erosion, deforestation, and overgrazing all present environmental challenges.

[3]CLIMATE

Highs of 60°C (140°F) are not uncommon in the Danakil Depression in Eritrea's southernmost province, Denkalia. This is reportedly the hottest spot in the world. It is cooler and wetter in the central highlands. The western hills and lowlands are semi-arid. Heavy rainfall occurs during June, July, and August, except in the coastal desert.

[4]FLORA AND FAUNA

Although the giraffe and baboon are extinct in Eritrea, there are populations of lion, leopard, zebra, species of monkey, gazelle, antelope, and elephant. The coastal areas are home to many species of turtle, lobster, and shrimp. Plant life includes acacia, cactus, aloe vera, prickly pear, and olive trees.

[5]ENVIRONMENT

The most significant environmental problems in Eritrea are deforestation, desertification, soil erosion, overgrazing, famine, and damage due to the infrastructure from warfare. In 2001, 6 out of 112 mammal species were threatened, as well as 3 out of 319 species of birds. About 4.3% of Eritrea's natural areas are protected.

[6]POPULATION

The population of Eritrea in 2003 was estimated by the United Nations at 4,141,000, which placed it as number 119 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 43% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 3.65%, with the projected population for the year 2015 at 5,914,000. The population density in 2002 was 38 per sq km (98 per sq mi).

It was estimated by the Population Reference Bureau that 19% of the population lived in urban areas in 2001. The capital city, Asmara, had a population of 514,000 in that year. According to the United Nations, the urban population growth rate for 2000–2005 was 4.6%.

[7]MIGRATION

Since Eritrea's independence, more than 750,000 have fled, 500,000 of whom went to Sudan. Following Eritrea's liberation in 1991, many of these refugees returned voluntarily, although there were still some 315,000 in Sudan at the end of 1997. An Eritrean plan for repatriation from Sudan was implemented between 1994 and June 1995, with 25,000 refugees successfully repatriated. Another 80,000 returned on their own. Results of a data collection exercise conducted in Sudan in April 1998 suggested that 90% of Eritrean refugees (some 130,000) were willing to be repatriated. The Eritrean/Ethiopian border conflict had also displaced more than 300,000 people within Eritrea as of 1999.

Also as of 1999, there were nearly 3,150 refugees in Eritrea, mainly from Somalia and Sudan. In 2001, the net migration rate for Eritrea was 7.61 migrants per 1,000 population, a significant change from -22.5 per thousand in 1990. The UNHCR began

repatriating 150,000 Eritrean refugees from Sudan in that year, due to renewed diplomatic relations between the two countries.

[8]ETHNIC GROUPS

Ethnologists classify Eritreans into nine language groups. The Afar live in the southeast, the Tigrinya in south central Eritrea, and the Tigre in the north. The Saho live in the south central/ southeast. The Bilen live in central Eritrea, the Hadareb in the northwest, and the Kunama and Nara in the southwest. The ninth group, the Rashaida, inhabit the northwest. The Tigrinya (50% of the population), Tigre and Kunama (40%), Afar (4%), and Saho (3%) are believed to be the most populous ethnic groups.

[9]LANGUAGES

No official language has been proclaimed. However, Arabic and Tigrinya are the working languages of the Eritrean government. Tigre is widely spoken in the western lowlands, on the northern coast, and in parts of the Sahel. Afar, Amharic, Kunama, and other minor ethnic group languages are also spoken.

[10]RELIGIONS

The four principal religions in Eritrea are Sunni Muslim (appr. 50%), Orthodox Christian (appr. 40%), Eastern Rite and Roman Catholic (appr. 5%), and Evangelical Protestants (appr. 2%). Other minority groups include Seventh-Day Adventists, Jehovah's Witnesses, Baha'is, Buddhists, and Hindus. Geographically, Islam predominates in the eastern and western lowlands while Christianity is dominant in the highlands. Along ethnic lines, members of the Tigrinya group are primarily Orthodox Christian. Most of the Tigre, Nara, Afar, Saho, Beja, Rashaida, and Blen are Muslim. Though the constitution provides for freedom of religion, the government has recently placed a number of restrictions on "Pente" groups, or all religious organizations other than the four principal religions. In 2001, the government began closing all Pente facilities and by 2002 had issued a degree that all religious groups must be officially registered in order to continue practices. This has effectively allowed for the closing of all facilities not belonging to the four principal groups. There is a standing law prohibiting political or other gatherings in private homes of more than five individuals, but it is unclear as to whether or not this law has been enforced against the members of the Pente groups.

Jehovah's Witnesses are particularly subject to discrimination both socially and from the government since their refusal to participate in national service is considered unpatriotic. Besides receiving prison sentences for evading national service (up to 3 years), a number of Jehovah's Witnesses have been denied or have had trouble obtaining passports, exit visas, identification cards, and trading licenses. Some have been forced from government subsidized housing.

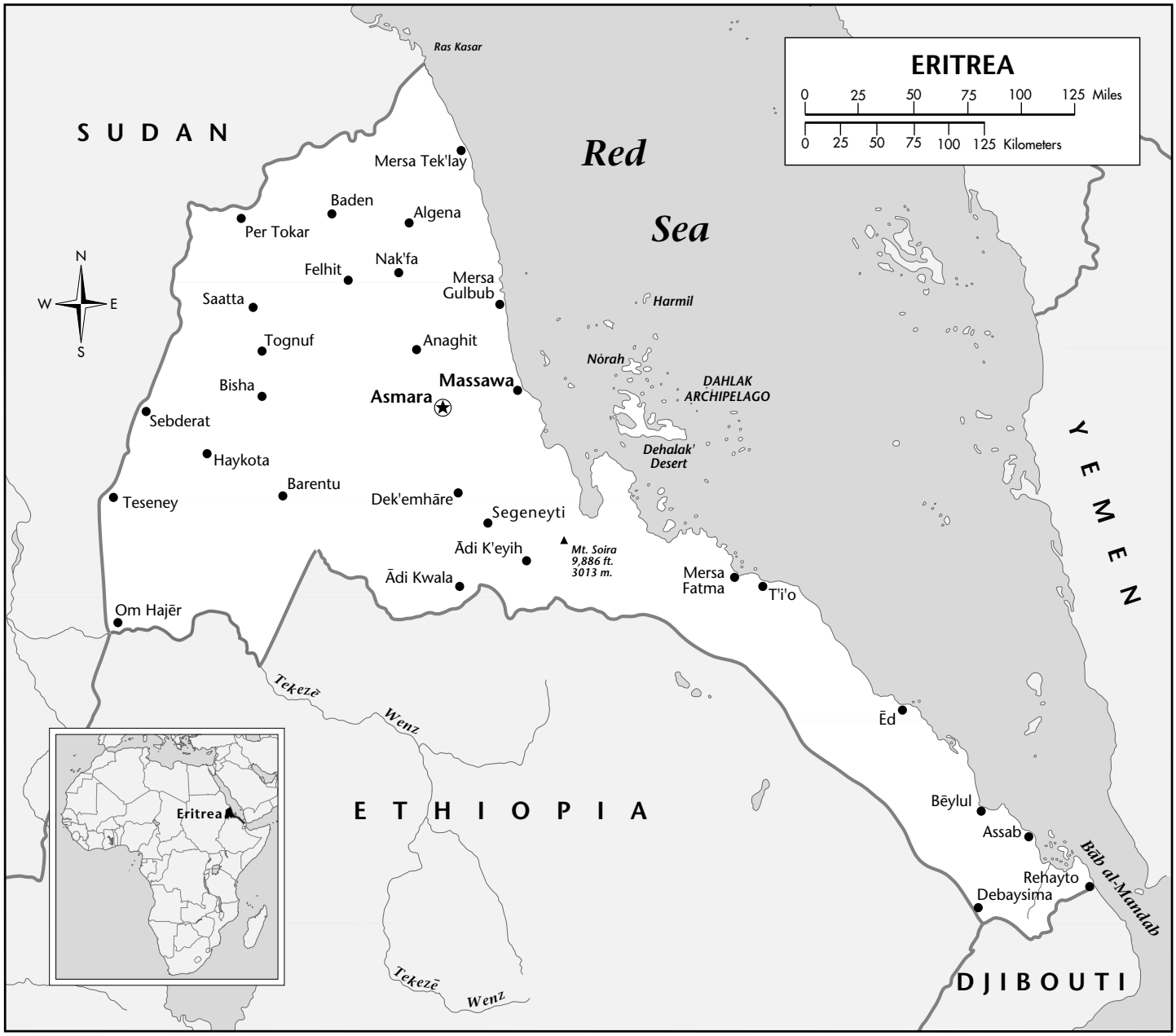
Members of other religious groups are generally tolerant of one another.

[11]TRANSPORTATION

The infrastructure suffered some damage during the war for independence with Ethiopia. Massawa, the principal port, serves Eritrea and northern Ethiopia. The port, which has a 7-m (24-ft) channel and pier facilities capable of accommodating five or six large vessels, was damaged by bombing raids from February 1990 to May 1991. In early 1992, agreements were concluded between the Eritrean and Ethiopian governments to make Assab a free port for Ethiopia, making Ethiopia dependent on Eritrean ports for its foreign trade. Assab has an oil refinery and facilities capable of handling more than one million tons of goods annually. As of 2002, Eritrea had 6 ships (1,000 GRT or over), totaling 19,100 GRT. Eritrea has 3,859 km (2,392 mi) of roads, of which 810 km (503 mi) are paved in 2002. A railway, which was almost completely destroyed during the war, once extended 317 km (197 mi) from Massawa on the Red Sea to Asmara, terminating near the Sudanese border. Reconstruction work on this railway starting from Massawa began in summer 1994 and is still underway. There were 21 airports and airfields in the country in 2001, only 4 of which had paved runways. The airport at Asmara (Yohannes IV) handles international jet transportation. In 1997, an estimated 174,000 passengers were carried on scheduled international and domestic flights. Repair of the railroad and highway network is necessary for the revival of agriculture and industry. The government of Eritrea has established a budget for transport rehabilitation, two-thirds of which is allocated for road repair to ensure that all parts of the country have access to modern roads.

[12]HISTORY

Though not as unified as in the Italian colonial rule, Eritrea existed as a political entity long before the modern scramble for Africa started in mid-19th century. Its strategic location on the Red Sea has made the history of this country one dominated by colonial rule. Turks, Egyptians, Italians, British, and Ethiopians have all colonized Eritrea over the years. During the modern European scramble for Africa, Eritrea fell under the colonial rule of Italy in 1890. Sustained resistance to Italian rule developed into a unified sense of Eritrean nationalism among the various ethnic groups in the country. For the first time, Eritrea was welded into a single political entity with unified political and social structures, which cut across the traditional divisions. It broadly followed the pattern of political development experienced in all other European colonies in Africa and which, in the vast majority of cases, formed the basis for eventual independence. Between 1936 and 1941 Eritrea, along with Italian Somaliland as part of the Italian East African Empire, was ruled together with Ethiopia for the first time. In 1941, after the Italians were defeated, Eritrea and Somaliland were placed under the British Military Administration while Ethiopia regained its independence under Emperor Haile Selassie. As a loser in the World War II, Italy relinquished its legal right to its colonies in a 1947 treaty. A Four Power Commission of Britain, France, the Soviet Union and the United States was set up to decide on how to dispose of the former Italian colonies through negotiations. The agreement was to submit the matter to the UN General Assembly if negotiations were unsuccessful. Evidently, they could not agree on Eritrea's future. Britain proposed partition of Eritrea, with the western parts to go to the Sudan and the highlands and coastal strip to go to Ethiopia while the United States suggested complete union with Ethiopia. France proposed Trust Territory with Italian administration while the Soviet Union argued for Trust Territory under international administration. The problem was referred to the UN who set up a Commission of five countries (Burma, Guatemala, Norway, Pakistan, and South Africa) to study and propose a solution. The idea of partition was rejected outright. Guatemala and Pakistan proposed the standard formula of the UN Trusteeship leading to independence, but others favored close association with Ethiopia. For example, Norway wanted full union while Burma and South Africa favored federation with some autonomy. Meanwhile, Ethiopian emperor Haile Selassie was working hard on the diplomatic front to acquire Eritrea. The United States backed Eritrea's federation with Ethiopia and UN Resolution 390A was passed to that effect. This decision was made without giving due attention to the overwhelming presence of groups who were mobilizing the population for independence. From September 1951 Eritrea became an autonomous territory federated with Ethiopia. Obviously, US strategic interests in the Red Sea and its close ties with the emperor did play major role in influencing the final decision. The United States put enormous pressure to have



LOCATION: 15° N; 39°E. BOUNDARY LENGTHS: Djibouti, 113 kilometers (70 miles); Ethiopia, 912 kilometers (566 miles); Sudan, 605 kilometers (375 miles); coastline, 1,151 kilometers (717 miles). TERRITORIAL SEA LIMIT: 12 miles.

Ethiopia administer Eritrea, under "the Sovereignty of the Ethiopian Crown."

The federation, which lasted from September 1951 to 1962 did not succeed to bring harmonious integration of the entities as Ethiopia soon started to impose more direct rule at its will. The UN ignored Eritrea's protests against Ethiopia's intervention in the autonomous rule, and Ethiopia formally annexed Eritrea in 1962.

A year earlier, in September 1961, the Eritrean Liberation Front (ELF) launched the armed struggle for independence. By 1970, when the Eritrean People's Liberation Front (EPLF) was created from within the Eritrean Liberation Front (ELF), Eritrea had become the emperor's main preoccupation. EPLF is the organization that led Eritrea to independence in 1991. After the emperor was overthrown in 1974, the self-styled Marxist military dictatorship, called Dergue, stepped up its campaign against Eritreans. With the help of Soviet Union, Korea, Cuba and other countries in the Eastern Block, the Dergue sustained a very bitter war over Eritrea between 1978 and 1991. The war left Eritrea in complete ruins. In terms of infrastructure, all basic services were virtually disrupted. Most towns were without services such as electricity, water, and transportation for much of the war years. Industrial sectors were wiped out and the ports were destroyed. Ethiopian forces bombed Massawa extensively during the last days of the war, killing many civilians, destroying most of the buildings and depopulating the area. Towards the end of the war, Ethiopia had 500,000 troops under arms, half of them in Eritrea. At no time did the Eritrean forces number more than 100,000. It is estimated that the Dergue had spent $12 billion in military supplies for its war against Eritrea. In the 30 years of war, Eritrea lost more than 60,000 fighters and about 40,000 civilians. Hundreds of thousands were also forced into exile.

In May 1991, the EPLF captured the last Ethiopian outposts in Eritrea. Asmara, Eritrea's capital, was occupied on May 24 1991. President Mengistu Haile Mariam fled Addis Ababa and the Tigrean People's Liberation Front (TPLF), which had also been fighting against the Dergue since 1975 took over the Ethiopian government. The EPLF created a provisional government for Eritrea, until a referendum was carried out to determine the choice of the Eritrean people. It was scheduled to take place in two years time. Although Eritrea had been absorbed into the Ethiopian State in 1962, Eritreans—unlike many Ethiopians—did not regard their struggle as one of secession. They never recognized Ethiopian legitimacy over their territory; rather, they viewed their struggle as anti-colonial, seeking to gain the independence they were denied by the UN in 1952. The referendum on 23-25 April 1993 proved that this was indeed the case. The great majority—98.5% of the 1,173,000 registered voters—voted for independence. The UN certified the results and on 24 May 1993, Eritrea became Africa's 52nd independent state, and four days later it was admitted to the UN and the OAU.

The colonial boundary between Eritrea and Ethiopia, defined in a treaty between Italy and Ethiopia in July 1900, became the international boundary between the two sovereign states without modification, leaving Ethiopia a landlocked state once more. The decision was consistent with the cardinal article of an OAU charter adopted in 1963, stipulating that colonial boundaries were to be respected, and until May 1998, relations between the two countries were good. The Eritrean ports of Assab and Masawa remained open for Ethiopia free of charges.

In May 1998, disagreement over the sovereignty of border villages erupted into all-out war. Between 2 and 6 May 1998, Eritrean soldiers invaded and occupied Badme, in northeastern Ethiopia. Other areas were subsequently occupied in Tigray State. Ethiopia later recaptured Badme, but fighting continued for two and a half years, interspersed with periods of inactivity. A US- and Rwanda-sponsored peace plan proposed in early June 1998 failed; so did arbitration efforts by the then OAU with each side claiming to accept an OAU framework agreement while accusing the other of making impossible preconditions to its implementation.

The war, which President Isaias says claimed 19,000 Eritrean lives, ended officially with a peace treaty on 12 December 2000. However, some 4,200 UN soldiers remained on the border to monitor the buffer zone that separates the two countries while experts from the Eritrea Ethiopia Boundary Commission (EEBC) physically demarcated the internationally recognized boundary established in April 2002. Fall-out from the war added to famine caused by drought had resulted in malnutrition rates of between 15% and 20% of the under-five population by July 2003, and necessitated calls for international intervention.

[13]GOVERNMENT

After defeating the Ethiopian military government in May 1991, Eritrea functioned as a distinct political unit. Between the end of the war in May 1991 and the celebration of Independence Day in May 1993, the EPLF formed a provisional government to run the country. The provisional government was comprised of a 28-member executive council. This provisional government organized elections at the village, district, and provincial level throughout the country to broaden popular participation. In fact, a National Assembly that included as its members the EPLF Central Committee members; the chairman, secretary and one female member of each of the ten provincial councils; ten additional women (nominated by the National Union of Eritrean Women); and twenty others (prominent individuals who were not EPLF members, including former ELF leaders) was established to form the basis of the new government. The National Assembly then elected Isaias Afewerki president of the provisional government until May 1993.

Following the referendum, in May 1993, an interim administration was created to govern for four years. In this government, a National Assembly was formed, consisting of the Central Committee of the EPLF and 60 other individuals. Ten out of the 60 seats were reserved for women. The assembly elected Isaias Afewerki president. He also served as commander-in-chief of the armed forces and chaired the executive branch—the State Council—whose members he nominated. The National Assembly ratified all of his nominations. This government was to serve until a constitutional commission prepared a constitution, and the government organized elections.

In 1996, the 50-member constitutional commission submitted a draft document for public debate. It provided for multiparty democracy based upon Western standards featuring a full array of civil liberties. Ratified by referendum in 1997, the constitution called for national elections in May 1998, which were delayed by the war with Ethiopia, subsequently rescheduled for December 2001, and postponed indefinitely.

[14]POLITICAL PARTIES

The Eritrean Liberation Front (ELF) started the armed struggle for the independence of Eritrea in September 1961. In 1970, the Eritrean People's Liberation Front (EPLF) evolved from the ranks of the ELF with a new vision and program. Initially, both fronts intensified the war against Ethiopia. Both the ELF and the EPLF were mixed Muslim-Christian groups. However, they differed in the way they dealt with religious, ethnic, and regional differences inside their organizations. For example, the ELF organized itself into relatively autonomous separate units by regional, and therefore typically religious and ethnic, divisions. The EPLF on the other hand was comprised of units with mixed religion, ethnic, and regional backgrounds. By 1977, the two parties controlled most of the countryside. However, with their contradictions at the breaking point in 1978, the parties fought an all-out war against one another. By 1981, the EPLF had defeated and chased the ELF from Eritrea, leaving it the lone party operating in the country.

One still unsettled issue is the nature and role of political parties. The EPLF government has opposed the creation of parties based on race, religion, region, or ethnicity. A split between Christian and Muslim-based parties would be disastrous because the Christian-Muslim divide in the country is about fifty-fifty. The EPLF itself is a good example of a party free of religious, ethnic or regional basis. Since its inception in 1970, it represented a united front of people with very diverse political views who shared the common goal of obtaining the right of self-determination for Eritreans.

Following its defeat in 1981, the ELF leadership divided into more than a dozen different factions. Some ELF members joined the EPLF while others fled to Sudan. After 1991, most of the former leadership returned to Eritrea to accept positions in the government or to form businesses. Others continued to discredit the government from outside the country. The Eritrean Islamic Jihad, a militant terrorist group, is a notable example.

At its third Congress on 10–17 February 1994, the EPLF adopted a new name, the People's Front for Democracy and Justice (PFDJ) and committed itself to widening its popular appeal to all sectors of the Eritrean society. The National Assembly, dominated by the PFDJ, declared a ban on opposition political activity until the implementation of the constitution, thereby giving the PFDJ a monopoly on power. Though a political party law was drafted by a committee of the National Assembly in January 2001, it had yet to be debated and approved by the Assembly.

[15]LOCAL GOVERNMENT

During the years since independence in 1991, Eritreans have been participating in a process of electing governing councils for their villages, districts, and provinces. Between 1993 and 1997, both the central and local governments underwent a series of reorganizations. In 1996, Eritrea was restructured into six semi-autonomous zones or regions, each consisting of several sub-zones. The change from 10 provinces to six zones was controversial, but gradually won public acceptance.

Zones are administered by governors and have their own local assemblies. At the central level, the Ministry of Local Governments oversees local affairs, and concerns itself with formulating national policy, regulations, and research and manpower development, leaving implementation responsibilities to regional and local governments.

[16]JUDICIAL SYSTEM

The legal system is a civil law system borrowed from Ethiopia's adaptation of the Napoleonic Code. The court system consists of courts of first instance, courts of appeals composed of 5 judges, and military courts, which handle crimes committed by members of the military. Traditional courts play a major role in rural areas, where village elders determine property and family disputes under customary law or in the case of Muslims, Sharia law.

Although the judiciary appears to function independently of the executive branch, it suffers from lack of resources and training. The new constitution promulgated in 1997 provides for democratic freedoms, such as free speech, free assembly, and free association.

[17]ARMED FORCES

In 2002 active forces numbered around 172,200 with a reported 120,000 in reserves. The army constituted 170,000 personnel, of which 60,000 were to be de-mobilized when the border dispute with Ethiopia concluded. The army was equipped with approximately 100 main battle tanks. The navy numbered 1,400 and there were 800 members of the air force. The UN maintained observers and troops from 45 countries. Military expenditures were $275 million, or 19.8% of GDP in 2001.

[18]INTERNATIONAL COOPERATION

Eritrea won its independence from Ethiopia 24 May 1993 and joined the UN later that year. Eritrea is a member of the African Union (AU) and the UN. It also belongs to ECA and is a participant in the African Development Bank and G-77. The country is in the process of establishing diplomatic relations with other nations of the world.

[19]ECONOMY

The Eritrean economy has yet to stabilize after years of armed struggle against the Ethiopian government. The population is still largely dependent on food aid. Agriculture and raising of livestock occupy over 80% of the population, taking place throughout the country, in both the highlands and lowlands. Long term prospects for agricultural development appear to be strongest in the western lowlands. A small industrial sector shows signs of growth potential, but infrastructure and skilled labor is lacking.

The natural resource profile of Eritrea is not yet known with certainty. Known mineral resources include copper, zinc, lead, gold, silver, marble, granite, barite, feldspar, kaolin, talc asbestos, salt, gypsum and potash. Petroleum resources are also suspected, located offshore.

The military regime that ruled Ethiopia from 1974 to 1991 nationalized all housing and all large- and medium-sized businesses and services, including banks, in Eritrea. The post-independence government has denationalized housing, and is committed to denationalization of business and services. As of 2002, there were approximately 2,000 manufacturing companies operating in Eritrea: all but 45 were private enterprises, and of the state-owned businesses, 35 had been sold to private interests and 10 were awaiting privatization.

Eritrea's most significant economic assets may be its unspoiled coastline, which offers some of the best fishing and underwater diving in the world, and its two ports on the Red Sea.

The two-year old war with Ethiopia that began in 1998 and ended in 2000 halted foreign investment. Fears of a resurgence of hostilities, combined with poverty, illiteracy, and a weak transportation and communications infrastructure also hamper the investment climate. The war greatly slowed economic growth (the economy contracted by 9% in 2000), largely due to a disruption in trade relations between Eritrea and Ethiopia. Eritrea's expenditures on defense and relief amounted to 23.5% of GDP in 1999.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Eritrea's gross domestic product (GDP) was estimated at $3.2 billion. The per capita GDP was estimated at $740. The annual growth rate of GDP was estimated at 7%. The average inflation rate in 2001 was 15%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 17% of GDP, industry 29%, and services 54%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $200 million. Worker remittances in 2001 totaled $252.3 million. Foreign aid receipts amounted to about $67 per capita and accounted for approximately 41% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $118. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 28%.

[21]LABOR

Agricultural work accounted for approximately 80% of the labor force in 2002. The remaining 20% are engaged in industry and services. The right to form and join unions is limited by the government. The National Confederation of Eritrean Workers, affiliated with the EPLF during the last fight for independence, is an independent labor organization that represents over 23,000 workers distributed in 129 unions. Workers have rights to organize and bargain collectively.

The minimum working age is 18, although there are not resources to provide for enforcement. Since only about 37% of children attend school, many are working, especially on family farms. Most wage earners are employed by the public sector. There is no minimum wage; salaries in the public sector range from $24 to $288 per month. This wage does not provide a family with an adequate lifestyle. The workweek is set at 44.5 hours. Health and safety standards are not regularly enforced.

[22]AGRICULTURE

Eritrea has 391,000 ha (966,000 acres) of arable land and 2,000 ha (4,900 acres) under permanent crops. Three-quarters of Eritrea's people are subsistence farmers dependent on unreliable rainfall to feed families that average seven children. Although these farmers have experienced relative peace and good harvests

since May 1991, food production has not been able to keep pace with a rapidly expanding population. Harvests have been variable due to rainfall variations and pest infestations. The present government dissolved the former Ethiopian military regime's marketing board and reinstituted private markets for agricultural products. Principal crops in 1999 included sorghum, 150,000 tons; millet, 30,000 tons; barley, 40,000 tons; wheat, 15,000 tons. Legumes, vegetables, fruits, sesame, and linseed are also grown. War, drought, deforestation, and erosion caused about 70–80% of the population to become dependent on food aid. Agricultural output, however, increased slightly during the 1990s, due to the ending of the war, favorable weather, and a newly developed seed and fertilizer distribution system. The army is involved in agricultural restoration, evidence of the government's commitment to agricultural reform.

[23]ANIMAL HUSBANDRY

Sheep, goats, cattle (especially zebu), and camels make up the majority of Eritrea's livestock. In 2001, Eritrea had 1,570,000 sheep, 1,700,000 goats, 2,200,000 head of cattle, 75,000 camels, and 1.4 million chickens. Total meat production that year was 31,000 tons; cow's milk, 52,000 tons; and eggs, 2,000 tons. The government is emphasizing development of agriculture and animal husbandry in order to decrease the reliance on international relief, caused by war and drought.

[24]FISHING

With Eritrea's independence from Ethiopia, access to about 1,011 km (628 mi) of Red Sea coastline was obtained, making Ethiopia a landlocked nation. Because Eritrea now controls the coastline, long-term prospects for development of offshore fishing and oil are good. The total catch rose from 475 tons in 1993 to 12,612 tons in 2000. The Eritrean navy patrols the coastal waters to limit poaching by unauthorized non-nationals. The development of local fishing will decrease the dependence on foreign food aid, even though fish has not been a major source of Eritreans' protein intake.

[25]FORESTRY

Eritrea's forested area covers 1,585,000 ha (3,916,000 acres), or 13.5% of the total land area. Total roundwood production in 2000 was 2,246,000 tons, nearly all of it used for fuel. Since 1993, the Eritrean People's Liberation Front army has been involved in tree planting; the annual average rate of deforestation during 1990–2000 was 0.3%.

[26]MINING

In 2001, mining and quarrying accounted for less than 1% of GDP, which grew by 6.5%, spurred by postwar rebuilding efforts. Eritrea produced basalt, cement, common clay, kaolin, coral, gold, granite, gravel, gypsum, laterite, lime, limestone (for other than cement), marble, pumice, quartz, salt, sand, and silica sand. The country also had known resources of chromium, copper, magnesium, zinc, lead, silver, barite, feldspar, talc, asbestos, iron ore, nickel-chromite, potash, and potassium. Nevsum Resources Ltd. planned to drill for diamonds at Enjahai. Marine salt was produced at Massawa and Assab. Quarries for limestone, clay or shale, and gypsum were located near Massawa. Artisanal gold production, extracted over a large area in the southwestern hills, was 270 kg in 2001, down from 612 in 1997. Production totals for 2001, in tons, included basalt, 129,000, down from 251,991 in 1999, 403,219 in 1998, and 509,300 in 1996; granite, 128,000, down from 249,829 in 1998; marble, 105,000, down from 200,000 in 1999; and sand, 1.08 million, down from 2.17 million in 1998. The outlook for Eritrea's mineral industry was for gradual recovery from the war, with demand for basalt, granite, gravel, limestone, marble, and sand likely to increase.

[27]ENERGY AND POWER

Oil and gas exploration in the Red Sea off Eritrea began in the 1960s, when Eritrea was part of Ethiopia. Following independence, the country began awarding production contracts in 1995, although as of 2001 the results had been disappointing. Petroleum consumption was estimated at 8,000 barrels per day in 2000. In 1997, due to high costs, Eritrea and Ethiopia agreed to shut down their joint operations at the petroleum refinery at Assab and import refined petroleum products. The refinery had a capacity of 18,000 barrels per day. In 2000 an estimated three million barrels per day of oil were shipped through the Bab el-Mandeb, a narrow waterway between Eritrea, Yemen, and Djibouti that connects the Gulf of Aden with the Red Sea.

As of 2002, about 80% of the population was without electricity, which was available only in the larger cities and towns, although the government was constructing additional electrical distribution lines. In 2000, net electricity generation was 210 million kWh, of which 100 % came from fossil fuels. In the same year, consumption of electricity totaled 195.3 million kWh. As of 2001 Eritrea had about 60 MW of diesel-fired generating capacity.

[28]INDUSTRY

Ethiopia nationalized Eritrea's 42 largest factories and systematically dismantled the Eritrean industrial sector during the protracted civil war. By the end of the civil war, however, all production had stopped. Plants were generally inefficient, and most of these industries required significant investment to achieve productivity. Manufactured items in 2002 included beverages, processed foods, tobacco, leather, textiles, metal products, chemicals, printing, non-metallic minerals, construction materials, salt, paper, and matches. The government sought privatization of these industries, and issued incentives such as exemptions from income tax, preferential treatment in allocation of foreign exchange for imports, and provisions for remittance of foreign exchange abroad. In 2002, there were approximately 2,000 manufacturing companies operating in the country.

The oil industry has potential, as major oil deposits are believed to lie under the Red Sea. In 2001, the United States firm CMS Energy entered into an exploration agreement with Eritrea for exploration in the Dismin Block in northeastern Eritrea. Due to high operating costs, the country's sole oil refinery, at Assab, was closed in 1997. It had crude refining capacity of 18,000 barrels per day.

The construction industry is growing, as projects range from the construction and expansion of power plants; road, airport, and dam construction; upgrading sea ports; and the construction of schools and hospitals.

[29]SCIENCE AND TECHNOLOGY

The University of Asmara, whose Italian and English sections were founded in 1958 and 1968, respectively, is the only facility of higher education on Eritrea offering courses in basic and applied sciences. It issues its *Seismic Bulletin* twice a year. In 1987–97, science and engineering students accounted for 30% of college and university enrollments.

[30]DOMESTIC TRADE

Most of the population depends on subsistence farming and so domestic commerce is not a significant part of the economy. There are, however, a number of thriving small businesses and factories within the Asmara area. These include restaurants, bars, internet cafes, auto repair shops, crafts, a brewery, cigarette

factory, and small glass and plastics producers. There are also several companies involved in making leather goods, and textile and sweater factories, operating primarily for domestic consumption. Most local industries rely on outmoded technology and suffer from a lack of capital investment.

Business hours are 9:00 AM to 1:00 PM, and 4:00 PM to 8:00 PM, Monday through Saturday in Asmara; and 6:30 AM to 12:00 PM and 5:00 PM to 10:00 PM Monday through Saturday in Massawa and Assab. Banks are open from 8 AM to 12 PM and 2 PM to 4 PM, Monday through Friday.

31 FOREIGN TRADE

In 1996, exports were estimated at $95 million, while imports came to $514 million, resulting in a trade deficit of $419 million. Main exports were livestock, sorghum, and textiles. Imports were mainly processed goods, machinery, and petroleum. Leading export markets were Ethiopia, Sudan, Italy, the US, Saudi Arabia, the UK, and Yemen. Because Eritrea controlled the total coastline that was formerly part of Ethiopia, Ethiopia depended on Eritrean ports for its foreign trade. The recurring border war, though, ensured little usage of these ports.

32 BALANCE OF PAYMENTS

Hard currency transactions represented about 90% of imports in 1996. In 1997, the Eritrean currency, the Nafka, was introduced, changing the financial situation. In 1998, exports were only $30 million, and imports were $494 million. In 2000, exports were only $19.7 million while imports were $360.2 million. The decline in exports reflects the severing of trade with Ethiopia, formerly Eritrea's largest export market. Eritrea's highest record for exports was $95 million in 1996. The trade gap is covered by external remittances from Eritrean expatriates, bank loans, and grants-in-aid; but mounting debt threatens the country.

Eritrea's large trade gap results from a weak export base and the need to import large amounts of capital goods needed to rebuild the country's infrastructure and industrial base. Economic growth slowed substantially due to the war with Ethiopia, largely due to the disruption of trade between the two nations, Ethiopia's boycott of the port of Assab, an increase in military spending, and the drafting of a large percentage of the work force into military service.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Eritrea's exports was $34.8 million while imports totaled $470.5 million resulting in a trade deficit of $435.7 million.

33 BANKING AND SECURITIES

After the end of the war in 1991, the Central Bank of Eritrea and the Commercial Bank of Eritrea were reestablished, having been nationalized by the Ethiopian military junta in 1984.

The status of the National Bank of Eritrea (NBE) as central bank was clarified by a proclamation of April 1993. The Commercial Bank of Eritrea has a dozen branches across the country. It is the main retail bank and now has corresponding relations with both the Ethiopian and international banking systems. The Housing and Commerce Bank of Eritrea and the Agriculture and Industry Development Bank are also functioning, albeit at a very low capacity. In 1997, the government issued the Financial Institutions Proclamation, liberalizing the banking and insurance sectors to the private sector.

The CBE recorded assets of $800 million at the end of 2000. In mid-November 1994, the Housing and Commerce Bank of Eritrea started to issue dollar-denominated certificates of deposit with denominations of $1,000 and above, while the Eritrean Development and Investment Bank started operations shortly thereafter.

Eritrea was also hoping to establish offshore banking services and facilities to cater to the Middle Eastern market.

34 INSURANCE

The National Insurance Corporation of Eritrea (NICE) was established after the end of the war. It engages in all classes of insurance and was the only insurance provider operating in Eritrea as of late 2003. Insurance coverage provided by NICE include life, motor, workers' compensation, and personal accident protection.

35 PUBLIC FINANCE

The state retains control over most of the land, mineral resources, and infrastructure of Eritrea. Most of government revenues come from custom duties and taxes on income and sales. Massive infusions of foreign aid and investment are needed to restore the infrastructure and services and to develop private sector growth. Membership into the IBRD and IMF were approved in 1994. The government is set to invest almost $1 billion over the next decade to upgrade and develop infrastructure and utilities.

The US Central Intelligence Agency (CIA) estimates that in 2000 Eritrea's central government took in revenues of approximately $206.4 million and had expenditures of $615.7 million. Overall, the government registered a deficit of approximately $409.3 million. External debt totaled $281 million.

36 TAXATION

Customs duty and import and export taxes are 33.6% of government revenue; direct domestic tax (business and personal income taxes) are 27.8% of government revenue; domestic sales tax and taxes on services are 26.1% of government revenue. The main indirect taxes are municipal taxes, assessed at different local rates on goods and services. In the capital in 2002, the municipal tax on goods was 4%, and on services, 3.2%.

37 CUSTOMS AND DUTIES

Eritrea is planning an ambitious but much needed tax and customs reform, which would, among other aims, reduce the number of tariff rates from 12 to three, and lower the maximum tariff from 200% to 25%. Customs duties on capital goods and raw materials will increase from 2% to 5% and excise taxes on luxury goods will be abolished.

38 FOREIGN INVESTMENT

Investment in Eritrea has come primarily from contributions of Eritrean exiles. International aid was restricted by the lack of international recognition of the Eritrean government's sovereignty, a problem resolved in the UN in April 1993. The government issued an investment code in December 1991 to encourage investment in the Eritrean economy. Incentives for investments in certain areas include exemption from customs and duties, exemptions from income tax, and special treatment regarding foreign currency exchange. While foreign direct investment reached $61 million in 1997, it went down to $14 million in 1998.

By 1998, the Eritrean investment center had licensed 661 investment projects worth $562 million, of which $235 million was foreign. Annual foreign direct investment (FDI) flows have remained remarkably steady, ranging from $31.7 million in 1998 to $38.7 million in 1997. In 2001, FDI inflow was $34.2 million. Major investors included the United States, South Korea, Italy, and China.

39 ECONOMIC DEVELOPMENT

The development priorities of the Eritrean government are food security, the development of a market-style economy, and the

privatization of formerly nationalized enterprises. Encouraging the return of Eritrean exiles abroad is also a government goal in the reconstruction effort. The Emergency and Recovery Action Program was launched in late 1991 to focus on recovery of the transportation system (roads, railroads, and port and airport facilities), agriculture and fishing (including reliable water sources), and industry. Plans for 2000 were to invest $1 billion over the following decade to upgrade infrastructure and utilities. Some estimates put food self-sufficiency for Eritrea within the decade, but drought conditions negate this forecast.

Regulatory requirements imposed by the government have discouraged investment in the early 2000s, as had the 1998–2000 war with Ethiopia. The port in Massawa was rehabilitated, and an airport constructed there. In 2003, the worst drought since Eritrea's independence threatened the lives of about a third of the population. Assistance from foreign donors was weak, and the country had to resort to borrowing to prevent starvation.

[40]SOCIAL DEVELOPMENT

During its struggle for independence, the EPLF created an elaborate system of social services. It launched a literacy program, a health care system (including hospitals), and a food distribution network. The provisional government mandated equal pay for equal work, and equal educational opportunities. However, in practice, traditional male privileges in education, employment, and the domestic sphere largely persist as a result of ingrained custom and uneven enforcement of the law. Domestic violence and abuse are pervasive and is it not addressed by the government. Officially the practice of female genital mutilation (FGM) is condemned but it remains widespread.

Refugee repatriation programs are in progress. Because tens of thousands of refugees remain homeless when they return to Eritrea, the government has allocated a significant budget for construction of housing, schools, and clinics.

The government does not allow international human rights organizations to monitor prison conditions, and freedom of the press is restricted.

[41]HEALTH

Infant mortality was estimated to be 60 per 1,000 live births in 2000. At that time, the average Eritrean woman who lived through her childbearing years had 5.4 children. Of all children under five years of age, 38% were malnourished. As of 2002, the estimated crude birth rate of 42.2 per 1,000 people was higher than the crude death rate of 11.8. From 1974 to 1991, Eritrea was at war with Ethiopia, with no figures on war-related deaths available. In 2000, 46% of the population had access to safe drinking water and only 13% had adequate sanitation. Average life expectancy was 52 years in 2000.

The immunization rates for children under one year old in 1997 were as follows: diphtheria, tetanus, and pertussis, 60%; polio, 60%; measles, 53%, and tuberculosis, 67%. There were 6,000 deaths of children under five years old of diarrheal diseases in 1995. Goiter appeared in 22% of all school-age children in 1996.

At the end of 2001 the number of people living with HIV/AIDS was estimated at 55,000 (including 2.8% of the adult population) and deaths from AIDS that year were estimated at 350. HIV prevalence in 1999 was 2.87 per 100 adults.

[42]HOUSING

After 30 years of war, throusands of returning refugees are experiencing a severe housing shortage, particularly in urban areas. Unfortunately, government and economic reform are needed before the housing situation can be fully addressed. Some international aid and foroeign programs have helped ease the situation.

In highland rural communities, most housing is built as a joint project of community members. These homes are generally made from wood, stone, and straw. Rural lowland homes are also made of wood and straw. Nomads build temporary shelters of wood and leaves. Concrete block and wood is generally used in urban housing.

[43]EDUCATION

The adult illiteracy rate in 2000 was estimated at 44% (males 33%, females 55%). In 1997 there were 240,737 students and 5,476 students in 549 primary schools. In the same year there were 89,087 students and 2,071 teachers in secondary schools. The pupil-teacher ratio at the primary level was 48 to 1 in 1999. In the same year, 40% of primary-school-age children were enrolled in school, while 23% of those eligible attended secondary school. Many primary-school pupils are overage due to lack of previous access to education. Education is compulsory for children between the ages of 7 and 13. The educational system is comprised of five years of primary school, followed by six years of secondary school. There is a university in Asmara. In 1998, there were 198 teachers and 3,096 students in post-secondary education. As of 1999, public expenditure on education was estimated at 4.8% of GDP.

[44]LIBRARIES AND MUSEUMS

Asmara houses the library of the University of Asmara (60,000 volumes), the Asmara Public Library (28,000 volumes), and the library of the British Council (20,000 volumes).

The National Museum in Asmara—located in a former palace—and the Archeological Museum, operated by the Department of Culture in Asmara, are the country's two principal museums.

[45]MEDIA

As of 2001, there were 30,000 main line telephones in use nationwide. Cellular service was introduced the same year, but subscription figures have not been available. At the end of 2001, the government controlled all nonreligious media, including one radio station, one television station and 3 newspapers. Religious media are prohibited from reporting on political news and events. Television broadcasts are Monday, Wednesday, and Saturday evenings in Tigrinya and Arabic languages. Dimtsi Hafash radio broadcasts daily in various local languages. In 2000, there were 444 radios and 26 television sets fore every 1,000 people. Internet access is limited, with only four service providers serving 12,000 people in 2001.

Though press laws allow for publication of privately owned newspapers, there are only two newspaper printing presses in the country, and the government owns one of them. In 2001 there were eight independent newspapers published once or twice a week. *Setit* had the largest circulation at 20,000. The government-owned daily, *Asmara Herbet*, is published in Arabic and Tigrinya and had a 2002 circulation of 4,000. *Quotidiano Eritreo* is a daily Italian newspaper.

The constitution approved in 1997 provides for free speech and a free press, allowing for private ownership of newspapers but not broadcast media.

[46]ORGANIZATIONS

There are various religious humanitarian groups (Christian and Muslim), sports clubs, and art groups centered around music, theater, painting, and drawing. Professional organizations exist, such as the Teachers Union, Association of Eritreans in Agricultural Sciences, Eritrean Nurses Association, Eritrean Pharmacists Association, and the Eritrean Medical Association. There is an Association of War Disabled Veterans. Various trade unions formed the National Confederation of Eritrean Workers

in September 1994. There are National Unions of Eritrea Women and Eritrean Students and Youth, with branches throughout the country. Planned Parenthood Association, the Red Cross Society, a Chamber of Commerce, and a Regional Center for Human Rights and Development all operate in Eritrea.

[47]TOURISM, TRAVEL, AND RECREATION

Because Eritrea inherited the entire coastline of Ethiopia, there is long-term potential for development of tourism. However, recent figures have dropped significantly. In 1997 there were about 410,000 tourist arrivals. In 2000, there were 70,355. In 2000, there were 4,497 hotel rooms with 9,287 beds and a 45% occupancy rate. Passports and visas are required. Proof of yellow fever vaccination may be required. In 1999, the US government estimated the cost of staying in Asmara at $184 per day. In other areas, the cost goes down to about $81 a day or less.

[48]FAMOUS ERITREANS

Isaias Afwerki (b.1946) has been president of Eritrea since its independence from Ethiopia 24 May 1993.

[49]DEPENDENCIES

Eritrea has no territories or colonies.

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ETHIOPIA

Federal Democratic Republic of Ethiopia
Yeltyop'iya Federalawi

CAPITAL: Addis Ababa

FLAG: The national flag is a tricolor of green, yellow, and red horizontal stripes with a blue disk and a yellow outlined star and rays in the center.

ANTHEM: Traditional "Ityopia, Ityopia" is in use at the present time. A new anthem will be designated in the near future.

MONETARY UNIT: The birr (B) is a paper currency of 100 cents. There are coins of 1, 5, 10, 25, and 50 cents, and notes of 1, 5, 10, 50, and 100 birr. B1 = $0.1164 (or $1 = B8.59) as of March 2003.

WEIGHTS AND MEASURES: The metric system is used, but some local weights and measures also are employed.

HOLIDAYS: Holidays generally follow the Old Style Coptic Church calendar. National holidays include Christmas, 7 January; Epiphany, 19 January; Victory of Adwa (1896), 2 March; Victory Day, 6 April; May Day, 1 May; New Year's Day, 11 September; Feast of the Holy Cross, 27 September. Movable Muslim holidays include 'Id al-Fitr and 'Id al-'Adha'.

TIME: 3 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated in eastern Africa, Ethiopia (formerly called Abyssinia) has an area of approximately 1,127,127 sq km (435,186 sq mi), with a length of 1,639 km (1,018 mi) E–W and a width of 1,577 km (980 mi) N–S. Comparatively, the area occupied by Ethiopia is slightly less than twice the size of the state of Texas. It is bounded on the N by Eritrea, on the NE by Djibouti, on the E and SE by Somalia, on the S by Kenya, and on the W by Sudan, with a total boundary length of 5,328 km (3,311 mi). The Ogaden region of eastern Ethiopia is claimed by Somalia and has been the subject of sporadic military conflict between the two nations since 1961; the southeastern boundary has never been demarcated. Ethiopia's capital city, Addis Ababa, is located near the center of the country.

[2]TOPOGRAPHY

Ethiopia contains a variety of distinct topographical zones. It is a country of geographical contrasts, varying from as much as 116 m (381 ft) below sea level in the Danakil depression to more than 4,600 m (15,000 ft) above in the mountainous regions. Ras Dashen, with an altitude of 4,620 m (15,158 ft), is the fourth-highest peak in Africa. The most distinctive feature is the northern part of the Great Rift Valley, which runs through the entire length of the country in a northeast-southwest direction, at a general elevation of 1,500 to 3,000 m (4,900–9,800 ft). Immediately to the west is the High Plateau region; this rugged tableland is marked by mountain ranges. East of the Great Rift Valley is the Somali Plateau—arid and rocky semidesert, extending to the Ogaden, which covers the entire southeastern section of the country. In the north, the Denakil Desert reaches to the Red Sea and the coastal foothills of Eritrea. The western boundary of Ethiopia follows roughly the western escarpment of the High Plateau, although in some regions the Sudan plains extend into Ethiopian territory. Also part of Ethiopia is the Dahlak Archipelago in the Red Sea.

Ethiopia's largest lake, Lake T'ana, is the source of the Blue Nile River. This river, which winds around in a great arc before merging with the White Nile in the Sudan, travels through great canyons, which reach depths of more than 1,200 m (4,000 ft). Several rivers in the southwest also make up a system of tributaries to the White Nile.

[3]CLIMATE

Ethiopian climate varies according to the different topographical regions. The central plateau has a moderate climate with minimal seasonal temperature variation. The mean minimum during the coldest season is 6°C (43°F), while the mean maximum rarely exceeds 26°C (79°F). Temperature variations in the lowlands are much greater, and the heat in the desert and Red Sea coastal areas is extreme, with occasional highs of 60°C (140°F). Heavy rainfall occurs in most of the country during June, July, and August. The High Plateau also experiences a second, though much milder, rainy season between December and February. Average annual precipitation on the central plateau is roughly 122 cm (48 in). The northern provinces receive less rainfall, and the average annual precipitation in the Ogaden is less than 10 cm (4 in). The westernmost region of Ethiopia receives an annual rainfall of nearly 200 cm (80 in). Severe droughts affected the country in 1982–84,1987–88, and 1991.

[4]FLORA AND FAUNA

Ethiopia has a large variety of indigenous plant and animal species. In some areas, the mountains are covered with shrubs such as pyracantha, jasmine, poinsettia, and a varied assortment of evergreens. Caraway, carcade, cardamom, chat, coriander, incense, myrrh, and red pepper are common. The lakes in the Great Rift Valley region abound with numerous species of birds, and wild animals are found in every region. Among the latter are the lion, civet and serval cats, elephant, bush pig, gazelle, antelope, ibex, kudu, dik-dik, oribi, reed buck, wild ass, zebra, hyena, baboon, and numerous species of monkey.

[5]ENVIRONMENT

Overgrazing, deforestation, and poor agricultural practices have contributed to soil erosion so severe, particularly in the Tigray

and Eritrea regions, that substantial areas of farmland have been lost to cultivation. As of 1994, 600,000 acres of arable land were washed away each year. The combined effects of severe drought and a 17-year civil war have also added to Ethiopia's environmental problems. Ethiopia's forests are also endangered. Each year, the nation loses 340 square miles of forest land. Its forests and woodland decreased by 3.4% between 1983 and 1993. The government did not begin afforestation and soil conservation programs until the early 1970s. Agencies responsible for environmental matters include the Ministry of Agriculture, the Forestry and Wildlife Development Authority, and the Ministry of National Water Resources. The nation's water supply is also at risk. Access to safe drinking water is available to 12% of the rural population and 81% of city dwellers. Ethiopia has 110 cubic kilometers of renewable water resources with 86% used in agriculture. The nation's cities produce 1.3 million tons of solid waste per year.

About 5% of Ethiopia's total land area is protected. In 2001, 35 of Ethiopia's 255 mammal species were threatened. Of 626 bird species, 20 were endangered. One type of reptile in a total of 188 species and 125 plants in a total of 6,500 were also threatened with extinction. Endangered species in Ethiopia include the simian fox, African wild ass, Tora hartebeest, Swayne's hartebeest, Waliaibex (found only in Ethiopia), waldrapp, green sea turtle, and hawksbill turtle.

[6]POPULATION

The population of Ethiopia in 2003 was estimated by the United Nations at 70,678,000, which placed it as number 17 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.46%, with the projected population for the year 2015 at 93,845,000. The population density in 2002 was 61 per sq km (159 per sq mi). The area of greatest density is the High Plateau, with more than 70% of the population.

It was estimated by the Population Reference Bureau that 18% of the population lived in urban areas in 2001. The capital city, Addis Ababa, had a population of 2,534,000 in that year. Other urban centers include Dire Dawa, Dese, Harer, Jima, Nazret, and Gonder. Ethiopia's next census is slated for 2004. According to the United Nations, the urban population growth rate for 2000–2005 was 5.0%.

The prevalence of AIDS/HIV has had a significant impact on the population of Ethiopia. The United Nations estimated that 6.5% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy. Life expectancy in Ethiopia is 45 years.

[7]MIGRATION

Internal migration is from rural to urban areas. By 1982, up to 4.5 million people had been displaced as a result of occasional drought, past civil strife, and border fighting. In 1984–85, over 600,000 northern peasants were resettled, forcibly if necessary, in 77 sites in the more fertile west and south. Meanwhile, over 2.8 million rural inhabitants, mostly Oromo, were moved to collective villages. As the war for control of Ethiopia intensified between 1989 and 1991, more people were displaced.

Since the change of government in 1991, 970,000 Ethiopian refugees have returned home from neighboring countries. As of 1997, there were still 70,000 Ethiopian refugees in neighboring countries. There were 60,000 in eastern Sudan, 5,700 in Kenya, 2,500 in Djibouti, and 450 in Yemen. By November 1995, the UNHCR had repatriated 31,617 Ethiopian refugees from Djibouti. Between 1993 and 1996, the UNHCR repatriated 62,000 from Sudan. In 1997, UNHCR had started planning the airlift of around 4,400 Ethiopian refugees remaining in Kenya.

As of March 1997, Ethiopia was home to more than 338,000 refugees, settled in 12 camps and urban areas. Of these, 285,000 were from Somalia, 35,500 from Sudan, 8,000 from Djibouti, and 8,600 from Kenya. In February 1997, the UNHCR started to repatriate Somalis; 2,600 refugees had returned to northwestern Somalia by the end of March. Repatriation of Somalis, and Sudanese continued in 2002. The total number of migrants in that year was 660,000. In 2000, the net migration rate was -0.1 migrants per 1,000 population for Ethiopia, a significant change from 3.5 per 1,000 in 1990. Ethiopians who fled to Sudan due to war and famine continued to return home in 2002.

[8]ETHNIC GROUPS

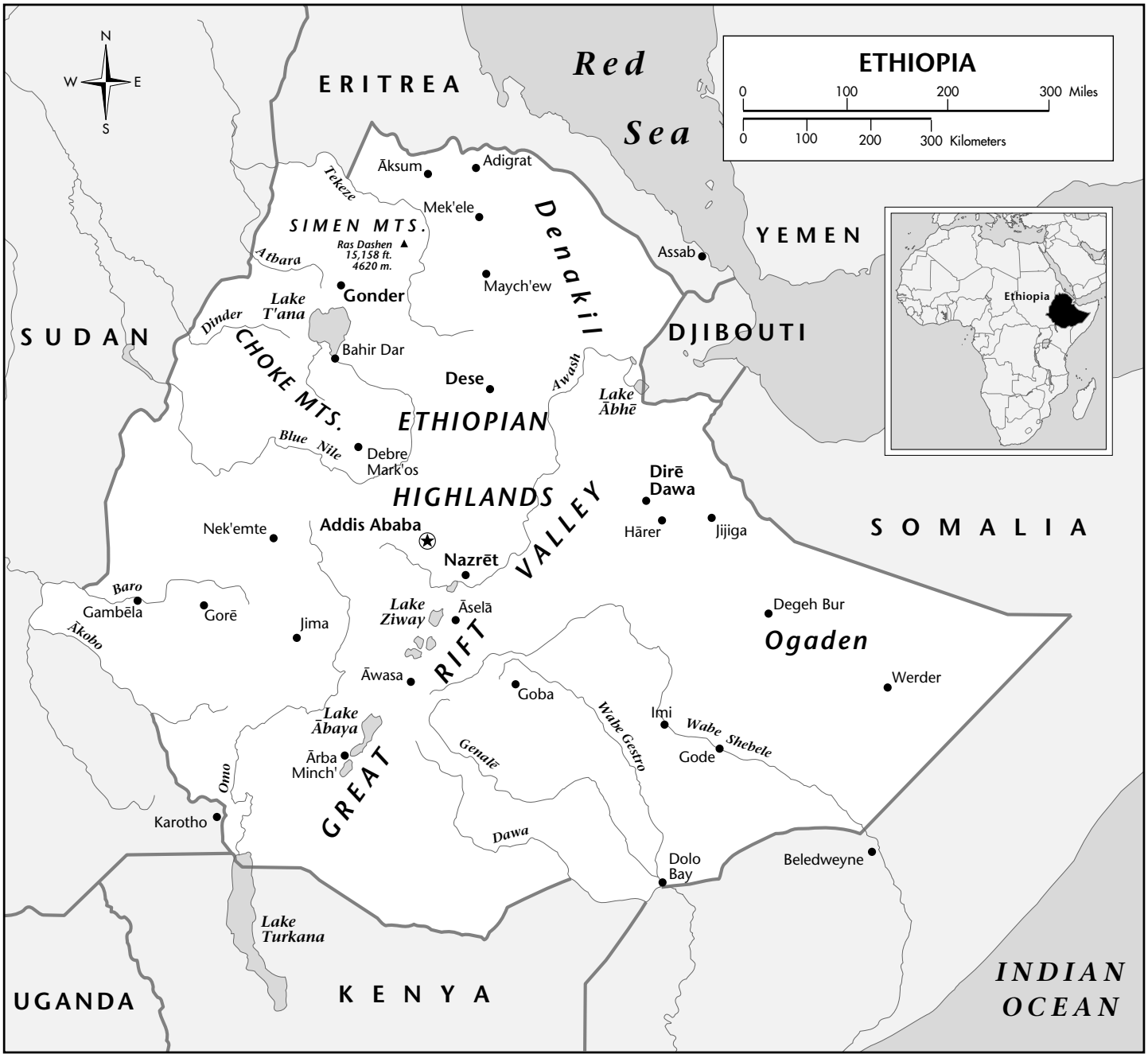
Ethiopia is a composite of more than 70 ethnic groups. The Oromo (Galla) group represents approximately 40% of the population and is concentrated primarily in the southern half of the nation. The Amhara and Tigrean groups constitute approximately 32% of the population and have traditionally been dominant politically. The Sidamo of the southern foothills and savanna regions account for 9%, while the Shankella make up about 6% of the population and reside on the western frontier. The Somali (6%) and Afar (4%) inhabit the arid regions of the east and southeast. Nilotic peoples live in the west and southwest along the Sudan border. The Gurage account for 2% of the population; the remaining 1% is made up of other groups. The Falasha (who call themselves Beta Israel, and are popularly known as "black Jews") live in the mountains of Simen; they were reportedly the victims of economic discrimination before the 1974 revolution and of religious and cultural persecution after that time. Some 14,000 were secretly flown to Israel via the Sudan in 1984–85. About 14,000 more were flown out of Addis Ababa in 1991. Another 4,500 are believed to remain. The Beja of the northernmost region, the Agau of the central plateaus, and the Sidamo of the southern foothills and savanna regions are the remnants of the earliest known groups to have occupied Ethiopia.

[9]LANGUAGES

At least 70 different languages are spoken in Ethiopia. Most of these belong to the Semitic, Cushitic, and Omotic divisions of the Afro-Asiatic linguistic family. Amharic, the official national language, is a Semitic tongue, the native language of perhaps 30% of the people. Tigrinya and Tigray, also Semitic, are spoken in the north. Orominga, a Cushitic tongue, is widely spoken in the south, perhaps by 40% of all Ethiopians. Somali and Afar, also Cushitic languages, are spoken in the east. Omotic tongues are spoken in the southwest. Nilo-Saharan language speakers live in the far southwest and along the western border. English is the principal second language taught in schools.

[10]RELIGIONS

Until 1974, the Ethiopian Orthodox Church, a Christian confession associated with the Coptic Church and incorporating elements of Monophysite Christianity, was the established church, with the emperor as its titular leader. After the deposition of the emperor, the church lost most of its property (including an estimated 20% of all arable land) and political influence. In 2002 about 40–50% of Ethiopians were Ethiopian Orthodox Christians. Islam is practiced by about 40% of the population, most of whom inhabit the southwestern, northwestern, and eastern reaches of Ethiopia. About 10% of the population are Evangelical or Pentecostal Protestants, which is the fastest growing religion in the country. Prominent Protestant churches include Mekane Yesus and Kale Hiwot, both of which are Evangelical. There are about 6,000 Jehovah's Witnesses in the country and small groups of Roman Catholics, Jews, animists, and other traditional indigenous religions. Although of Afro-



LOCATION: 3°30′ to 18°N; 33° to 48° E. BOUNDARY LENGTHS: Eritrea, 912 kilometers (566 miles); Djibouti, 337 kilometers (210 miles); Somalia, 1,626 kilometers (1,016 miles); Kenya, 830 kilometers (518 miles); Sudan, 1,606 kilometers (1,003 miles).

Asiatic stock, the Falasha practice a form of Judaism that is of great antiquity and is traditionally attributed to ancient Arabian-Jewish or Egyptian-Jewish immigration. Few Falasha remain after massive immigration and evacuation to Israel in 1984–85 and 1991. The Feles Mora consists of a individuals who claim that their ancestors were Jews who were forced to convert to Ethiopian Orthodox. Many of these individuals are currently pursuing immigration to Israel. There are a large number of missionary groups working within the country.

Though religious tolerance is generally widespread among established faiths, there have been instances of interfaith discrimination concerning newer religions. For instance, some tension has existed as both Orthodox Christians and Muslims have complained about the proselytizing of Jehovah's Witnesses and the Pentecostals. In some regions, there have also been incidents of violence between Orthodox Christians and Muslims.

[11] TRANSPORTATION

It is estimated that more than half of Ethiopia's produce is transported by pack animals, reflecting the inadequacy of the country's road network and the rugged terrain. About 75% of Ethiopian farms are more than a one- day walk to the nearest road. The road system in 2002 comprised an estimated 24,145 km (15,00 3 mi), of which 3,290 km (2,040 mi) was paved. The number of passenger cars in use in 2000 was 36,700, and the number of commercial vehicles 87,700. As of 2000, there was

only one vehicle registered for every 1,795.4 inhabitants, fewer vehicles per capita than any other African nation. Bus services link provincial centers to the capital.

Railways consist of a line from Djibouti to Addis Ababa that is 880 km (547 mi) long, of which 681 km (423 mi) are in Ethiopia, and is owned jointly by Djibouti and Ethiopia. Ethiopia's merchant fleet of 9 ships had a gross weight of 81,933 tons as of 2002. Neighboring Djibouti also serves as a depot for Ethiopian trade. Only one river, the Baro, is used for transport.

There were 86 airports in 2001, only 14 of which had paved runways. The Addis Ababa airport handles international jet transportation. Before the civil war, the national carrier, Ethiopian Airlines, flew to numerous African, Asian, and European cities, and had sole rights on domestic air traffic. In 2001, 1,027,500 passengers were carried on domestic and international flights.

12 HISTORY

Humanlike fossils have been found in the Denakil depression dating back 3.5 million years; in 1981, the 4-million-year-old fossil bones of a direct ancestor of Homo sapiens were discovered in the Awash River Valley. Evidence of cereal agriculture dates back to about 5000 BC. Homer refers to the Ethiopians as a "blameless race," and Herodotus claims that they were known in his time as the "most just men"; to the Greeks, however, Ethiopia was a vague and semimythical area that did not exactly correspond to the modern country. Ethiopia first appears in written history as the Aksumite (or Axumite) Empire, which was probably established around the beginning of the Christian era, although national tradition attributes the foundation of the empire to Menelik I, the son of King Solomon and the Queen of Sheba. Christianity was introduced in the 4th century by Frumentius of Tyre, who was appointed bishop of the Ethiopian diocese by Patriarch Athanasius of Alexandria. The rise of Islam in the 7th century and the subsequent conquest of Egypt created a crisis for the Coptic Christian communities of northeast Africa. Ethiopia alone met the challenge, surviving until the 1970s as a Christian island in a Muslim sea.

The Aksumite dynasty suffered a slow decline. In 1137, the ruler of Lasta (now Lalibela), Tékla Haimanot, overthrew the Aksumite emperor, Del-Naad, and established the Zagwe dynasty. In 1270, the throne was again restored to the Solomonic dynasty, with the accession of Yekuno Amlak in the province of Shewa. Subsequently, Emperor Amda-Seyon 1 (r.1314–44) reestablished the Ethiopian suzerainty over the Muslim principalities along the Horn of Africa. The Muslim penetration of the highland regions resumed in the early 16th century and, from 1527 to 1543, the Muslims threatened to overrun the entire empire. In 1541, Ethiopia enlisted the assistance of several hundred Portuguese musketmen against a jihad led by Imam Ahmad (known as Gragn, or "the left-handed"). With these superior weapons, Ahmad was defeated and killed in battle in 1543.

The 18th and 19th centuries formed a period of political decentralization and incessant civil war; this period is called the Zamana Masafint ("Era of the Princes"). A young general named Lij Kassa Haylu established a powerful army, which defeated the forces of his rivals. He was crowned Emperor Tewodros (Theodore II) in 1855 and succeeded in reunifying the empire, but he was defeated and killed by a British expeditionary force under Gen. Robert Napier in 1868. Italy occupied the Eritrean ports of Aseb (1869) and Mits'iwa (1885) and annexed Eritrea in 1890. The Italian advance was stopped by the defeat and total rout of a large Italian army by the Emperor Menelik II at Adwa in 1896, an Ethiopian victory that is still commemorated as a national holiday. Italy, however, maintained control of Eritrea and also occupied the coastal region of Banadir (Italian Somaliland) in 1900. Meanwhile, France and the UK had obtained Somali coastal enclaves through purchase and a series of protectorate treaties concluded in the past with local tribal chieftains.

Menelik died in 1913. Three years later, his grandson and successor, Lij Yasu, was deposed in favor of his aunt, Empress Zauditu (Judith). Ras Tafari Mekonnen of Shewa was selected as heir apparent and head of government. On 2 November 1930, he was crowned Emperor Haile Selassie I. Italy invaded and conquered Ethiopia in 1935–36. Forced to flee the country, the emperor returned in 1941 with the aid of British forces. By a UN decision, Eritrea, which had been under British administration since 1941, was federated to Ethiopia in 1952 and was incorporated into the empire 10 years later. By this time, an Eritrean secessionist movement was already stirring.

After an abortive coup in 1960, the emperor's political power began to lessen as political opposition increased. Guerrilla activity in Eritrea increased noticeably between 1970 and 1973; student and labor unrest also grew. After an official cover-up of catastrophic drought and famine conditions in Welo and Tigray provinces was uncovered in 1974, the armed forces overthrew the government. From 28 June to 12 September 1974, the emperor was systematically isolated and finally deposed. The monarchy was officially abolished in March 1975. Haile Selassie was killed while in the custody of security forces on 27 August 1975.

The new Provisional Military Administrative Council, also called the Dergue, came under the leadership of Maj. (later Lt. Col.) Mengistu Haile Mariam. The economy was extensively nationalized in 1975. Mengistu declared himself a Marxist-Leninist in 1976 and established close relations with Moscow. Perhaps 10,000 Ethiopians were killed in 1976–78, as the Dergue suppressed a revolt by civilian leftists that involved urban terrorism.

The war with Eritrean secessionists continued inconclusively until 1991. In mid-1977, Somalia invaded the Ogaden area to support the claims of ethnic Somalis there for self-determination. The assault was repulsed with the assistance of Soviet arms and Cuban soldiers in early 1978, when a 20-year treaty with the USSR was signed. Close links with Libya and the People's Democratic Republic of Yemen were established in 1981. In 1982, Ethiopian troops attempted without success to topple the Somali government by mounting an invasion of some 10,000 Ethiopian troops in support of the insurgent Somali Salvation Democratic Front. Hostilities with Somalia later eased and diplomatic relations were reestablished in 1988. But relations with the Sudan soured, as each country supported insurgent movements in the other.

A devastating drought and famine struck northern Ethiopia during 1982–84, taking an unknown toll in lives. Between November 1984 and October 1985 an international relief effort distributed 900,000 tons of food to nearly eight million people. Food aid continued on a reduced scale, while the government launched massive resettlement programs that critics said were really intended to hamper the operations of armed insurgents and to collectivize agriculture.

The Worker's Party of Ethiopia (WPE) was established as the sole legal political party in 1984. Two years later, a constitutional document was unveiled for discussion; after minor changes it was approved by 81% of the voters in a referendum held on 1 February 1987. Later that year, another devastating drought struck northern Ethiopia, continuing into 1988.

Despite mobilizing one million troops and receiving massive Soviet bloc military aid, the government was not able to defeat the Eritrean and Tigrayan insurgencies. Led by the Eritrean People's Liberation Front (EPLF) and the Tigre People's Liberation Front (TPLF), which is part of a larger coalition, the Ethiopian People's Revolutionary Democratic Front (EPRDF) triumphed.

On 21 May 1991, Mengistu was forced to resign as president and fled to Zimbabwe. His vice president surrendered to EPRDF

forces on May 27. The next day, Meles Zenawi, leader of the EPRDF, established an interim government. In July, delegates from the three victorious guerrilla groups agreed on a structure of an interim coalition government and to grant Eritrea the right to hold an internationally supervised referendum on independence.

In 1992, the multiparty government split sharply. The Oromo Liberation Front (OLF), the second largest partner, withdrew from the coalition on 23 June. It claimed that the regional elections held on 21 June had been rigged by the EPRDF. The OLF and five other political groups had boycotted the elections. Some OLF forces took up arms against the government.

Amid the turbulence, the transitional government pledged to oversee the establishment of Ethiopia's first multiparty democracy. During 1993, a new constitution was drafted. For the transitional government, a 65-member Council of Representatives was created by the four constituent parties of the EPRDF, which was dominated by the TPLF, a Tigrayan ethnic party.

In June 1994, elections were held for the newly established Constituent Assembly. The EPRDF won 484 of 547 seats in a contest judged free and fair by observers. However, the majority of opposition candidates boycotted the elections under the banner of the Coalition of Alternative Forces for Peace and Democracy in Ethiopia (CAFPDE). The OLF also boycotted the election. The Assembly's first order of business was to draft a new constitution. When completed, the document called for the establishment of a bicameral legislature, a directly elected president, regional autonomy, including the right to secession, and the division of the country into nine states. Elections were held in 1995 for the Federal Parliamentary Assembly, consisting of the directly elected Council of People's Representatives and the Council of the Federation. Opposition parties again boycotted the elections resulting in a commanding majority for the EPRDF— 483 of 548 seats.

The political opposition's refusal to participate in elections has been a major problem for Ethiopia's fledgling democracy. Western governments and representatives of the OAU engaged the parties in talks prior to the 1995 balloting in the hopes of expanding participation, but opposition leaders insisted the government was impeding their efforts to fairly participate in the electoral process.

The Oromo Liberation Army (OLA), the armed wing of the OLF, has continued armed struggle against the Ethiopian government. Fighting intensified with a series of battles between May and August 1999. Both sides claimed victory, giving conflicting figures for the dead and injured. Over 2,000 OLA and government soldiers may have died in the fighting. Military forces also intensified operations against the Somali-based Al'Itthad terrorist organization, rebel elements of the Ogaden National Liberation Front, and Tokuchuma (another terrorist group operating in eastern Ethiopia), both in the country and southern Somalia and in Northern Kenya. Ethiopia accused Eritrea and Somalia of financially supporting and training the OLF and Al'Ittihad.

Simmering tensions over border alignment with Eritrea came to a boil in 1998. Between 2 and 6 May 1998, Eritrean soldiers invaded and occupied Badme, in northeastern Ethiopia. Other areas were subsequently occupied in Tigray State. Ethiopia later recaptured Badme, but fighting continued, interspersed with periods of inactivity. A US- and Rwanda-sponsored peace plan proposed in early June 1998 failed; so did arbitration efforts by the then OAU. Each side claimed to accept an OAU framework agreement while accusing the other of making impossible preconditions to its implementation. The two and a half year war ended with a peace treaty on 12 December 2000, but some 4,200 UN soldiers remained on the border in July 2003 to monitor security in the buffer zone as experts from the Eritrea Ethiopia Boundary Commission (EEBC) physically demarcated the internationally recognized boundary established in April 2002.

Ethiopia's second multiparty elections occurred on 14 May 2000, but were marred by irregularities and violence at a number of polling stations requiring the rescheduling of voting in certain constituencies. Voting was postponed in Somali regional state because of severe drought. The results gave parties the following number of seats: OPDO 177, ANDM 134, TPLF 38, WGGPDO 27, EPRDF 19, SPDO 18, GNDM 15, KSPDO 10, ANDP 8, GPRDF 7, SOPDM 7, BGPDUF 6, BMPDO 5, KAT 4, other regional political A two and a half year border war with Eritrea ended with a peace treaty on 12 December 2000. groupings 22, independents 8. Forty-three seats were unconfirmed. On 8 October 2001, the House of People's Representatives elected Woldegiorgis Girma president. Girma received 100% of the vote for a six-year term.

By July 2003, Ethiopia was facing the prospect of yet another drought and food shortfalls for 2003-04. Over the past 30 years, rainfall levels have gradually fallen by as much as 23 millimeters a year, leaving some 12.6 million in need of food aid in 2003, or one in five of the population—at a cost of around US$800 million.

13 GOVERNMENT

In name, Ethiopia was a constitutional monarchy between 1931 and 1974, but sovereignty was vested solely in the emperor, a hereditary monarch. The ruler appointed the prime minister, senators, judges, governors, and mayors. The emperor was assisted by the Council of Ministers and the Crown Council, whose members he appointed.

After the military takeover in 1974, the parliament was dissolved and the provisional military government (PMG) established. The PMG assumed full control of the government and continued to rule through its provisional military administrative council, also called the Dergue, whose chairmanship Mengistu seized in February 1977. Government decisions were made by Mengistu on an ad hoc basis, sometimes in consultation with members of the Dergue's Standing Committee. Control over government ministries was maintained by assigning Dergue representatives to oversee their operations. The Commission for Organizing the Party of the Working People of Ethiopia acted as the Dergue's political arm.

The constitution approved by referendum on 1 February 1987 declared Ethiopia to be a people's democratic republic. A national assembly (Shengo), with 835 members chosen by proportional representation for the various nationalities, theoretically had supreme power. The president, who was elected to a five-year term by Shengo, acted as chief executive and commander-in-chief of the armed forces and nominated and presided over the cabinet and the state council, which had legislative power when the Shengo was not in session. The president also appointed top officials of the Worker's Party of Ethiopia (WPE), which was called the leading force in the state and society. The assembly held its first meeting on 9 September; the next day, it elected Mengistu president. It also redrew the political map, creating five "autonomous regions" in order to weaken the appeal of the independence movements. It failed. Despite the trappings of representative government, all power remained in Mengistu's hands. He was head of state and government, leader of the only party and commander of the armed forces.

After Mengistu's defeat in May 1991, a transitional government was established, under the leadership of the Ethiopian People's Revolutionary Democratic Front, a coalition of parties opposed to the Dergue and led by President Meles Zenawi. Elections for a constituent assembly were held in June 1994. A new constitution was drafted, providing for a directly elected president, a bicameral legislature, regional autonomy with the right to secede, and a nine-state national structure. Elections

to the newly established Federal Parliamentary Assembly were held in 1995; they resulted in a huge victory for the EPRDF owing to opposition boycotts. In the May 2000 elections, Zenawi's coalition gained 368 of the 548 seats in the Council of People's Representative. Next presidential elections were scheduled for October 2007, and parliamentary elections were scheduled for May 2005.

The Federal Parliamentary Assembly has two chambers. The Council of People's Representative (Yehizbtewekayoch Mekir Bet), the lower chamber, has 548 members, elected for a five-year term in single seat constituencies. The Council of the Federation (Yefedereshn Mekir Bet) or upper chamber has 117 members chosen by state assemblies to serve five-year terms.

[14]POLITICAL PARTIES

In the past, there were no established political parties, although political factions existed on the basis of religion, ethnicity, regionalism, and common economic interests. In the 1970s, a number of illegal separatist groups became active militarily. They included the Eritrean People's Liberation Front (EPLF), Eritrean Liberation Front (ELF), the Oromo People's Democratic Organization (OPDO), Tigray People's Liberation Front (TPLF), Oromo Liberation Front (OLF), and Western Somali Liberation Front (WSLF). Eventually, EPLF defeated the ELF in Eritrea.

Two civilian left-wing parties, the Ethiopian People's Revolutionary Party and the All-Ethiopian Socialist Movement, were crushed by the Dergue in 1976 and 1977, respectively. In 1979, the Dergue established the Commission for Organizing the Party of the Working People of Ethiopia (COPWE), in order to lay the groundwork for a Marxist-Leninist party along Soviet lines. The Worker's Party of Ethiopia (WPE) was established in 1984 as the sole legal political party. Its 11-man Politburo was headed by Mengistu.

The separatists successfully defeated Mengistu's forces and after Mengistu fled in May 1991, they established a transitional government under their coalition banner, the Ethiopian People's Revolutionary Democratic Front (EPRDF). The TPLF is the most prominent member of the EPRDF, which also includes the Ethiopian People's Democratic Movement (EPDM) and the Afar Democratic Union. The OLF is not part of the coalition. There are also numerous small, ethnic-based groups and several Islamic militant groups. Following 1994 elections to a transitional national assembly, 30 opposition groups—not including the OLF—formed the Coalition of Alternative Forces for Peace and Democracy in Ethiopia (CAFPDE), and began pressing for electoral reform. New elections were held in 1995 for a newly created Federal Parliamentary Assembly (consisting of two chambers). The elections, despite being overseen by international observers, were boycotted by the opposition and were won by the EPRDF, which secured substantial majorities.

The main parties contesting the 14 May 2000 elections were: Afar Democratic Association, Afar Democratic Union, Amhar National Democratic Movement, Ethiopia People's Revolutionary Democratic Front (EPRDF), Ethiopian Democratic Officers' Revolutionary Movement, Oromo People's Democratic Organization, and Tigre People's Liberation Front. There were approximately 58 national and regional parties, 29 of them belonging to the four-party coalition of the ruling EPRDF.

[15]LOCAL GOVERNMENT

Ethiopia presently has nine ethnically based states and two self-governing administrations—Addis Ababa and Dire Dawa. Until 1987, Ethiopia was divided into 15 administrative regions, which in turn were subdivided into 103 sub-regions and 505 districts. In 1976, peasant associations were empowered to collect taxes and form women's associations, cooperatives, and militias. In the mid-1980s, an estimated 25,000 such peasant groups were in existence. Urban dwellers' associations were established for a variety of functions, including law and order.

In 1987, at its first sitting, the Shengo redrew the political map. It created five "autonomous regions" (Eritrea, Assab, Dire Dawa, Ogaden, and Tigre). The remaining provinces were further subdivided into 24 administrative zones.

The establishment of regions was altered with the creation of the transitional government in 1991. In 1993, Eritrea gained its independence. The new regime called for 14 regional governments, but the June 1992 elections for 11 of the 14 regional assemblies were challenged and widespread fraud was alleged. In the May 2000 elections, 3,300 regional and national seats were to be contested.

[16]JUDICIAL SYSTEM

The government of Ethiopia is now putting into place a decentralized federal system of courts consisting of regional and district courts consistent with the 1994 constitution. Each region has District (Woreda), higher and supreme courts. There are also local Shari'ah courts which hear religion and family cases involving Muslims. The Federal High Court and Federal Supreme Court have jurisdiction over cases involving federal laws, transregional issues, and issues of national import. The president and vice president of the Federal Supreme Court are recommended by the prime minister and appointed by the House of People's Representatives; for other federal judges, the prime minister submits to the House of People's Representatives for appointment candidates selected by the Federal Judicial Administrative Council.

The constitution provides for an independent judiciary. Trials are public. Defendants have a right to legal counsel and a public defender's office provides counsel to indigent defendants. The law, however, does not allow the defense access to prosecutorial evidence before the trial, and the current judiciary suffers from a lack of trained personnel and financial constraints. In 1995, the government began training new judges and prosecutors. However, it is estimated that the creation of a fully independent and skilled judicial system will take several decades.

In 1992, a special prosecutor's office was established. In 1994 this office began trying defendants charged with crimes against humanity during the Mengistu regime. As of 1997, approximately 1,300 detainees were charged with war crimes. Up to 5,198 persons had been charged with war crimes by the end of 1999.

The Council of People's Representatives in October 1999 passed enabling legislation to meet the constitutional requirement for the creation of a human rights commission and office of the ombudsman. The commission has full powers to receive and investigate all complaints of human rights violations made against any person. By the end of 1999, neither entity was operational.

[17]ARMED FORCES

In 2002, Ethiopia was re-organizing the military following conflict with Eritrea. The total number of active armed forces personnel was estimated at 252,500. The army, which was in the process of being organized into three military regions, was equipped with an estimated 300 main battle tanks. The air force, with personnel estimated at 2,500, was equipped with 55 combat aircraft and 30 armored helicopters. The military budget for 2001 was $800 million, or 12.6% of GDP.

[18]INTERNATIONAL COOPERATION

Ethiopia is a charter member of the UN, having joined on 13 November 1945; it belongs to the ECA and all the non-regional specialized agencies. A participant in the African Development Bank and G-77, Ethiopia also is a member of the AU, whose secretariat is located in Addis Ababa. The late Emperor Haile

Selassie I was extremely active in inter-African affairs and was considered by many as Africa's leading statesman. Ethiopian troops fought under UN command in the Korean conflict and served in the Congo (now the Democratic Republic of the Congo) in the early 1960s.

Ethiopia has received UN technical assistance in the fields of public administration, telecommunications, vocational training, agriculture, animal husbandry, education, civil aviation, and health. The nation is a signatory to the Law of the Sea.

[19]ECONOMY

Ethiopia's economy has undergone major reforms since May 1991, when a market-oriented government came to power. Droughts, civil war, and cross-border conflicts have devastated the economy as much as socialist-style totalitarianism. The government continues to institute economic reforms designed to liberalize the economy and increase the role of private capital. Land, however, as of 2002 remained firmly in the hands of the government. A large trade deficit hampers economic development.

Agriculture, hunting, forestry, and fishing engaged 85% of the Ethiopian population and in 2002 accounted for over half of GDP and almost all exports. The agricultural sector is diverse, producing maize, sorghum, millet, other cereals (barley, wheat, and teff), tubers, and sugarcane. Coffee generated $175 million in exports in 2001 (down from $262 million in 2000), which was 60% of export earnings. Livestock production is also important, responsible for around 20% of export earnings.

The manufacturing sector, centered around Addis Ababa, produces construction materials, metal and chemical products, and basic consumer goods including food, beverages, leather, clothing and textiles. Over 90% of large-scale industry is state owned.

Ethiopia produces gold and has additional undeveloped deposits of platinum, marble, tantalite, copper, potash, salt, soda ash, zinc, nickel, and iron. Natural gas is found in the Ogaden.

To break the cycle of famine, the government has promoted extension services and fertilizers in the hope that farmers could realize their potential and poverty would be reduced. After the border war with Eritrea ended in 2000, however, bumper crops were offset by farmers' inability to find markets for their goods. The progress in the country's economic fortunes that began in the 1990s was largely quashed by the 1998–2000 war and a sharp decline in international coffee prices. Nonetheless, new building projects were due to begin in the early 2000s; dams, a new airport building, and a $15 million sugar-processing factory numbered among them. Reforms are needed in the financial sector, telecommunications, land ownership, and a cumbersome bureaucracy. The World Bank granted Ethiopia $450 million for post-war reconstruction, and the EU was an equally large contributor of development aid in 2003.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Ethiopia's gross domestic product (GDP) was estimated at $46 billion. The per capita GDP was estimated at $700. The annual growth rate of GDP was estimated at 7.3%. The average inflation rate in 2001 was 6.8%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 52% of GDP, industry 11%, and services 37%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $53 million or about $1 per capita and accounted for approximately 0.8% of GDP. Foreign aid receipts amounted to about $16 per capita and accounted for approximately 17% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $87. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 9%. The richest 10% of the population accounted for approximately 33.7% of household consumption and the poorest 10% approximately 3.0%. It was estimated that in 1996 about 64% of the population had incomes below the poverty line.

[21]LABOR

Government estimates in 1998 indicated that about 26 million Ethiopians were economically active. This figure is subject to fluctuation because of the seasonal nature of much of the activity. In 1999, about 85% of the total were engaged in agriculture and livestock raising. In 1997, about 34,570 persons were classified as unemployed.

The 1993 Labor Law provides workers with the right to form and join unions and engage in collective bargaining. This right excludes many categories of employment, including teachers and civil servants. The right of workers to strike (and the employer's right to lockout) is also somewhat restricted. Both sides must seek conciliation efforts, provide 10 days' notice and give reasons for the strike or lockout. The government may refer labor disputes to arbitration, which is binding on the parties. About 300,000 workers, or over 90% of the wage-earning labor force, are unionized.

The legal minimum age for employment is 14, with special provisions for these workers up to age 18. However, child labor is widespread, especially in the informal economy. This is exacerbated by the fact that the minimum wage was $15 a month in 2002.

[22]AGRICULTURE

It has been estimated that nearly 70% of Ethiopia's land mass is cultivable, yet only 11% of the land is under cultivation and permanent crops. Agricultural and pastoral pursuits supported over 80% of the population and formed 52% of the GDP in 2001. Subsistence farming and livestock grazing, both inefficient, are the rule. Field crops account for 40% of gross agricultural output, cash crops for 20%, and livestock for the rest.

The coffee variety known as arabica may have originated in Ethiopia, and the word coffee is derived from Kaffa (Kefa), the region in the southwest that is still the largest coffee-producing area of the country. Coffee is the most valuable cash export crop, accounting for 10% of foreign exchange earnings. Coffee production was an estimated at 226,000 tons in 2001–2002, the highest in Africa. Qat, the leaves from a shrub that are used to make tea and which have a mild narcotic effect, is another important cash export crop.

The most commonly produced cereal is teff (Eragrostis abyssinica), which is used to make the Ethiopian unleavened bread called injera. Corn and barley are the next most important grains, with an annual gross production of at least one million tons each. Sorghum, wheat, millet, peas, beans, lentils, and oilseeds are produced in substantial quantities; sugarcane and cotton are also grown. Production in 1999 included corn, 2,840,000 tons; wheat, 1,150,000 tons; sorghum, 1,340,000 tons; barley, 970,000 tons; dry beans, 102,000 tons; potatoes, 370,000 tons; yams, 267,000 tons; millet, 381,000 tons; and raw sugar, 275,000 tons.

The agricultural sector suffered severe damage from the civil war and its aftermath. Forced recruitment into the military led to a shortage of farm labor. Reforms aimed at introducing market-based incentives have been implemented, including freeing agricultural marketing and farm labor hiring practices. Emergency provisions of seeds, fertilizer, and other inputs have

also been vital in rebuilding Ethiopia's agriculture. Since 1999, however, the border war with Eritrea and reduced harvests have caused Ethiopia to rely heavily on food donations from international organizations in order to ward off starvation.

[23]ANIMAL HUSBANDRY

Ethiopia has the largest livestock population in Africa, and this subsector accounts for 40% of gross agricultural output. In normal years, animal husbandry provides a living for 75% of the population. The number of cattle (zebu type) was estimated at 35.4 million in 2001; about three-fifths of them primarily work animals. The country lacks facilities for fattening cattle brought in to slaughter, an adequate veterinary service, and breeding herds. Meat production was estimated at 548,000 tons in 2001. Milk production from cows was an estimated 1,450,000 tons in 2001; from sheep, 28,600 tons; and from goats, 17,100 tons. The number of sheep and goats was estimated at 11.4 million and 9.6 million, respectively, but periodic drought may have made the actual number much lower. The number of horses was estimated at 1,254,000, mules at 630,000, donkeys at 3,414,000, and camels at 326,000. These were primarily pack animals.

Hides and skins constitute the country's second-largest export item and generally command high prices on the world market. In 1999, production of cattle hides was 56,000 tons; sheepskins, 14,000 tons; and goatskins, 13,000 tons. In 2001, Ethiopia produced 28,000 tons of honey, more than any other nation in Africa.

[24]FISHING

With the secession of Eritrea, Ethiopia lost access to an estimated 1,011 km (628 mi) of Red Sea coastline. In 1992, the Ethiopian and provisional Eritrean governments agreed to make Assab a free port for Ethiopia. Most Ethiopians do not eat seafood; hunting and fishing accounts for only a tiny fraction of the GDP. The catch was 10,414 tons in 1997, up from 5,318 tons in 1994.

[25]FORESTRY

In the 1930s, more than 30% of Ethiopia consisted of forests, but that total has fallen to 13%. Boswellia and species of commiphora produce gums used as the basis for frankincense and myrrh, respectively. A species of acacia is a source of gum arabic. Eucalyptus stands, introduced in the 19th century, are a valuable source of firewood, furniture, and poles. Roundwood production was an estimated 89.9 million cu m (3.2 billion cu ft) in 2000; all but 2.5 million cu m (88 million cu ft) was for fuel.

[26]MINING

Mining and quarrying accounted for less than 1% of GDP, which grew by 7.9% in 2001, 5.4% in 2000, and 6.3% in 1999, and was expected to grow a further 5.8% and 6% in the following two fiscal years. Little of Ethiopia's expected mineral potential has been exploited, although foreign investment was increasing. Gold was the third-leading export commodity in 2002—5,200 kg mined in 2001, up from 2,500 in 1998 and 848 kg in 1990. Midroc Gold planned to start underground operations and to make upgrades to its processing plant at the Lega Dembi mine in 2001 that would increase gold production capacity from 2,800 kg per year to 4,700. Cement was the most important mineral industry in value and quantity. Also mined in limited quantities in 2001 were brick clay, kaolin, (China clay), common clays, columbium (niobium), diatomite, feldspar, semiprecious gemstones (fire opal, amethyst, peridot, rose quartz), gypsum and anhydrite, lignite, lime, pumice, rock salt, scoria, natural soda ash, stone, sand and gravel (crushed construction stone, dimension stone, granite, limestone, silica sand), talc, tantalum, and silver and platinum contained in gold ingots. Substantial iron ore deposits were discovered in the Welega region in 1985. Other undeveloped resources included copper, semiprecious gemstones (agate, aquamarine, chalcedony, chrysoprase, emerald, garnet, jasper, obsidian, ruby, sapphire, spinel), manganese, molybdenum, mercury, nickel, palladium, platinum, rhodium, tungsten, zinc, apatite, bentonite, dolomite, potash, and quartz sand. Expected improvements in the general economic situation and the need to rebuild infrastructure were likely to increase demand for building materials and the viability of Eritrea's metals and industrial minerals deposits.

[27]ENERGY AND POWER

The Finchaa River Dam at the head of Lake T'ana, the largest hydroelectric project in the country, was officially inaugurated in November 1974. This plant was built at a cost of about $40 million and had an installed generating capacity of 84 MW and a potential annual output of approximately 532 million kWh. A 152-MW station at Malka Wekana on the Wabi Shebelle River, funded by the former USSR and Czechoslovakia, was constructed in the 1980s. Three hydroelectric plants in the Awash River Basin date from the 1960s. By 1980, most public power-generating sources, including all major hydroelectric plants, were part of three regional power grids.

As of 2001, expansion of the Finchaa Dam and completion of the Tis Abay 2 project were expected to increase the country's generating capacity by 25%. In addition, the Gilgel Gibe hydroelectric plant, expected to be operational by mid-2003, would add another 184 MW of capacity. A 300-MW facility was also planned for Tekeze. In 2001 fewer than half the towns in Ethiopia had electricity. Production of electricity totaled 1,630 million kWh in 2000, and nearly 100% of that amount was hydroelectric. Consumption in the same year was 1.5 billion kWh. Total installed capacity in 2001 was 529 MW. Ethiopia has vast untapped geothermal power sources.

Petroleum consumption was an estimated 22,000 barrels per day in 2000. In 1997, due to high maintenance and operating costs, Eritrea and Ethiopia agreed to shut down their joint operations at the petroleum refinery at Assab and import refined petroleum products. In 2001 Ethiopia signed an agreement to import petroleum products from Sudan. Ethiopia has few proven hydrocarbon reserves but is estimated to have considerable potential for oil and gas exploration. A $1.4 billion Ethiopian-US joint venture agreement was signed in 1999 to develop a gas field in the Ogaden Basin. The project would include a 603-km (375-mi) pipeline, a refinery, and facilities to produce synthetic fuels and petrochemical products.

[28]INDUSTRY

While Ethiopia's industrial sector engages primarily in food processing, it also produces sugar, alcohol and soft drinks, cigarettes, cotton and textiles, footwear, soap, ethyl alcohol, and quicklime. Cement production is also significant. Industrial facilities are concentrated around Addis Ababa, depend heavily on agricultural inputs, and primarily serve the domestic market.

Since 1991, privatization of Ethiopia's industry has been a major objective of the government. In 1995, the government established the Ethiopian Privatization Agency to help privatize companies. By 1999, about 180 government enterprises had been privatized, including Pepsi-Cola and Coca-Cola bottling plants, the St. George Brewery, and the Lega Dembi Gold Mine. Other companies for sale included the Kenticha Tantalum Mine, the Calub Gas Company, and the Wonji-Shoa Sugar Factory, hotels, tanneries, textile mills, and garment factories.

Ethiopia has few proven oil and natural gas reserves, although the potential of these industries is seen as promising. Hydrocarbon exploration began in the Ogaden Basin in the 1920s, and in 1994, the World Bank approved a $74 million loan to develop natural gas fields in the Ogaden Basin. As of 2002, there were plans to build an oil refinery.

One of the key components of Ethiopia's industrial success is its access to ports. Two-thirds of Ethiopia's goods passed through the Eritrean port of Assab prior to the 1998–2000 border war. Ethiopia subsequently shifted its trade to Djibouti, but Port Sudan and Berbera in Somaliland were targeted as future outlets for trade.

[29]SCIENCE AND TECHNOLOGY

Scientific societies and research institutes in Addis Ababa include the Association for the Advancement of Agricultural Sciences in Africa, the Desert Locust Control Organization for Eastern Africa, the Ethiopian Mapping Authority, the Ethiopian Medical Association, the Ethiopian Institute of Geological Surveys, the Geophysical Observatory, the National Herbarium, the Institute of Agricultural Research, and the International Livestock Center for Africa. Another Institute of Agricultural Research is located in Sidamo. The University of Addis Ababa, founded in 1950, maintains faculties of science, technology, and medicine, a college of agriculture, and a school of pharmacy. The Alemaya University of Agriculture, founded in 1952, has faculties of agriculture and forestry and a division of natural and social sciences. Also in Ethiopia are the Jimma Junior College of Agriculture and the Polytechnic Institute at Bahir-Dar. In 1987–97, science and engineering students accounted for 26% of college and university enrollments.

[30]DOMESTIC TRADE

Addis Ababa is the paramount commercial and distribution center. Most of the economy is monetary, but transactions are still conducted by barter in some of the more isolated rural sectors. Underdeveloped transportation systems prohibit domestic trade, particularly in agriculture. As of 2001, about 75% of all farms were more than half a day's walk from the nearest all-weather road. Even so, about 80% of the work force is employed in agriculture, which accounts for about 52% of the GDP. The 1999-2000 war with Eritrea and recurring droughts have severely effected the economy. Growth in the industrial sector has been further prohibited by the land tenure system, through which the government owns and leases all land.

In general, business hours are from 8:30 or 9 AM to 1 PM and from 2PM to 5 or 6 PM, Mondays through Fridays. Shops are open until 8 PM. The national language, Amharic, is spoken along with English, the second official language. Credit cards are not widely accepted.

[31]FOREIGN TRADE

Coffee exports generate more than half of Ethiopia's export returns (53%), but the country's coffee production only accounts for 2.2% of the world's coffee exports. Leather, animal hides, and skins also bring in export revenues (9.9%). Other agricultural products, including vegetables, oil seeds, and cotton reflect the remainder of major exports (10%).

Ethiopia is heavily dependent on imported manufactures. Machinery, petroleum, and petroleum products represent the leading import items. In 2000 Ethiopia's imports were distributed among the following categories:

Consumer goods	12.0%
Food	5.9%
Fuels	20.1%
Industrial supplies	27.6%
Machinery	18.3%
Transportation	14.9%
Other	1.2%

Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Germany	94	65	29
Japan	56	103	-47
Saudi Arabia	39	21	18
Italy	32	112	-80
Switzerland	29	10	19
United States	18	61	-43
France	14	40	-26
United Kingdom	10	55	-45
India	8.	66	-58
Yemen	6	241	-235
China (inc. Hong Kong)	n.a.	97	n.a.

[32]BALANCE OF PAYMENTS

Ethiopia's balance of payments has been significantly affected by weather conditions, terms of trade, and emergency drought relief efforts provided by the international community.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Ethiopia's exports was $442 million while imports totaled $1.54 billion resulting in a trade deficit of $1.098 billion.

The International Monetary Fund (IMF) reports that in 2001 Ethiopia had exports of goods totaling $433 million and imports totaling $1.63 billion. The services credit totaled $523 million and debit $526 million. The following table summarizes Ethiopia's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-477**
Balance on goods	-1,193
Balance on services	-3
Balance on income	-32
Current transfers	751
Capital Account	**...**
Financial Account	**-140**
Direct investment abroad	...
Direct investment in Ethiopia	...
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	61
Other investment liabilities	-200
Net Errors and Omissions	**-52**
Reserves and Related Items	**565**

[33]BANKING AND SECURITIES

All banking institutions were nationalized after the government's formal Declaration of Socialism on 20 December 1974. The country's three private commercial banks were placed under the management of the National Bank of Ethiopia (NBE) and, in 1981, under the state-owned Commercial Bank of Ethiopia (established in 1963), which had 170 branches and $3 billion in total assets as of July 1999. It also holds $1.4 in deposits. Other banks included the Agricultural and Industrial Development Bank and the Housing and Savings Bank. A proposal to deregulate the banking sector, giving greater autonomy to the NBE, was introduced by the Council of Ministers in September 1993. Legislation allowing for the establishment of private banks and insurance companies; but not the privatization of existing institutions, or the foreign ownership of such companies; was passed in January 1994. The first private bank, Awash International, started operations at the end of 1994, and had eight branches by 1999. Five other private banks have opened, including Dashen Bank, The Bank of Abyssinia, Wegagen Bank, NIB International, and United Bank. There are no securities exchanges, and Ethiopians are legally barred from acquiring or dealing in foreign securities. A private-sector initiative plans to

establish a market for buying and selling company shares by 2000.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $1.4 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $2.8 billion.

[34]INSURANCE

In January 1976, the 13 insurance companies operating in Ethiopia were nationalized and fused into an inclusive national insurance organization, the Ethiopian Insurance Corp. In 1994, the insurance industry was deregulated. Seven private insurance companies opened between 1994 and 1997: United, Africa, Nile, Nyala, Awash, National, and Global.

[35]PUBLIC FINANCE

The Ethiopian fiscal year begins 8 July, in the Ethiopian month of Hamle. Ethiopia's public finances are under great budgetary pressure, as years of war and poverty have taken a heavy toll on the countryside, population, and infrastructure.

The US Central Intelligence Agency (CIA) estimates that in 2002 Ethiopia's central government took in revenues of approximately $1.8 billion and had expenditures of $1.9 billion including capital expenditures of $600 million. Overall, the government registered a deficit of approximately $100 million. External debt totaled $5.3 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**1,800**
Tax revenue	59.6%	1,073
Non-tax revenue	28.2%	508
Capital revenue	8.1%	146
Grants	4.1%	73
EXPENDITURES	**100.0%**	**1,961**
General public services	5.7%	109
Defense	33.0%	627
Public order and safety	4.3%	81
Education	13.1%	249
Health	4.9%	93
Social security	1.6%	30
Housing and community amenities	2.0%	39
Recreation, cultural, and religious affairs	0.9%	17
Economic affairs and services	29.2%	555
Other expenditures	0.8%	14
Interest payments	7.7%	147

[36]TAXATION

Many business and personal income tax rates from the former government were still in effect in 1993, ranging from 10% of monthly incomes to 85%. A 40% income tax was levied on royalties, and a 2% ad valorem turnover tax on domestic sales. On 1 January 2003, Ethiopia replaced its sales tax with a value-added tax (VAT) set at a standard rate of 12%. Exempt from the VAT were food and pharmaceuticals.

[37]CUSTOMS AND DUTIES

The primary purpose of the tariff system is to provide revenues rather than to protect Ethiopian industry or to prohibit the importation of certain commodities. However, there are restrictions on importing certain goods that compete with domestically produced goods. There are ten excise tax brackets, ranging from 10% for textiles and electronics to 200% for alcoholic beverages. Imports of certain agricultural and industrial tools and parts and many raw materials are duty-free. Sales tax rates are 4% for essential items and 12% for all other goods. Tariff reductions in 1997 targeted imported goods that helped exports. These ranged from 0% to 50% and the average at 20%, but there were plans to reduce the maximum tariff to 30% and the average rate to 17–18%. There are no free trade zones, but a transshipment port is available in Djibouti.

[38]FOREIGN INVESTMENT

Since May 1991, the climate for foreign investment has improved dramatically. Private investment policies are more liberal, commercial performance standards have been applied to public enterprises, tax and tariffs have been reformed, and the currency has been devalued by 58%. The devaluation was the policy action required for the rescheduling of Ethiopia's foreign debt in 1992. Foreign exchange is now auctioned.

In 1996, a revised investment proclamation was approved that created additional incentives for foreign investors. Major provisions included duty-free entry of most capital goods and a cut in the capital gains tax from 40 to 10%. In addition, the government opened a number of previously closed sectors of the economy to foreign investment, although financial services, large-scale power production, telecommunications, and other public utilities remain off limits. Official estimates are that as of June 1996, 52 foreign investors had been given licenses. In 1998, amendments to the 1996 investment proclamation allowed Ethiopian expatriates and permanent residents the ability to invest in industries that had previously been reserved for nationals only.

The inflow of foreign direct investment (FDI) peaked in 1997 at $288.5 million and has declined sharply since. In 2000, FDI inflow was $134 million and in 2001, only $19 million.

[39]ECONOMIC DEVELOPMENT

The policy of the Ethiopian government is to create the conditions necessary for sustained economic growth. Farmers have reacquired the economic freedom of price, of production, and of settlement. The government aspires to an agriculture-led industrialization and focuses its attention on food security, rural savings, and labor formation issues. The government holds all land and issues long-term leases to tenants. The 1996 economic reform plan promoted free markets and liberalized trade laws as essential to economic growth. Increased military expenditures during 1999 and 2000 largely due to the war with Eritrea threatened stability.

Ethiopia's per capita income is the second lowest in the world, according to the International Monetary Fund (IMF), at about $100. In 2001, Ethiopia reached its decision point under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative, and was to receive $1.9 billion in debt relief. Also in 2001, Ethiopia negotiated a three-year $115 million Poverty Reduction and Growth Facility (PRGF) Arrangement with the IMF, due to expire in March 2004. Although there was a bumper crop in 2000–01, the prices of coffee and cereals fell in 2001–02, and agricultural output was lower. Since July 2002, a severe drought affected Ethiopia; over 15 million people in Ethiopia and Eritrea alone were at risk of starvation in 2003.

[40]SOCIAL DEVELOPMENT

Other than modest government allocations for pensions, labor and social welfare for public employees, Ethiopia has no comprehensive public welfare or social security programs. Retirement is set at age 55 for public employees. Retired employees receive 30% of their average monthly salary during the last three years of employment. Most of the population depends on subsistence agriculture in deprived rural areas and therefore falls outside the scope of this limited retirement system.

Women have traditionally been restricted to subordinate roles in society. In rural areas, women are burdened with most of the strenuous agricultural and domestic work, while in urban areas, women are limited in their job opportunities. The civil code discriminates against women in family law and property issues. Domestic abuse is pervasive; societal norms inhibit most women from seeking intervention from the authorities. Young women are still abducted for the purpose of marriage. The majority of girls are subject to female genital mutilation.

Human rights abuses persist, including arbitrary arrests, lengthy pretrial detention, and mistreatment of prisoners. However, the government encourages international human rights groups to send observers.

[41] HEALTH

The availability of modern health services has been greatly extended since 1960, but these services still reach only a small portion of the population. Free medical care for the needy was introduced in 1977; however, in 1993, only 55% of the population had access to health care services. Ethiopia built a new hospital at Gore and a 500-bed hospital in Harer was completed. The tuberculosis center in Addis Ababa was expanded and five new leprosariums were built in the provinces. Mental hospitals were built in Harer and Asmera and the one in Addis Ababa was renovated. As of 1999, there were fewer than 0.05 physicians per 1,000 people, and 0.2 hospital beds.

The wars, drought, political turmoil, and population pressures of the 1970s and early 1980s left their mark on the Ethiopian health situation. Between 1974 and 1992, there were 575,000 war-related deaths. Hundreds of thousands of Ethiopians died during a famine in 1973 and as many as 1 million may have died between 1983 and 1985. In 1990–98, only 4% of women used any form of contraception. The fertility rate in 2000 was 5.6. Average life expectancy in 2000 was estimated at only 42 years; infant mortality was estimated at 98 per 1,000 live births.

Widespread diseases include malaria, tuberculosis, syphilis, gonorrhea, leprosy, dysentery, and schistosomiasis. In 2000, 24% of the population had access to safe drinking water and 15% had adequate sanitation. In 1999, there were 373 reported cases of tuberculosis per 100,000 people. In 1997, Ethiopia made an effort to vaccinate children up to one year old against tuberculosis, 90%; diphtheria, pertussis, and tetanus, 63%; polio, 64%; and measles, 52%. As of 2000, an estimated 51% of all children under five years old were moderately or severely malnourished. Public health care expenditures in 1999 were estimated at 4.1% of GDP.

At the end of 2001 the number of people living with HIV/AIDS was estimated at 2.1 million (including 6.4% of the adult population) and deaths from AIDS that year were estimated at 160,000. HIV prevalence in 1999 was 10.63 per 100 adults as of 1999.

Ethiopia is one of several African countries in which female genital mutilation is performed. About 90% of all Ethiopian women undergo the ritual; in 1994 an estimated 23.9 million women had this procedure. No specific law in the country prohibits it.

[42] HOUSING

Except in Addis Ababa, Harer, Dire Dawa, and a few other urban centers, most houses are built of mud or mortar and have thatched or tin roofs. In the rural areas the traditional thatched hut (tukul) is still the most common dwelling. As of the mid-1980s, over two-thirds of all housing units were constructed of wood and mud, and a lesser number of wood and thatch. Housing shortages and overcrowding were still major concerns as of 2000. It has been estimated that 89% of the population is living in substandard housing. Homelessness is a big problem in urban areas; it has been estimated that 80% of the residents in Addis Ababa are homeless or in substandard housing.

Housing development and finance are the joint responsibility of the Ministry of Housing and Urban Development and the Housing and Savings Bank, which was established in November 1975. The government has developed the Ethiopian Housing Cooperative to encourage Ethiopia emigrants to return and build homes.

[43] EDUCATION

Prior to 1974, Ethiopia had an estimated illiteracy rate well above 90% and compared poorly with the rest of Africa in the provision of schools and universities. After the 1974 revolution, emphasis was placed on increasing literacy in rural areas. Practical subjects were stressed, as was the teaching of socialism. Education received roughly 13% of the national budget in 1992. By 1995 the rate of illiteracy had dropped substantially to 64.5%. Projected adult illiteracy rates for the year 2000 stand even lower at 61.3% (males, 56.1%; females, 66.6%). As of 1999, public expenditure on education was estimated at 4.3% of GDP.

Public education is compulsory and free at the primary level. In 1997, elementary schools had a total enrollment of 4,007,694 pupils in 10,256 schools with 92,775 teachers. At the secondary level in 1997, there were 889,650 pupils with 25,402 teachers. As of 1999, 31% of primary-school-age children were enrolled in school. Addis Ababa University (formerly Haile Selassie I University) has extension centers in Alemaya, Gonder, Awasa, Bahir-Dar, and Debre Zeyit. The University of Asmera is a Roman Catholic institution. In 1997, post-secondary institutions had a total of 42,226 pupils.

[44] LIBRARIES AND MUSEUMS

The Addis Ababa University Library contains 550,000 volumes. The National Library, established in 1944, holds 164,000 volumes. The Alemaya University of Agriculture in Dire Dawa holds 47,000 volumes. The first children's library in Ethiopia opened in 2003 in Addis Ababa.

Addis Ababa is home to the National Museum, which houses a general collection of regional archaeology, history, and art; the Ethnographic Museum at the Institute of Ethiopian Studies, which includes collections of religious art, musical instruments, and ancient coins; the archaeological museum; the Natural History Museum; the Museum at the Holy Trinity Church; and the War Museum. There are regional museums in Harar, Makale, Wollamo Sodo, and Yirgalem. Many provincial monasteries and churches, as well as municipal authorities, maintain collections of documents, art, and antiquities.

[45] MEDIA

All telephone and telegraph facilities are owned by the government and operated by the National Board of Telecommunications. The principal population centers are connected with Addis Ababa by telephone and radio circuits, and there is an earth-satellite station. In 2000 there were 231,900 mainline telephones in use as well as 17,800 cellular phones.

Radio and television stations are run by the government. The Voice of Ethiopia radio service broadcasts mostly on AM in Amharic, but also in English, French, Arabic, and local languages. Ethiopian Television broadcasts about four hours daily. In 2001 there were eight radio stations and one television station. In 2000 there were 189 radios and 6 television sets for every 1,000 people. Internet access is limited, with one service provider serving 20,000 users in 2002.

The two major daily newspapers (with estimated 2002 circulations) are *Addis Zeman* (40,000; Amharic) and the *Ethiopian Herald* (37,000; English), both published by the government at Addis Ababa. There are also several weeklies published by the government. There are about 28 private

Amharic-language weeklies and 1 independent Tigrinya-language weekly. Most independently owned newspapers are printed at government-owned presses.

All newspapers are strictly censored by the Ministry of Information and National Guidance. A 1992 Press Law, along with the constitution of Ethiopia, provide for free speech and a free press. The government is reported to use legal mechanisms to repress press rights in practice.

[46]ORGANIZATIONS

Since the 1974 revolution, peasants' and urban dwellers' associations, encouraged by the government, have been the chief voluntary societies. Ethiopia has a national chamber of commerce as well as regional and local ones. Trade unions are encouraged and supported through the Confederation of Ethiopian Trade Unions.

The Institute of Ethiopian Studies promotes interest and research in the nation's history and culture. The Ethiopian Youth League is a primary organization promoting education and job training. The National Union of Eritrean Youth and Students serves as an umbrella organization that develops local youth groups interested in promoting traditional culture and values. The Ethiopian Scouts Association is also active. The African Center for Women is a multinational organization encouraging women's participation in development programs and providing various educational and training programs.

[47]TOURISM, TRAVEL, AND RECREATION

All visitors except Kenyan nationals must have a visa. Travelers arriving from an infected area must have proof of yellow fever inoculation. The chief tourist attractions are big-game hunting, early Christian monuments and monasteries, and the ancient capitals of Gonder and Aksum. There are seven national parks. In 2000, there were 135,954 international tourist arrivals, with receipts from international tourism at $68 million. That year there were 6,499 hotel rooms with 9,406 beds. In 2002, the US Department of State estimated the cost of staying in Addis Ababa at about $204 per day, depending upon the choice of hotel. Elsewhere in Ethiopia, daily expenses can be about $70.

[48]FAMOUS ETHIOPIANS

The most famous Ethiopian in national legend is Menelik I, the son of the Queen of Sheba and King Solomon, regarded as the founder of the Aksumite Empire. This tradition is contained in the *Kebra Negast*, or *Book of the Glory of Kings*. The most famous Christian saint of Ethiopia is Frumentius of Tyre (b.Phoenicia, d.380?), the founder of the Ethiopian Church. The 15th-century composer Yared established the Deggua, or liturgical music, of the Ethiopian Church. A 13th-century monarch, Lalibela, is renowned for the construction of the great monolithic churches of Lasta (now called Lalibela). Emperor Amda-Seyon I (r.1313–44) reestablished suzerainty over the Muslim kingdoms of the coastal lowland regions. During the reign of King Zar' a-Ya'qob (1434–68), a ruler renowned for his excellent administration and deep religious faith, Ethiopian literature attained its greatest heights. Emperor Menelik II (1844–1913) is considered the founder of modern Ethiopia. Emperor Haile Selassie I (1891–1975) was noted for his statesmanship and his introduction of many political, economic, and social reforms. Lt. Col. Mengistu Haile Mariam (b.1937) led the 1974 coup and was head of state from 1977 to 1991.

[49]DEPENDENCIES

Ethiopia has no territories or colonies.

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FRENCH AFRICAN DEPENDENCIES

MAYOTTE

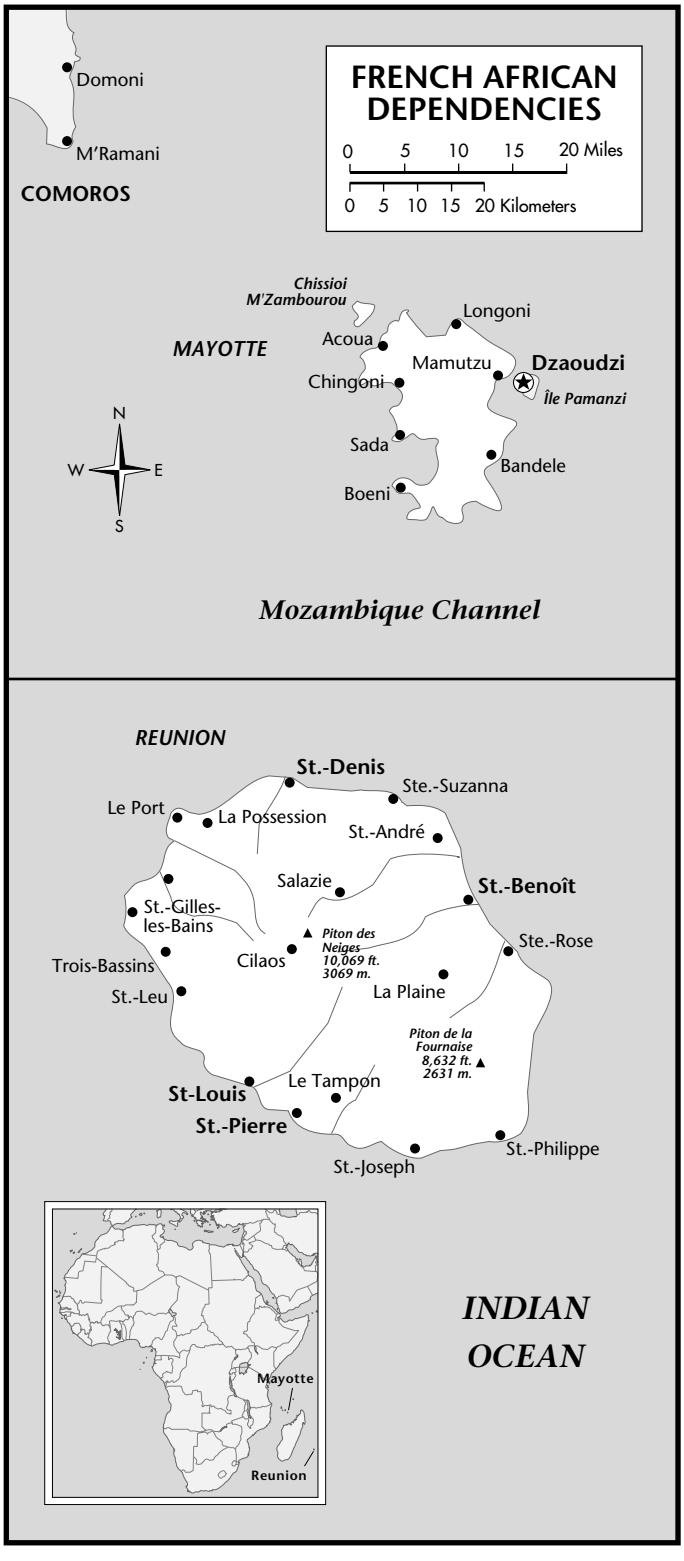
Mayotte, the southernmost of four main islands in the Comoros Archipelago, with an area of 374 sq km (144 sq mi), lies in the Mozambique Channel about 480 km (300 mi) NW of Madagascar, at 12° 49′ S and 45° 17′ E. Mayotte is surrounded by a coral reef, which encloses the islets of M'Zambourou (Grand Terre) and Pamanzi. Beyond the island's coastal plain, a plateau reaches heights of 660 m (2,165 ft). The average daily high is 32° C (90° F); the average low is 17° C (63° F). Average annual precipitation is about 124 cm (49 in). The population was estimated at 170,879 in mid-2002; about 97% of the population was Muslim. Vanilla, ylang-ylang (perfume essence), coffee, and copra are among the leading agricultural products.

The island of Mayotte was originally ceded to France by its Malagasy ruler in 1843. Together with the other Comoro Islands, which became French colonies in 1912, it was attached to the French overseas territory of Madagascar until 1946, when the islands were given separate status within the French Republic. Mayotte is the only island in the Comoro chain that, by popular vote, chose to retain its link with France instead of joining an independent Comoro Islands state. This choice, indicated in the referendum of 22 December 1974, was confirmed in a separate referendum for Mayotte, conducted on 8 February 1976, when 99.4% favored remaining within France. The French vetoed a UN Security Council resolution of 7 February 1976 declaring the referendum "aggression" against the sovereignty and territorial integrity of the Comoros, which continues to claim the island. On 11 April, in a further referendum, 97.5% of those casting valid ballots (80% of the ballots were blank or declared invalid) voted for abandonment of the status of overseas territory; the vote was interpreted as indicating that Mayotte wished to become a French overseas department. The UN General Assembly called for incorporation of Mayotte within the Comoros on 21 October. Special status as a French "territorial collectivity," allowing for Mayotte eventually to become either an overseas department or independent, was conferred by the French government on 1 December 1976 and, as of 2003, was still in effect. France maintains a naval base at Dzaoudzi. The last elections were held in October 2000, with the next scheduled for 2003. The Mahoran Popular Movement (Mouvement Populaire Mahorais—MPM) favors French departmental status. Mayotte is represented by one deputy in the French national assembly; in the elections held 16 June 2002, the deputy represented the UMP-RPR party. Mayotte also elects one member to the French senate; the elections are held every six years, with the next shceduled for September 2007.

RÉUNION

Réunion, about 675 km (420 mi) E of Madagascar in the Indian Ocean, is the largest island in the Mascarene Archipelago. Réunion lies between 20° 52′ and 21° 22′ S and between 55° 13′ and 55° 50′ E, is 55 km (34 mi) long and 53 km (33 mi) wide, and has a coastline of 207 km (129 mi). It has an area of 2,510 sq km (969 sq mi).

Volcanic in origin, Réunion is mountainous, with 10 peaks—one of them, Piton de la Fournaise, still an active volcano—rising



above 2,600 km (8,500 ft). The highest, Piton des Neiges, has an altitude of 3,069 m (10,066 ft). Rosewood, ebony, ironwood, and other tropical hardwoods are represented in the forests near the coast. Torrential rivers are numerous. The mean annual temperature is 23° C (73° F) at sea level, but the climate, generally tropical, varies with orientation and altitude. The east coast receives almost daily precipitation, totaling some 350 cm (140 in) annually, but on the north coast, annual rainfall is only about half that. Cyclones, which threaten from December to April, have devastated Réunion several times. The tropical cyclone monitoring center at Saint-Denis serves the entire Indian Ocean area. Sea fauna is rich and varied.

The population was estimated to be 743,981 in mid-2002. One-fourth of the islanders are of French origin, including those in the military; Réunion is the headquarters for French military forces in the Indian Ocean area. As of 1995, about 86% of the population was Roman Catholic, with the remainder practicing Hinduism, Islam, or Buddhism.

There are about 2,724 km (1,703 mi) of roads, about 1,300 km (810 mi) of which were paved as of 2002. Only the sugar plantations have functioning rail service. Pointe des Galets is the chief port, Saint-Pierre the main fishing port. Air France maintains a service from Gillot-Sud Airfield, near Saint-Denis, to Madagascar, and there are regular steamer services.

Réunion had 268,500 main telephone lines and 197,000 mobile cellular telephones in service in 2000. As of 2001, there were 35 television stations, 2 AM, and 55 FM radio stations. The newspapers *Journal de l'Île de la Réunion, Quotidien de la Réunion,* and *Témoignages* are published daily.

At the time of its discovery on 9 February 1513 by the Portuguese explorer Pedro de Mascarenhas, Réunion was uninhabited. A few French colonists came in the 16th century to Bourbon Island, as it was then known. It was settled by the French as a penal colony in the early 17th century, and in 1665, it became an outpost of the French East India Company. Coffee, and after 1800 sugarcane, helped make the colony relatively prosperous. French immigration continued from the 17th to the 19th century, supplemented by influxes of Negroes, Malays, Indochinese, Chinese, and Malabar Indians. The island received its present name in 1793. With the mid-19th century came a decline in Réunion's prosperity: slavery was abolished in 1848, and the opening of the Suez Canal in 1869 cost the island its importance as a stopover on the East Indies route.

An overseas department of France since 1946, and elevated to regional status in 1973, Réunion is represented in the French parliament by five deputies and three senators. Local administration is patterned on that of metropolitan France. There are a regional council of 45 elected members and a general council of 49. Elections were scheduled for 2004.

The GDP was estimated at US$3.4 billion in 1998, or US$4,800 per capita. Sugarcane, vanilla, tobacco, tropical fruit, vegetables, and corn are the primary agricultural products. Sugarcane is an important crop, accounting for up to 63% of exports. In addition to sugar, rum and molasses, perfume essences, and lobster are among the exports. Manufactured goods, food, beverages, tobacco, machinery and transportation equipment, raw materials, and petroleum products are the main imports.

The monetary units are the euro and the French franc. Approximately three-quarters of exports and two-thirds of imports are traded with France. Exports totaled $214 million in 1997; imports totaled $2.5 billion.

The infant mortality rate was 8.31 deaths per 1,000 live births in 2002, up from 6.9 per 1,000 live births in 1999, but still an improvement over the rate 13 per 1,000 live births in the mid-1980s. The Université de la Réunion is in Saint-Denis.

In 1968, certain islands that had previously been administered from Madagascar, and later by the French Southern and Antarctic Territories, were placed under the direct administration of the commissioner residing in Saint-Denis. Europa Island (22° 21′ S and 40° 21′ E), in the Mozambique Channel about 340 km (210 mi) west of Madagascar, is heavily wooded and has a meteorological station and airstrip. Bassas da India (21° 27′ S and 39° 45′ E), in the Mozambique Channel, is a volcanic rock 2.4 m (8 ft) high, surrounded by reefs, which disappears under the waves at high tide. Juan de Nova (also known as Saint-Christophe, at 17° 3′ S and 42° 43′ E), also in the Mozambique Channel, about 145 km (90 mi) west of Madagascar, is exploited for its guano and other fertilizers. The Glorioso Islands (Îles Glorieuses), in the Indian Ocean 213 km (132 mi) northwest of Madagascar, at about 11° 34′ S and 47° 17′ E, consist of Grande Glorieuse, the Île du Lyse, and three tiny islets, the Roches Vertes; principal products are coconuts, corn, turtles, and guano. Tromelin Island (15° 53′ S and 54° 31′ E) has an important meteorological station.

GABON

Gabonese Republic
République Gabonaise

CAPITAL: Libreville

FLAG: The flag is a tricolor of green, golden yellow, and royal blue horizontal stripes.

ANTHEM: *La Concorde (Harmony)*.

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr), which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. The CFA franc is issued in coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs, and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Day of Renewal, 12 March; Labor Day, 1 May; Africa Freedom Day, 25 May; Assumption, 15 August; Independence Day, 17 August; All Saints' Day, 1 November; Christmas, 25 December. Movable religious holidays include Easter Monday, Ascension, Pentecost Monday, 'Id al-Fitr, and 'Id al-'Adha'.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the west coast of Africa and straddling the equator, Gabon has an area of 267,667 sq km (103,347 sq mi), extending 717 km (446 mi) NNE–SSW and 644 km (400 mi) ESE–WNW. Comparatively, the area occupied by Gabon is slightly smaller than the state of Colorado. It is bordered on the N by Cameroon, on the E and S by the Republic of the Congo (ROC), on the W by the Atlantic Ocean, and on the NW by Equatorial Guinea, with a total boundary length of 3,436 km (2,135 mi), of which 885 km (550 mi) is coastline.

Gabon's capital city, Libreville, is located on the country's northwestern coast.

[2]TOPOGRAPHY

Rising from the coastal lowlands, which range in width from 30 to 200 km (20 to 125 mi), is a band more than 96 km (60 mi) wide forming a rocky escarpment, which ranges in height from 450 to 600 m (1,480 to 1,970 ft). This plateau covers the north and east and most of the south. Rivers descending from the interior have carved deep channels in the face of the escarpment, dividing it into distinct blocks, such as the Crystal Mountains (Monts de Cristal) and the Chaillu Massif. There are mountains in various parts of Gabon, the highest peak being Mt. Iboundji (1,575 m/5,167 ft). The northern coastline is deeply indented with bays, estuaries, and deltas as far south as the mouth of the Ogooué River, forming excellent natural shelters. Farther south, the coast becomes more precipitous, but there are also coastal areas bordered by lagoons and mangrove swamps. Virtually the entire territory is contained in the basin of the Ogooué River, which is about 1,100 km (690 mi) long and navigable for about 400 km (250 mi). Its two major tributaries are the Ivindo and the Ngounié, which are navigable for 80–160 km (50–100 mi) into the interior.

[3]CLIMATE

Gabon has the moist, hot climate typical of tropical regions. The hottest month is January, with an average high at Libreville of 31°C (88°F) and an average low of 23°C (73°F). Average July temperatures in the capital range between 20° and 28°C (68° and 82°F). From June to September there is virtually no rain but high humidity; there is occasional rain in December and January. During the remaining months, rainfall is heavy. The excessive rainfall is caused by the condensation of moist air resulting from the meeting, directly off the coast, of the cold Benguela Current from the south and the warm Guinea Current from the north. At Libreville, the average annual rainfall is more than 254 cm (100 in). Farther north on the coast, it is 381 cm (150 in).

[4]FLORA AND FAUNA

Plant growth is rapid and dense. About 85% of the country is covered by heavy rain forest. The dense green of the vegetation never changes, since the more than 6,000 species of plants flower and lose their leaves continuously throughout the year according to species. Tree growth is especially rapid; in the more sparsely forested areas, the trees tower as high as 60 m (200 ft), and the trunks are thickly entwined with vines. There are about 300 species of trees. In the coastal regions, marine plants abound, and wide expanses are covered with tall papyrus grass.

Most tropical fauna species are found in Gabon. Wildlife includes elephants, buffalo, antelope, situtungas, lions, panthers, crocodiles, and gorillas. There are hundreds of species of birds.

[5]ENVIRONMENT

Gabon's environmental problems include deforestation, pollution, and wildlife preservation. The forests that cover 78% of the country are threatened by excessive logging activities.

Gabon's coastal forests have been depleted, but there is a reforestation program, and most of the interior remains under dense forest cover. There are two national parks and four wildlife reserves in which hunting is banned. Altogether, 2.7% of Gabon's total land area is protected. Pollution of the land is a problem in Gabon's growing urban centers due to industrial and domestic contaminants. Gabon's cities produce 0.1 million tons of solid waste annually. The nation's water is affected by pollutants from the oil industry. Gabon has 164 cubic kilometers of renewable

water resources. About 47% of the country's rural dwellers and 95% of its urban population have pure drinking water. As a result of population expansion accompanied by an increased demand for meat, poaching has become a significant threat to the nation's wildlife. As of 2001, 12 of Gabon's 190 species of mammals were endangered. Four bird species in a total of 466 were also endangered along with two types of reptiles. About 78 of Gabon's 6,000-plus plant species were threatened with extinction. Gabon has the world's largest gorilla population.

[6]POPULATION

The population of Gabon in 2003 was estimated by the United Nations at 1,329,000, which placed it as number 146 in population among the 193 nations of the world. In that year approximately 6% of the population was over 65 years of age, with another 40% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.79%, with the projected population for the year 2015 at 1,645,000. The population density in 2002 was 5 per sq km (12 per sq mi). Most of the people live on the coast or are concentrated along rivers and roads; large areas of the interior are sparsely inhabited.

It was estimated by the Population Reference Bureau that 81% of the population lived in urban areas in 2001. The capital city, Libreville, had a population of 523,000 in that year. Another major center is Port-Gentil, with about 164,000 inhabitants. According to the United Nations, the urban population growth rate for 2000–2005 was 3.1%.

[7]MIGRATION

Because of its limited population and booming economy, Gabon relies heavily on laborers from other African nations, including Benin, Cameroon, Equatorial Guinea, Mali, and Senegal. About 100,000–200,000 non-Gabonese Africans are believed to be in Gabon, many of them from Equatorial Guinea or Cameroon. Foreigners make up at least 20% of the population in Gabon.

In addition to some 1,500 urban refugees, Gabon has received two waves of refugees from the Republic of Congo. The first group, mainly government officials, arrived in 1997 following the departure of President Lissouba; the second group, comprised of several thousand refugees, arrived in 1999 as a result of continued fighting in the Congo.

The total number of migrants in Gabon in 2000 numbered 250,000, including 18,000 refugees. In 2000, the net migration rate was 4.3 per 1,000 population, down from 7.9 per 1,000 in 1990. The government views the migration levels as too high.

[8]ETHNIC GROUPS

There are at least 40 distinct tribal groups in Gabon. The Pygmies are said to be the original inhabitants. Only about 3,000 of them remain, scattered in small groups in the heart of the forest. The largest tribal group, the Fang (about 30% of the population), came from the north in the 18th century and settled in northern Gabon. In the Woleu-Ntem part of Gabon, their direct descendants may be found almost unmixed with other Bantu ethnic strains. The Nzebi, Obamba, Eshira, Bapounou, and Batéké are other major groups. Smaller groups include the Omyènè, a linguistic group that includes the Mpongwe, Galoa, Nkomi, Orungu, and Enenga; these peoples live along the lower Ogooué, from Lambaréné to Port-Gentil. The Kota, or Bakota, are located mainly in the northeast, but several tribes have spread southward; they are well known for their carved wooden figures. Other groups include Vili and the Séké. These other African groups and Europeans number about 154,000, including 6,000 French and 11,000 persons of dual nationality.

[9]LANGUAGES

French is the official language of the republic. The Fang language is spoken in northern Gabon, and other Bantu languages (Myene, Batéké, Bapounou/Eschira, Bandjabi) are spoken elsewhere in the country.

[10]RELIGIONS

About 73% of the total population are Christian, with a majority of the country being Roman Catholic. About 12% are Muslim and about 10% practice traditional indigenous religions exclusively. It is believed that a large number of Christians and Muslims incorporate some elements of traditional religions within their practice. These statistics include noncitizens, which make up about 20% of the total population. Most of the total Muslims are foreigners.

[11]TRANSPORTATION

Until the 1970s, Gabon had no railroads. A 936-km (582-mi) railroad construction program, the Trans-Gabon Railway, began in October 1974. In its first stage, completed in 1983, the project linked the port of Owendo with the interior city of Booué (332 km/206 mi) at a cost of CFA Fr227 billion, plus CFA Fr98 billion for related infrastructure. The second stage, completed in December 1986, links Booué with Franceville (357 km/222 mi) via Moanda, thus facilitating exports of manganese from the southeast and forestry exploitation in the same region. A proposed third stage would continue the line from Booué to Belinga in the northeast, where there are iron ore deposits. As of 2002, Gabon State Railways totaled 649 km (403 mi) of standard-gauge track.

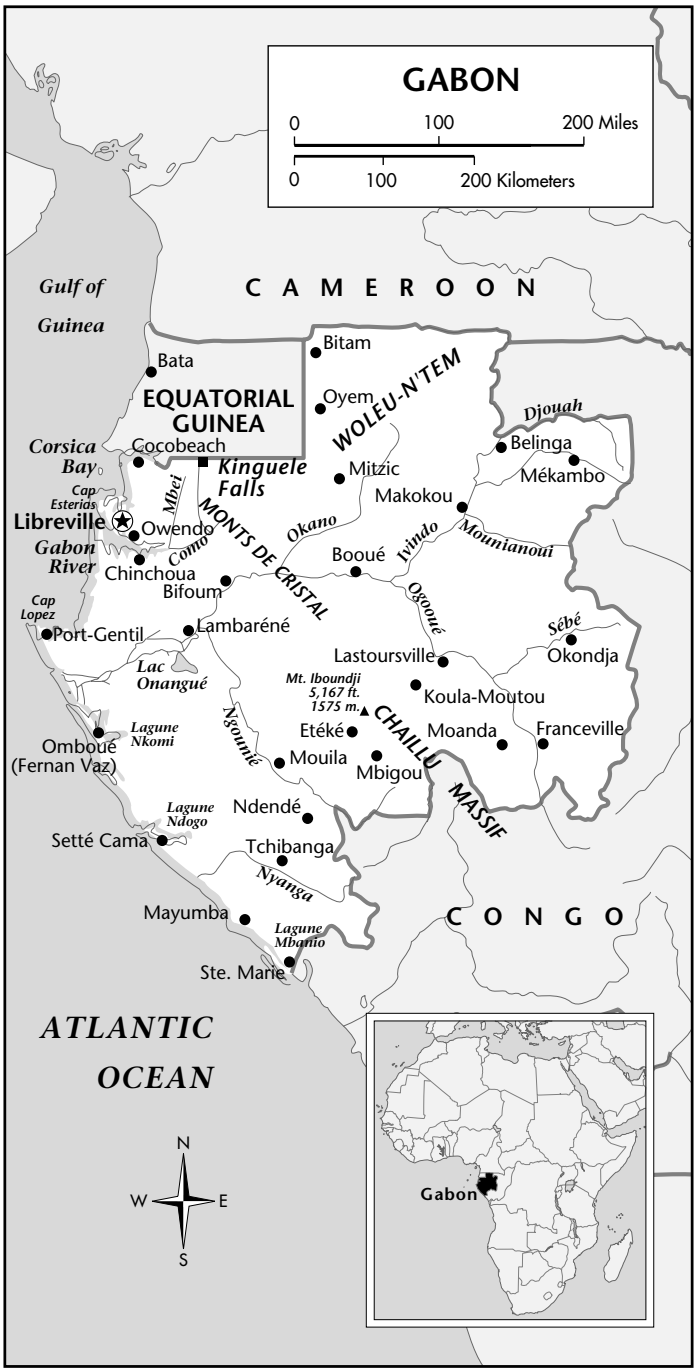
Main roads connect virtually all major communities, but maintenance work is difficult because of heavy rainfall. In 2002, the road network comprised 8,454 km (5,253 mi), of which 838 km (521 mi) were paved, including 30 km (19 mi) of expressways. A north-south road runs the length of the country, from Bitam to Ndendé. This main north-south link continues into Cameroon in the north and the Congo in the south. An east- west road connects Libreville and Mékambo. Farther south, another road runs from Mayumba to Lastoursville and Franceville. In 1995 there were about 23,000 automobiles and 10,000 commercial vehicles in use.

The busiest ports are Port-Gentil, the center for exports of petroleum products and imports of mining equipment, and Owendo, a new port that opened in 1974 on the Ogooué estuary, 10 km (6 mi) north of Libreville. Owendo's capacity, initially 300,000 tons, reached 1.5 million tons in 1979, when the port was enlarged to include timber-handling facilities. The smaller port at Mayumba also handles timber, and a deepwater port is planned for the city. In 1998, Gabon's merchant marine owned 2 vessels totaling 13,613 GRT. As of 2002, there was no merchant marine. Gabon has 1,600 km (994 mi) of perennially navigable waterways.

Gabon had 59 airports in 2001, 10 of which had paved runways. There are 3 international airports: Libreville (Leon M'Ba), Port-Gentil, and Franceville. Air Gabon is the national airline, serving European, West and Central African, and domestic destinations. Numerous other airlines also provide international flights. Air Affaires Gabon handles scheduled domestic service. In 2001, 373,900 passengers were carried on scheduled domestic and international airline flights.

[12]HISTORY

Bantu peoples began to migrate to what is now Gabon from Cameroon and eastern Nigeria at least 2,000 years ago. The Portuguese sighted the coast as early as 1470 and gave Gabon its name because the shape of the Rio de Como estuary reminded them of a "gabao," a Portuguese hooded cloak. The Portuguese



LOCATION: 2°19′ N to 3°55′ S; 9°18′ to 14°32′ E. BOUNDARY LENGTHS: Cameroon, 302 kilometers (188 miles); Republic of the Congo, 1,656 kilometers (1,029 miles); Atlantic coastline, 739 kilometers (459 miles); Equatorial Guinea, 386 kilometers (240 miles). TERRITORIAL SEA LIMIT: 12 miles.

founded permanent outposts, notably at the mouth of the Ogooué River, and their missionaries followed shortly. After the Portuguese, the region was visited by the English, Dutch, and French. During the 17th century, the great French trading companies entered the slave trade. French Jesuit missionaries were active along the coast during this period, and their influence eventually extended to the powerful native kingdoms inland.

The abolition of the slave trade by France in 1815 ruined many merchants but did not end French interest in the Gabon coast. French vessels were entrusted to prevent the illegal slave trade, and the search for new products for trade led to French occupation of the coastal ports. In 1839, the French concluded a treaty with Denis, the African king whose authority extended over the northern Gabon coast, by which the kingdom was ceded to France in return for French protection. A similar treaty gained France much of the southern coast below the Ogooué, and gradually other coastal chiefs accepted French control. The present capital, Libreville ("place of freedom"), was founded in 1849 by slaves who had been freed from a contraband slave runner.

French explorers gradually penetrated the interior after 1847. During 1855–59, Paul du Chaillu went up the Ogooué River, where he became the first European to see a live gorilla. He was followed by the Marquis de Compiègne, Alfred Marche, and other explorers, who mapped out its tributaries. Pierre Savorgnan de Brazza explored almost the entire course of the river during 1876–78. In 1880, he founded Franceville. In 1885, the Congress of Berlin recognized French rights over the right bank of the Congo, an area that Brazza had explored extensively. In 1890, Gabon formally became a part of French Congo. It was separated into a district administrative region in 1903 and in 1910 was organized as a separate colony, part of French Equatorial Africa. In 1940, Free French forces ousted the Vichy government from Gabon.

Léon Mba and Jean-Hilaire Aubame were the early leaders of the independence movement in Gabon, but their political inclinations were different. Mba led the Gabon Democratic Bloc; Aubame led the Gabonese branch of the Party of African Reunion. The latter actively sought the formation of federal, supranational groupings in Africa, whereas the former was strongly opposed to such associations. Underlying the attitude of Mba was the belief that Gabon, having the richest economic potential in the region, would end up supporting its poorer neighbors in any federal system.

In a referendum on 28 September 1958, the territory of Gabon voted to become an autonomous republic within the French Community. On 19 February 1959, a constitution was adopted, and a provisional government headed by Mba became the first official government of Gabon. Independence was formally proclaimed on 17 August 1960.

On 12 February 1961, Mba was elected president of the republic, heading a government of national union in which Aubame served as foreign minister. Friction continued between Mba and Aubame, however, and after several years of political maneuvering, Aubame led a successful coup d'état on 18 February 1964. Mba was reinstated on the very next day through French military intervention, as provided for by a treaty signed between the Mba government and the French in 1960.

Mba created the post of vice president in February 1967, and at his death on 28 November of that year, power was transferred peacefully to his vice president, Albert-Bernard Bongo. On 12 March 1968, Bongo announced the formal institution of a one-party system and the creation of the Gabon Democratic Party (PDG) as the country's sole legal political organization. He was reelected without opposition in 1973, 1979, and 1986. (It was announced in 1973 that Bongo had taken the name of Omar and converted to Islam.)

During the 1970s and early to mid-1980s, the exploitation of Gabon's valuable natural resources progressed rapidly, and in 1975, the country became a full member of OPEC. In 1986, depressed oil prices caused a sharp decline in oil earnings, resulting in severe austerity measures in 1986 and 1987.

These austerities in the face of Bongo's ostentations led to internal pressures for reform in the late 1980s. In 1989, Bongo began talks with some elements of the underground Movement for National Recovery (MORENA). This divided MORENA, but it failed to stem the emergence of new movements calling for the establishment of multiparty democracy.

In March–April 1990, Gabon convened a national political conference to discuss changes to the political system. The PDG and 74 other organizations attended, essentially dividing into two loose coalitions, the ruling PDG and its allies, and the United Front of Opposition Associations and Parties. The conference approved sweeping reforms, including the creation of a national senate, decentralization of the budgetary process, and freedom of assembly and press. However, the killing of an opposition leader on 23 May 1990 led to riots in Port-Gentil and Libreville, which required France to send troops to protect its expatriates and corporate property.

Multiparty legislative elections were held in September–October 1990, but they were filled with violence and suspected fraud. Opposition parties had not yet been declared formally legal. In January 1991, the Assembly passed by unanimous vote a law legalizing opposition parties. Throughout 1991 and 1992, there was endemic unrest, government clamp-downs, and economic disruption. Still, the PDG reaffirmed its commitment to multiparty democracy. On 5 December 1993, multiparty presidential elections confirmed Bongo, who ran as an independent against Father Paul Mba Abessole, as president with 51% of the vote. Opposition parties protested the result and forced a postponement of the 26 December 1993 legislative elections. International observers complained of widespread procedural irregularities but found no evidence of deliberate fraud. Independent observers, however, have reported a governmental policy of limitations on freedoms of speech, press, association and assembly, and the harassment of its critics.

Paul Mba Abessole, angry at the outcome, announced the formation of a rival government dedicated to new presidential elections, the restoration of peace, and the maintenance of national unity. The rival administration was supported by a High Council of the Republic, later called the High Council of Resistance, composed mostly of defeated presidential candidates.

Bongo was harshly critical of the opposition government and appealed to its members to join his government in a show of unity. In January 1994, Gabon's Constitutional Court ruled that the elections had been fair. Civil unrest continued, however, as the country suffered from the devaluation of the CFA franc. Trade union demands for higher salaries led Bongo to impose a curfew, ostensibly to quell labor unrest but he also ordered security forces to destroy a radio transmitter operated by his political opponents and to attack a leading opposition figure's private house. The labor unrest lasted less than a week, but resulted in between 9 and 68 deaths, depending on whose figures are to be believed.

Negotiations on the creation of a unified government were held throughout 1994 to little effect. In September, the Organization for African Unity sponsored multilateral talks in Paris, which finally resulted in a tentative power-sharing agreement among Bongo's PDG and the main opposition parties. Legislative elections, which had been postponed in December 1993, were rescheduled for 1995 and Bongo agreed to bring opposition party members into a new government. The agreement essentially fell apart, however, when Bongo gave only 6 of 27 ministries to opposition members. At least two opposition members refused to participate in the government. By mid-1995, Bongo formed a functioning government with a modicum of opposition representation.

In July 1996, the Gabonese overwhelmingly approved a new constitution, calling for, among other things, a 91-member Senate. Legislative elections were held in December of that year, fully three years after they were scheduled. The PDG won a substantial majority (85 of 120 seats). When elections for the Senate were held in January and February 1997, the PDG again emerged as the dominant party, winning 54 of the 91 seats.

Opposition parties declared Paul Mba Abessole, head of the National Rally of Woodcutters (RNB), the real winner and they attempted to set up a rival government. In 1998 Omar Bongo was reelected president for a seven-year term winning 66.6% of the votes with Pierre Mamboudou of UPG as a distant second (16.5% of the votes) and Paul Mba Abessole (RNB) a distant third (13.4% of the votes).

In 2002 Bongo announced his decision to set aside 10% of the country to protect its ecosystems as part of the Congo Basin Initiative. He also closed three newspapers after they reported allegations of corruption in his government. His appointment in January 2003 of Paul Mba Abessole to the post of third deputy prime minister suggested a pragmatic attempt to co-opt the opposition. Bongo was expected to run for another term in 2005.

13 GOVERNMENT

Gabon is a parliamentary democracy with a presidential form of government. Elected for a seven-year term by direct universal suffrage, the president, who is chief of state, appoints the prime minister, who in consultation with the president, selects and may dismiss members of the Council of Ministers. In 1967, the constitution was modified to provide for the election of a vice president, but in 1975, the office was abolished and replaced by that of a prime minister. In 1983, the constitution was amended officially to declare Gabon a one-party state. However, opposition parties were legalized in 1991.

The bicameral legislature consists of the Senate comprising 91 members who are elected by members of municipal councils and departmental assemblies. The National Assembly or Assemblée Nationale has 120 members who are elected by direct, popular vote to serve five-year terms. Legislation may be initiated by the president or by members of the assembly. The president may dissolve the assembly and call for new elections within 40 days and may also prorogue the body for up to 18 months. Legislation is subject to presidential veto and must then be passed by a two-thirds vote to become law. The voting age is 18.

14 POLITICAL PARTIES

When Gabon became independent in 1960, there were two major political parties. The Gabon Democratic Bloc (Bloc Démocratique Gabonais—BDG), led by Léon Mba, was an offshoot of the African Democratic Rally (Rassemblement Démocratique Africain), created by Félix Houphouet-Boigny of Côte d'Ivoire. The Gabon Democratic and Social Union (Union Démocratique et Sociale Gabonaise—UDSG), led by Jean-Hilaire Aubame, was affiliated with the Party of African Reunion (Parti de Regroupement Africain), an international movement created by Léopold-Sédar Senghor of Senegal. In the first elections after independence, neither party won a majority in the Assembly, and in the elections held in 1961, the leaders of the two parties agreed upon a single list of candidates; this joint list polled 99% of the votes. Mba became president and Aubame became minister of foreign affairs in a "government of national amity." This government lasted until February 1963, when the BDG element forced the UDSG members to choose between a merger of the parties and resignation from the government. The UDSG ministers all resigned, but Aubame was later appointed president of the newly created Supreme Court. He resigned from this post in December 1963 and resumed his seat in the National Assembly.

In January 1964, Mba dissolved the Assembly and called for new elections on 23 February 1964. The UDSG was unable to present a list of candidates that would meet the electoral law, and when it seemed that the BDG list would be elected by default, the Gabonese military revolted and toppled the Mba government in a bloodless coup led by Aubame on 18 February 1964. French military forces intervened and reestablished the Mba government on 19 February. In the parliamentary elections held on 12 April 1964, the BDG list won 31 seats; the reorganized opposition gained 16 seats.

Another election was held in March 1967, in which Mba was reelected president and Albert-Bernard Bongo was elected vice president. Mba died on 28 November 1967, and Bongo became president on 2 December of that year. On 12 March 1968, the Democratic Party of Gabon (Parti Démocratique Gabonais—PDG), headed by Bongo, became the sole political party. On 25 February 1973, President Bongo was elected to his first full seven-year term. On 30 December 1979, Bongo was reelected with 99.85% of the more than 700,000 votes cast, a total that exceeded by far the number of registered voters. He was reelected again on 9 November 1986, reportedly receiving all but 260 of 904,039 votes cast. The single list of PDG National Assembly candidates was elected in February 1980, although independents were also allowed to run. In 1985, the list consisted of all PDG members, chosen by party activists from 268 nominated; only 35 incumbent deputies were retained. Thirteen women were elected. In 1983, three generals were elected to the central committee of the PDG, the first such admission of the military into high party ranks.

The Movement for National Reform (Mouvement de Redressement National—MORENA), an opposition group, emerged in 1981 and formed a government in exile in 1985. A number of persons were sentenced to long jail terms in 1982 for alleged participation in MORENA. All were released by mid-1986. In 1989, Bongo began talks with elements within MORENA, playing on division within their ranks. The resulting split ushered in the Rassemblement National des Bûcherons, National Rally of Woodcutters (RNB), and the MORENA-Original or Fundamental.

Emerging from the legalization of opposition party activity in March 1991 was the Association for Socialism in Gabon (APSG), the Gabonese Socialist Union (USG), the Circle for Renewal and Progress (CRP), and the Union for Democracy and Development (UDD).

Legislative elections were held in 1991, just prior to the legalization of political parties; the resulting National Assembly was constituted as follows: PDG, 64; Gabonese Party for Progress (PGP), 19; RNB, 17; MORENA-Originals, 7; Socialists, 9; others, 2. Presidential and legislative elections were scheduled for 1993, but only the presidential ballot was held, on 5 December. Protests over the fairness of the presidential election caused the government to postpone legislative elections.

Elections were delayed several times over the next three years, but were finally held on 15 and 29 December 1996, resulting in a National Assembly comprised as follows: PDG, 85; PGP, 10; RNB, 7; Circle of Liberal Reformers (CLR), 7; Socialists, 2. Elections for the newly created Senate were held on 19 January and 23 February 1997, resulting in a 91-seat chamber situated as follows: PDG, 54; RNB, 19; PGP, 4; Republican and Democratic Alliance, 3; CLR, 1; Rally for Democratic Progress, 1; independents, 9; 2 seats undeclared.

National Assembly elections were last held on 9 and 23 December 2001 with the resulting composition: PDG 86, RNB-RPG 8, PGP 3, ADERE 3, CLR 2, PUP 1, PSD 1, independents 13, others 3. Next Assembly elections are scheduled for 2006, and Senate elections for 2004.

[15]LOCAL GOVERNMENT

Gabon is divided into nine provinces, administered by governors, which are subdivided into 37 prefectures, headed by prefects. There are eight separate sub-prefectures, governed by sub-prefects. These officers are directly responsible to the government at Libreville and are appointed by the president. In some areas, the traditional chiefs still retain power, but their position has grown less secure.

[16]JUDICIAL SYSTEM

The civil court system consists of three tiers: the trial court, the appellate court, and the Supreme Court. The Supreme Court has three chambers: judicial, administrative, and accounts. The 1991 constitution, which established many basic freedoms and fundamental rights, also created a Constitutional Court, a body which considers only constitutional issues, and which has demonstrated a good degree of independence in decision-making. Some of its decisions on election freedoms were integrated into the electoral code of 1993, which formed the framework for the first multi-party presidential election held that year. In July 1995, the agreements to reform electoral procedures and to assure greater respect for human rights were approved by a national referendum.

The judiciary also consists of a military tribunal, which handles offenses under military law, a state security court (a civilian tribunal), and a special criminal court for cases of fraud and corruption involving government officials. There is no longer recognition of traditional or customary courts, although village chiefs continue to engage in informal dispute resolution.

The constitution provides for the right to a public trial and the right to counsel, but there is no right to a presumption of innocence. In addition, although the constitution ensures protection from arbitrary interference with privacy and correspondence, search warrants are easily obtained from judges, sometimes after the fact. A significant deterrent to political treason is the weak independence of the judiciary in state security trials where the influence of the executive may be of some import. The State Security Court, last convened in 1990, is constituted by the government to consider state security matters.

[17]ARMED FORCES

In 2002, Gabon maintained active armed forces numbering some 4,700 personnel. The army numbered 3,200 including the Presidential Guard. The navy consisted of 500 sailors with 5 vessels. The air force of 1,000 personnel commanded 10 combat aircraft and 5 armed helicopters. Paramilitary forces consisted of a gendarmerie of 2,000. France maintained a battalion of 750 marines in Gabon. Defense spending was estimated at $70.1 million in 2001, or 2% of GDP.

[18]INTERNATIONAL COOPERATION

Gabon was admitted to UN membership on 20 September 1960, and it has become a member of ECA and all the non-regional specialized agencies. Gabon is also a member of the African Development Bank, G-77, the AU, the ACP, and the WTO, and a signatory to the Law of the Sea. The OAU summit conference was held in Libreville in 1977. Together with the Central African Republic, the Congo, Chad, and Cameroon, it forms the UDEAC, a customs union in which merchandise, property, and capital circulate freely. Libreville is the headquarters for the 12-member African Timber Organization of timber exporters and for the Economic Community of Central African States, consisting of the UDEAC countries and five others. Gabon left OPEC in June 1996.

[19]ECONOMY

Gabon's per capita income is over four times that of most sub-Saharan African countries. Over 50% of Gabon's GDP comes from petroleum and mining production. The petroleum industry generates 80% of export earnings and more than 50% of government revenues. The manufacturing sector accounts for 60% of GDP overall and services account for 30%. Inefficient parastatal enterprises restrain private sector growth. Gabon received close to 22% of its total revenues from state-owned enterprises and government ownership of property in 2000. As of

2003, fewer than 10 state-owned enterprises had been completely privatized since 1997.

Gabon imports the majority of its food; it is densely forested and only a fraction of the arable land is cultivated. Yet, in 2002, 60% of its population gained their livelihood in the agricultural sector, where the staple food crops are cassava, plantains, and yams.

Gabon's cash crops are palm oil, cocoa, coffee, and sugar. Palm oil is the most important of the four. The coffee sector was hard hit in the 1980s by low world prices and lower producer prices; coffee prices strengthened again in the mid-1990s but sank again in the early 2000s. Gabon is self-sufficient in sugar, which it exports to the United States and other countries. Rubber production has been promoted in recent years.

Rich in resources, Gabon is a country that realized growth rates of 9.5% in the 1970s and early 1980s before succumbing to oil-price instability and international borrowing. In 1986 Gabon saw its GDP drop by half after a dramatic fall in the world price for oil. The economy suffered a second dramatic shock in 1994 when France suddenly devalued the CFA franc, causing its value to drop in half overnight. Immediately, prices for almost all imported goods soared as the inflation rate shot up to 35%. In the face of dramatically escalating prices, uncertainty and anger led petroleum workers to strike for a doubling of their wages. The government reacted by imposing a national "state of alert." Lootings and burnings were reported as government troops tried to silence opposition parties. High inflation was short-lived as the government's tight monetary policy helped reduce inflation to 11% in 1995 and 1.5% in 2001. Unfortunately, because there is little value-added to Gabon's exports (oil and minerals), the devaluation has not helped Gabon's economy, which continues to post growth rates of between 1–2%.

Content to remain dependent on oil and its other primary product exports, the government has not taken the steps necessary to diversify the economy. High labor costs, an unskilled workforce, and poor fiscal management continue to inhibit economic growth. In 2000, the government signed an agreement with the Paris Club to reschedule its official debt; however, because the country's per capita income is higher than the eligibility levels set by the World Bank/IMF Heavily Indebted Poor Countries Initiative, it was unlikely to qualify for debt relief under that program in 2003.

[20] INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Gabon's gross domestic product (GDP) was estimated at $6.7 billion. The per capita GDP was estimated at $5,500. The annual growth rate of GDP was estimated at 2.5%. The average inflation rate in 2001 was 1.5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 10% of GDP, industry 60%, and services 30%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $2 million or about $2 per capita. Foreign aid receipts amounted to about $7 per capita.

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $1,974. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 2%. Approximately 40% of household consumption was spent on food, 9% on fuel, 3% on health care, and 7% on education.

[21] LABOR

The labor force numbered approximately 600,000 in 2002. Of these workers, 60% were engaged in agriculture, 25% in government and services, and the remaining 15% in industry and commerce. In 1997 the unemployment rate was estimated at 21%.

In 1992, the former monopoly of the Gabonese Labor Confederation (COSYGA) was abolished and disassociated from the ruling Democratic Party of Gabon. COSYGA's main union competitor is the Gabonese Confederation of Free Unions (CGSL). Since the 1990 National Conference, many small company-based unions have been started, resulting in sporadic and often disruptive strikes. Almost all private sector workers are union members. Workers have the right to strike provided that attempts at arbitration have failed and 8 days notice of the intent to strike is given. The government observes the resolution of labor disputes and takes an active interest in labor-management relations. Unions in each sector of the economy negotiate with employers over pay scales, working conditions, and benefits.

As of 2002, the minimum wage was the equivalent of $61 per month. This wage does provide a decent living for a worker and family, although many Gabonese earn significantly more. The minimum working age is 16 and in the case of Gabonese children this law is rigorously enforced. However, there have been reports that the children of the many foreign workers in Gabon work at much younger ages. The Labor Code provides many protections for workers, including a 40-hour workweek with a minimum rest period of 48 uninterrupted hours.

[22] AGRICULTURE

Since independence, the dominant position of the petroleum sector has greatly reduced the role of agriculture. Only 1.8% of the total land area is estimated to be under cultivation, and agriculture contributes only about 8% of the GDP on the average. In 2001, agricultural imports by Gabon accounted for nearly 18% of all imports. Gabon relies heavily on other African states and Europe for much of its food and other agricultural needs. Until World War II (1939–45), agriculture was confined primarily to subsistence farming and the cultivation of such crops as manioc, bananas, corn, rice, taro, and yams. Since independence there has been an intensive effort to diversify and increase agricultural production. Experimental stations and demonstration farms have been set up, and cooperatives have been established by consolidating rural communities. However, agriculture received low priority until the 1976–81 development plan, and laborers prefer to seek employment in urban areas. The development of agriculture and small business has been hindered by a lack of international competition. Another problem is lack of transportation to markets.

In 1999, Gabon produced about 225,000 tons of cassava, 150,000 tons of yams, 61,000 tons of other roots and tubers, 280,000 tons of plantains, 35,000 tons of vegetables, and 31,000 tons of corn. Sugarcane production was about 173,000 tons. Cocoa is the most important cash crop; production in 1999 was 1,000 tons.

A state-owned 7,500-hectare (18,500-acre) palm oil plantation near Lambaréné began production in 1986. Palm oil production was 6,000 tons in 1999. A 4,300-hectare (10,600-acre) rubber project was being developed; rubber production in 1999 was 11,000 tons.

[23] ANIMAL HUSBANDRY

Animal husbandry is limited by the presence of the tsetse fly, though tsetse-resistant cattle have recently been imported from Senegal to a cattle project. In 2001 there were an estimated 213,000 hogs, 198,000 sheep, 90,000 goats, 36,000 head of cattle, and three million chickens. In an effort to reduce Gabon's

reliance on meat imports, the government set aside 200,000 hectares (494,000 acres) in Gabon's unpopulated Savannah region for three ranches at Ngounie, Nyanga, and Lekabi. Currently, however, frozen imports are the most important source of beef, costing four times less than locally produced beef. Poultry production satisfies about one-half of Gabon's consumption demand. Typical annual production of poultry amounts to 3,900 tons.

[24]FISHING

While there have been recent improvements in the fishing industry, it is still relatively undeveloped. Traditional fishing accounts for two-thirds of total catch. The waters off the Gabonese coast contain large quantities of fish. Gabonese waters are estimated to be able to support an annual catch of 15,000 tons of tuna and 12,000 tons of sardines. The fishing fleet was formerly based chiefly in Libreville. A new fishing port, however, was built at Port-Gentil in 1979. Port-Gentil is now the center of operations for the industrial fleet. Plans for a cannery, fish-meal factory, and refrigerated storage facilities are underway. The total catch in 2000 was 47,470 tons, 80% from the Atlantic. By international agreement and Gabonese law, an exclusive economic zone extends 200 mi off the coast, which prohibits any foreign fishing company to fish in this zone without governmental authorization. However, since Gabon has no patrol boats, foreign trawlers (especially French and Spanish) often illegally capture tuna in Gabonese waters.

[25]FORESTRY

Gabon's forests, which cover an estimated 77% of its land surface, have always supplied many of the necessities of life, especially fuel and shelter. The forests contain over 400 species of trees, with about 100 species suitable for industrial use. Commercial exploitation began as early as 1892, but only in 1913 was okoumé, Gabon's most valuable wood, introduced to the international market. Forestry was the primary source of economic activity in the country until 1968, when the industry was supplanted by crude oil as an earner of foreign exchange. Gabon is the largest exporter of raw wood in the region, and its sales represent 20% of Africa's raw wood exports. Forestry is second only to the petroleum sector in export earnings, at $332.6 million in 2000. Gabon's reserves of exploitable timber include: okoumé, 100 million cu m; ozigo, 25–35 million cu m (882 million–1.2 billion cu ft); ilomba, 20–30 million cu m (706–1,060 million cu ft); azobe, 15–25 million cu m (530–882 million cu ft); and padouk, 10–20 million cu m (350–706 million cu ft).

Gabon supplies 90% of the world's okoumé, which makes excellent plywood, and also produces hardwoods, such as mahogany, kevazingo, and ebony. Other woods are dibetou (tigerwood or African walnut), movingui (Nigerian satinwood), and zingana (zebrano or zebrawood). Roundwood removals were estimated at 3.1 million cu m (109 million cu ft) in 2000, with 17% used as fuel wood.

Exploitation had been hampered, to some extent, by the inadequacy of transportation infrastructure, a deficiency now alleviated by the Trans-Gabon Railway and Ndjole-Bitam highway. Reforestation has been continuously promoted, and selective thinning and clearing have prevented the okoumé from being forced out by other species. Over 50 firms are engaged in exploitation of Gabon's forests. Logging concessions covering about five million hectares (12.3 million acres) have been granted by the government, with the development of the least accessible areas largely carried out by foreign firms. Traditional demand in Europe for African lumber products has declined in recent years; during the 1980s, European demand for okoumé dropped by almost one-third. Markets in Japan, Morocco, and Israel, however, have become more receptive to African imports.

[26]MINING

Gabon was the richest of the former French Equatorial African colonies in known mineral deposits. In addition to oil, which accounted for 81% of the country's exports in 2002, Gabon was a world leader in manganese. Potash, uranium, columbium (niobium), iron ore, lead, zinc, diamonds, marble, and phosphate have also been discovered, and several deposits were being exploited commercially. Ownership of all mineral rights was vested in the government, which has increased its share of the profits accruing to foreign companies under development contracts. Aside from petroleum or natural gas, mining comprised 2% of GDP in 1996.

The high-grade manganese deposits at Moanda, near Franceville, were among the world's richest. Reserves were estimated at 250 million tons with a metal content of 48%–52%. Production had been limited to a ceiling of 2.8 million tons a year, corresponding closely to the capacity of the cableway—at 76 km, Africa's longest overhead cable—used to transport the mineral to the Congo border, from where it was carried by rail to the port of Pointe Noire. The Trans-Gabon Railway provided an export outlet through the Gabonese port of Owendo. Use of the railroad has cut shipping costs by $20 million per year. Manganese was exploited by the Mining Co. of L'Ougoué (Comilog, an international consortium), which ranked among the world's lowest-cost producers. In 2000, 1.7 million tons of metallurgical-grade ore were extracted, down from 2.044 in 1998. Annual production capacity at the Moanda Mine was 2.5 million tons, with reserves estimated to last 100 years.

The Mékambo and Belinga iron fields in the northeastern corner of Gabon were ranked among the world's richest; reserves were estimated as high as 1 billion tons of ore of 60%–65% iron content, and production could reach 20 million tons a year. Although iron was discovered there in 1895, it was not until 1955 that a full-scale commercial license was issued. Exploitation still awaited the establishment of a 225 km extension of the Trans-Gabon Railroad from Booué to Belinga; construction has been considered unprofitable, because of unfavorable market conditions.

The potential for new developments in columbium, gold, manganese, and possibly phosphate suggested a continued role for mining in the economy. The lack of adequate infrastructure inhibited new grassroots exploration and remained a major constraint on development of the well-defined iron ore deposit at Belinga.

[27]ENERGY AND POWER

Gabon is the third-largest oil producer in sub-Saharan Africa. Oil prospecting began in 1931. Deposits were found on the coast or offshore in the vicinity of Libreville and Port-Gentil, in the northwestern part of the country. Later, large deposits were found in the south. Oil from the northwest is channeled by pipeline to Cape Lopez, where there are loading facilities for export. Huge additional deposits were found on Mandji Island in 1962. The massive Rabi Kounga oil field was discovered in 1985; in 1995, it was producing 230,000 barrels per day. The field contains about 440 million barrels of recoverable crude oil. Important deposits at Gamba and at Lucinda (near Mayumba) in the south are exported from terminals at the production fields. Some 80–85% of production is offshore.

Although Gabon's proven petroleum reserves rose from 1.3 billion barrels in 1996 to 2.5 billion barrels in 2002, the government is concerned about long-term depletion of resources. Total production of crude oil fell from 11,600,000 tons in 1975 to 7,600,000 tons in 1984, but had risen to 17,800,000 tons by 1995. Since then production has dropped from 362,000 barrels per day in 1998 to 326,000 barrels per day in 2000, and to 302,000 barrels per day in 2001. Gabon's production goes

primarily to Argentina, Brazil, France, the US, and, more recently, Taiwan.

Natural gas reserves were estimated at 184.1 billion cu m (6.5 trillion cu ft) in 1973 but had dwindled to an estimated 33.9 billion cu m (1.2 trillion cu ft) by the beginning of 2002. Gross production of natural gas in 2000 totaled 99 million cu m (3.5 billion cu ft), almost all of which was flared.

In 2002 there were hydroelectric stations at the Kinguélé and Tchimbélé dams on the Mbei River and at the Petite Poubara Dam, near Makokou on the Ogooué. Production and distribution of electricity are maintained by the Energy and Water Company of Gabon (SEEG), which was formed in 1963 and incorporates a number of smaller private and quasi-public entities. Production increased from 114 million kWh in 1971 to 850 million kWh in 2000, of which hydropower accounted for 70.6% and fossil fuel for 29.4%. In the same year, consumption of electricity was 790.5 million kWh. Total installed capacity was about 312,000 kW in 2001. Natural gas is the principal fuel for the thermal plants.

[28]INDUSTRY

Gabon's industry is centered on petroleum, manganese mining, and timber processing. Most industrial establishments are located near Libreville and Port Gentil. Virtually all industrial enterprises were established with government subsidies in the oil boom years of the 1970s. Timber-related concerns include five veneer plants and a large 50-year-old plywood factory in Port Gentil, along with two other small plywood factories. Other industries include textile plants, cement factories, chemical plants, breweries, shipyards, and cigarette factories. Gabonese manufacturing is highly dependent on foreign inputs, and import costs rose significantly in 1994 when the CFA franc was devalued. Increased costs and oversized capacity have made the manufacturing sector less competitive and it mainly supplies the domestic market. The government has taken steps to privatize parastatal enterprises.

Due to the fact that the Gabonese economy is dependent upon oil (crude oil accounts for 80% of the country's exports, 43% of GDP, and 65% of state revenue), it is subject to worldwide price fluctuations. Gabon is sub-Saharan Africa's third largest crude oil producer and exporter, although there are concerns that proven reserves are declining and production has declined as well. Thus the country has taken steps to diversify the economy, and to engage in further petroleum exploration. The Sogara oil refinery at Port Gentil is the sole refinery in Gabon. The country produced 302,000 barrels of oil per day in 2001, which was a decrease of 9% from 1999 production levels. Gabon's proven oil reserves were estimated at 2.5 billion barrels in 2002, and its proven natural gas reserves were estimated at 1.2 trillion cubic feet (Tcf).

[29]SCIENCE AND TECHNOLOGY

Gabon has a shortage of trained scientists and technicians and relies heavily on foreign—mostly French—technical assistance. In Libreville there are a French bureau of geological and mineral research, a technical center for tropical forestry, a research institute for agriculture and forestry, and a center for technical and scientific research. A laboratory of primatology and equatorial forest ecology is at Makokou, and an international center of medical research, concentrating on infectious diseases and fertility, is at Franceville. The University Omar Bongo, founded in 1970, has a faculty of sciences, schools of engineering and of forestry and hydraulics, and a health science center. The University of Sciences and Techniques of Masuke, at Franceville, founded in 1986, has a faculty of sciences. The Interprovincial School of Health is located in Mouila. In 1987–97, science and engineering students accounted for 29% of college and university enrollments. The African Institute of Information, at Libreville, trains computer programmers and analysts. In 1986, research and development expenditures totaled CFA Fr380 million; in 1987–97, 23 technicians and 234 scientists and engineers per million people were engaged in research and development.

[30]DOMESTIC TRADE

Most local produce is sold directly to consumers or to intermediaries at local markets in villages and towns, while imported goods are disposed of at the same time. Company agents and independent middlemen buy export crops at local markets or directly from the producers for sale to large companies. Both French and domestic companies carry on wholesale and retail trade in the larger cities. Nearly 70% of food products are imported. Large commercial companies generally sell hardware, food, clothing, tools, electrical goods, durable consumer goods, and cars. Medium-sized merchandise retail establishments are mostly operated by Syrian, Lebanese, or Asian expatriates. Small private companies are often owned by expatriates from elsewhere in West Africa and operate from market stalls. Gabonese have been trained in retailing in newly built stores. Those who qualify after training have been encouraged to buy the stores with government-sponsored loans. Advertising is carried by local newspapers, company publications, handbills, billboards, and radio and television stations.

Business hours are 8 AM–noon and 3–6 PM, Monday through Friday, and 8 AM–1 PM, Saturday. Banks are open 7:30–11:30 AM and 2:30–4:30 PM, Monday through Friday. Mainly French is spoken.

[31]FOREIGN TRADE

Gabon has a record of trade surpluses. Until the late 1960s, timber was Gabon's main export. By 1969, however, crude petroleum had become the leader, accounting for 34% of total exports. Petroleum's share increased to 40.7% in 1972 and to 81.9% in 1974; it stood at 82.5% in 1985 and hovered around 80% until 1999.

Gabon's most lucrative export commodity is crude petroleum (79%). Wood accounts for a substantial amount of export revenues (14%), as does manganese (5.0%). Most of Gabon's oil goes to the US.

In 1996 Gabon's imports were distributed among the following categories:

Consumer goods	13.5%
Food	18.2%
Fuels	3.4%
Industrial supplies	21.8%
Machinery	28.6%
Transportation	14.1%
Other	0.3%

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
United States	1,256	69	1,187
France	294	457	-163
China (inc. Hong Kong)	165	30	135
Spain	65	32	33
Japan	43	38	5
Italy	35	46	-11
Netherlands	16	53	-37
United Kingdom	8	39	-31
Cameroon	2	62	-60
Côte d'Ivoire	n.a.	82	n.a.

[32]BALANCE OF PAYMENTS

Gabon's traditionally favorable trade balance does not always result in a favorable balance on current accounts, largely because of dividend payments and other remittances by foreign

enterprises but also because of payments on large debts accumulated in the 1970s. Generally, however, an increasingly strong export performance and rising inflows of private and government capital have made Gabon's payments position one of the strongest of any African country.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Gabon's exports was $2.5 billion while imports totaled $921 million resulting in a trade surplus of $1.579 billion.

The International Monetary Fund (IMF) reports that in 1999 Gabon had exports of goods totaling $2.5 billion and imports totaling $911 million. The services credit totaled $281 million and debit $867 million. The following table summarizes Gabon's balance of payments as reported by the IMF for 1999 in millions of US dollars.

Current Account	**390**
Balance on goods	1,588
Balance on services	-586
Balance on income	-569
Current transfers	-43
Capital Account	**5**
Financial Account	**-687**
Direct investment abroad	-74
Direct investment in Gabon	-157
Portfolio investment assets	22
Portfolio investment liabilities	-1
Other investment assets	-109
Other investment liabilities	-369
Net Errors and Omissions	**-107**
Reserves and Related Items	**398**

[33]BANKING AND SECURITIES

The bank of issue is the Bank of the Central African States (Banque des Etats de l'Afrique Centrale-BEAC), the central bank for UDEAC members.

Commercial banking in Gabon is largely controlled by French and other foreign interests. At the end of 1999 there were 5 major commercial banks, including the Banque International de Commerce et d'Industrie du Gabon (BICIG, a branch of BNP France), the Union Gabonaise de Banque (UGB, a branch of Credit Lyonnais), the Banque Gabonaise et Francaise Internationale (BGFI, formerly Banque Paribas), Citibank, and The French Intercontinental Bank (FIBA).

The Gabonese Development Bank (BDG), 69% Gabonese-owned, is the nation's development bank. Other institutions concerned with development are the Credit Foncier du Gabon (CREFOGA, for housing), the Fund for Development and Expansion (FODEX, for small, to medium-sized firms), and the Banque Gabonaise de Credit Rural (loans for agriculture).

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $453.2 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $773.1 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

There is no securities market in Gabon, but in 1999, President Bongo spoke of opening a Gabon stock exchange.

[34]INSURANCE

In 1974, a national company known as SONAGAR was created, 36% owned by the government. In 1986, there were four French insurance companies represented in Gabon. As of 1995, at least ten insurance companies were doing business in Gabon.

[35]PUBLIC FINANCE

The oil sector brings in over 50% of government revenues. Government finances are generally poorly managed. Large deficits have required borrowing from foreign creditors, although the government's failure to privatize state-owned enterprises and to fully account for oil revenues has soiled its reputation with international financial institutions. After the 1994 devaluation of the currency, Gabon was forced to rescheduled its debt with the World Bank/IMF, the London Club of creditors, the African Development Bank, and the Paris Club. In April 2002, an 18-month Stand-By Arrangement with the IMF expired, without Gabon fulfilling its responsibilities.

The US Central Intelligence Agency (CIA) estimates that in 2002 Gabon's central government took in revenues of approximately $1.8 billion and had expenditures of $1.8 billion including capital expenditures of $310 million. External debt totaled $3.6 billion.

[36]TAXATION

A graduated income tax ranging from 5% to 55% is imposed on civil servants and others who are paid fixed salaries or who have sufficient income. A complementary tax is levied at 1% for incomes up to CFA FR100,000 per month and 5.5% on incomes over that figure. Additional taxes are levied on business transactions and on real property. There is a value-added tax on all goods and services at rates ranging from 5% to 14%. In April 1995, a value-added tax (VAT) was introduced, replacing three turnover taxes. The standard VAT rate in 2002 was 18%,. Other taxes include a 2.6% payroll tax, a property tax, and a financial transactions tax.

The corporate profits tax rate is 40% after deduction for business expenses. There is a 20% withholding tax on dividends. Government oil revenues are derived from royalty payments, a tax on petroleum company profits, a tax on exploration permits, and dividends paid by the petroleum companies.

[37]CUSTOMS AND DUTIES

Gabon, Cameroon, the Central African Republic, and the Congo are joined in a customs union, the Union Douanière et Economique de l'Afrique Centrale (UDEAC). Gabon is a part of the franc zone, within which goods and capital flow without obstruction.

Import duties consist of a fiscal duty applied to all goods entering the UDEAC area, whatever their origin. It averages 10–40%, although it may be as high as 100% on certain luxury items. Basic products are taxed at 7.2%, raw materials at 29.8%, food products at 53.4%, and luxury items 99.42%. There is also a customs duty, ranging from 2.5–30%, applied to all imported goods. In addition, there is an entry fee, a value-added tax (VAT) of 18% on imports, a complementary import tax, and a special fee on postal and border imports. Imports from outside the franc zone and the European Union are subject to licensing fees and prior authorization is required. Export duties and taxes are levied on specific commodities.

[38]FOREIGN INVESTMENT

Gabon has benefited from considerable private investment centered on the development of petroleum resources. French investments predominated, accounting for over 73% of foreign investment, with the United Kingdom (21%) following. Since independence, however, Gabon has sought additional sources of investment and US companies have invested in the lumber industry, oil exploration, and mining. French influence by sector is estimated at 63% in construction, 50% in petroleum, 30% in timber, 20% in chemicals, and 29% in transportation. The biggest French company in Gabon is Shell Gabon.

Gabon's investment code of 1989 gives preferential treatment with regard to taxation, duties, importation of certain equipment and raw materials, and royalties to all enterprises considered important for the development of Gabon's economy. The government reserves the right to give preferential treatment to Gabonese-owned industry. Free transfer of capital is guaranteed and there are no restrictions on area of activity. All new industrial, mining, farming, or forestry operations are exempt from income tax for the first two years.

In January 1996, the government passed a new law on privatization that resulted in the sale of the electricity and water monopoly (SEEG) in 1997 to a French firm. Other companies to be privatized include Transgabonese Railway (OCTRA) and the International Telecommunications Office (OPT).

[39] ECONOMIC DEVELOPMENT

Economic liberalism tempered by planning is the basic policy of the Gabonese government, which seeks to make the most of the country's rich natural resources. Priority is being given to the agricultural sector, to reduce imports, and to diversify the economy. Limiting migration to the cities is also an important element in this strategy. Industrial development efforts are centered on resource processing industries. Building the infrastructure is also an identifiable priority.

The devaluation of the CFA (Communauté Financière Africaine) franc in 1994 did not stimulate local production and discourage imports as expected. Realizing the need for structural adjustments to restore economic competitiveness, the government developed a new strategy in 1995 that encouraged private sector development, promoted privatization of state-owned enterprises, and increased the government's efforts in providing health and education services. A 1997 International Monetary Fund (IMF) report on Gabon criticized the government of overspending and failing to meet structural reform schedules. The government negotiated an 18-month Stand-By Arrangement with the IMF in 2000, which expired in 2002; Gabon met few of its targets.

Oil production fell in 2001, and non-oil activity rose by 4%. Oil prices were high in the early 2000s, and Gabon's current account balance improved from a deficit of 8.8% of GDP in 1999 to a surplus of 3.2% in 2000; it fell to a deficit of 1% of GDP in 2001, in part due to lower oil exports. The IMF in 2003 encouraged Gabon's government to develop the non-oil sector as a way of replacing the oil and government sectors as the primary catalysts for economic growth and development.

[40] SOCIAL DEVELOPMENT

Old age, disability, and survivor pensions are available to all employees and are funded by contributions from employees and employers. Other benefits include maternity and medical coverage, and workers' compensation. A family allowance is available to all salaried workers with children under the age of 16. Agricultural workers and subsistence farmers are not covered by these programs.

Women have many legal protections and participate in business and politics, although they face discrimination in many areas. Polygyny is still common, and the property rights of women in polygamous marriages are limited. Women are required by law to obtain permission from their husband before leaving the country. Domestic abuse is prevalent, especially in rural areas.

Minority Pygmies do not face systematic discrimination. They maintain their indigenous community and decision-making structures. Gabon's human rights record has improved in recent years, although there continue to be reports of the use of abuse by security forces. Prison conditions are harsh and life threatening.

[41] HEALTH

Most of the health services are public, but there are some private institutions, of which the best known is the hospital established in 1913 in Lambaréné by Albert Schweitzer. The hospital is now partially subsidized by the Gabonese government.

Gabon's medical infrastructure is considered one of the best in West Africa. By 1985 there were 28 hospitals, 87 medical centers, and 312 infirmaries and dispensaries. As of 1999, there were an estimated 0.2 physicians and 3.2 hospital beds per 1,000 people. From 1985 to 1995, 90% of the population had access to health care services. In 2000, 70% of the population had access to safe drinking water and 21% had adequate sanitation.

A comprehensive government health program treats such diseases as leprosy, sleeping sickness, malaria, filariasis, intestinal worms, and tuberculosis. There were 2,363 new cases of leprosy in 1995. As of 1994, rates for immunization of children under the age of one were 97% for tuberculosis and 65% for polio. Immunization rates for DPT and measles as of 1999 were 37% and 56% respectively. As of 1999, there were 289 reported cases of tuberculosis per 100,000 people. Gabon has a domestic supply of pharmaceuticals from a large, modern factory in Libreville.

The total fertility rate has decreased from 5.8 in 1960 to 4.2 children per mother during childbearing years in 2000. Ten percent of all births in 1993–96 were low birth weight. The maternal mortality rate was 520 per 100,000 live births as of 1998, a dramatic decrease from 1993, when the figure was 190. In 2000, the infant mortality rate was 58 per 1,000 live births and life expectancy was 53 years. As of 2002, the overall mortality rate was estimated at 17.6 per 1,000 inhabitants.

There were 990 new cases of AIDS in 1995. As of 1999, the number of people living with HIV/AIDS was estimated at 23,000 and deaths from AIDS that year were estimated at 2,000. HIV prevalence was 4.16 per 100 adults. World Health Organization specialists and the government of Gabon took immediate action against the mid-1990s reemergence of the Ebola virus. In February 1996, Ebola hemorrhagic fever was responsible for the deaths of 21 people out of a total of 37 cases.

[42] HOUSING

Credit institutions make small loans for the repair of existing houses and larger loans (amounting to almost the total cost of the house) for the construction of new houses. Because of their higher credit rating, salaried civil servants and employees of trading companies receive most of the loans. The government has established a national habitation fund, and there have been a number of urban renewal projects. As of 2000, 73% of urban and 55% of rural dwellers had access to improved water sources. About 25% of urban and 4% of rural dwellers had access to improved sanitation systems.

[43] EDUCATION

The educational system is patterned on that of France, but changes are being introduced gradually to adapt the curriculum to local needs and traditions. The government gives high priority to education, especially the construction of rural schools. Education is free and compulsory between the ages of 6 and 16. In 1996 there were 1,147 primary schools with 250,693 pupils and 4,943 teachers. At the secondary level, there were 80,552 pupils and 3,094 teachers. The pupil-teacher ratio at the primary level was 44 to 1 in 1999. There is also an adult literacy program. The adult illiteracy rate was estimated at 36.8% in 1995. Projected adult illiteracy rates for the year 2000 stand at 29.2% (males, 20.2%; females, 37.8%). About one-half of all schools are private or church-supported. As of 1999, public expenditure on education was estimated at 3.3% of GDP.

Omar Bongo University, at Libreville, includes faculties of law, sciences, and letters; teachers' training schools; and schools of

law, engineering, forestry and hydraulics, administration, and management. There were 4,655 students at the university and other equivalent institutions in 1995.

[44]LIBRARIES AND MUSEUMS

The National Library (founded in 1969), National Archives (1969), and Documentation Center (1980) together form a collection of 25,000 volumes. The Omar Bongo University in Libreville has 12,000 volumes. The Information Center Library in Libreville has 3,500 volumes. There are also American and French Cultural Centers in Libreville housing modest collections. The Museum of Arts and Traditions at Libreville is a general interest museum. The National Museum of Gabon is also in Libreville.

[45]MEDIA

The Ministry of Information, Posts, and Telecommunications provides domestic services for Gabon and participates in international services. There are direct radiotelephone communications with Paris and other overseas points. In 2000 there were 39,000 mainline telephones and 120,000 cellular phones in use.

Radio-Diffusion Télévision Gabonaise (RTG), which is owned and operated by the government, broadcasts in French and indigenous languages. Color television broadcasts have been introduced in major cities. In 1981, a commercial radio station, Africa No. 1, began operations. The most powerful radio station on the continent, it has participation from the French and Gabonese governments and private European media. In 2001 there were 6 AM and 7 FM radio stations, as well as 3 television stations. In 2000, there were 501 radios and 326 television sets for every 1,000 people.

The national press service is the Gabonese Press Agency, which publishes a daily paper, Gabon-Matin (circulation 18,000 as of 2002). L'Union in Libreville, the government-controlled daily newspaper, had an average daily circulation of 40,000 in 2002. The weekly Gabon d'Aujourdhui, is published by the Ministry of Communications. There are about 10 privately owned periodicals which are either independent or affiliated with political parties. These publish in small numbers and are often delayed by financial constraints.

The constitution of Gabon provides for free speech and a free press, and the government is said to support these rights. Several periodicals actively criticize the government and foreign publications are widely available.

[46]ORGANIZATIONS

There is a chamber of commerce at Libreville and a Rotary Club at Port-Gentil. UNIGABON, a national organization established in October 1959, conducts liaison work among mining companies, labor unions, public works societies, and transportation companies. Church organizations are active in the country and have a sizable following. They operate several mission schools and health centers. In rural areas, cooperatives promote the production and marketing of agricultural products. Among the tribes, self-help societies have grown rapidly, particularly in the larger towns, where tribal members act together as mutual-aid societies. There are youth and women's organizations affiliated with the PDG. The Alliance of YMCA's is also a major youth organization in the country, as are several scouting programs.

[47]TOURISM, TRAVEL, AND RECREATION

Gabon's tourist attractions include fine beaches, ocean and inland fishing facilities, and scenic sites, such as the falls on the Ogooué River and the Crystal Mountains. Many visitors come to see the hospital founded by Albert Schweitzer at Lambaréné. In addition, there are two national parks and four wildlife reserves. Hunting is allowed in certain areas except during October and November.

Tourism facilities are limited. In 2000 there were only about 2,450 hotel rooms. An estimated 155,000 tourists arrived in Gabon that year with tourism receipts totaling about $7 million. A visitor must have a passport and visa, except if from France, Germany, or certain African countries. Evidence of yellow fever immunization is also required.

In 2002, the US Department of State estimated the cost of staying in Libreville at $182 per day. Expenses elsewhere can be as low as about $70 per day.

[48]FAMOUS GABONESE

The best-known Gabonese are Léon Mba (1902–67), the president of the republic from 1960 to 1967, and Omar Bongo (Albert-Bernard Bongo, b.1935), who was president of the republic as of early 2000, a post he has held since Mba's death. Born in Alsace (then part of Germany but now in France), Albert Schweitzer (1875–1965), a world-famous clergyman, physician, philosopher, and musicologist and the 1952 winner of the Nobel Prize for peace, administered a hospital that he established in Lambaréné in 1913.

[49]DEPENDENCIES

Gabon has no territories or colonies.

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THE GAMBIA

Republic of The Gambia

CAPITAL: Banjul (formerly Bathurst)

FLAG: The flag is a tricolor of red, blue, and green horizontal bands, separated by narrow white stripes.

ANTHEM: *For The Gambia, Our Homeland*.

MONETARY UNIT: In 1971, the dalasi (D), a paper currency of 100 butut, replaced the Gambian pound. There are coins of 1, 5, 10, 25, and 50 butut and 1 dalasi, and notes of 1, 5, 10, 25, and 50 dalasi. D1 = $0.0377 (or $1 = D26.5) as of May 2003.

WEIGHTS AND MEASURES: Both British and metric weights and measures are in use.

HOLIDAYS: New Year's Day, 1 January; Confederation Day, 1 February; Independence Day, 18 February; Labor Day, 1 May; Assumption, 15 August; Christmas, 25 December. Movable religious holidays include Good Friday, Easter Monday, 'Id al-Fitr, 'Id al-'Adha', and Milad an-Nabi.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Located on the west coast of Africa, The Gambia has an area of 11,300 sq km (4,363 sq mi), extending 338 km (210 mi) E–W and 47 km (29 mi) N–S. Comparatively, the area occupied by The Gambia is slightly less than twice the size of the state of Delaware. Bounded on the N, E, and S by Senegal (with which it is joined in the Confederation of Senegambia) and on the W by the Atlantic Ocean, The Gambia has a total boundary length of 820 km (510 mi), of which 80 km (50 mi) is coastline. The Gambia's capital city, Banjul, is located on the Atlantic coast.

[2]TOPOGRAPHY

The Gambia River, the country's major waterway, rises in Guinea and follows a twisting path for about 1,600 km (1,000 mi) to the sea. In its last 470 km (292 mi), the river flows through the Republic of The Gambia, narrowing to a width of 5 km (3 mi) at Banjul; during the dry season, tidal saltwater intrudes as far as 250 km (155 mi) upstream. Brown mangrove swamps line both sides of the river for the first 145 km (90 mi) from the sea; the mangroves then give way to more open country and, in places, to red ironstone cliffs. The land on either side of the river is generally open savanna with wooded areas along the drainage channels. Elevation reaches a maximum of 73 m (240 ft).

[3]CLIMATE

The Gambia has a subtropical climate with distinct cool and hot seasons. From November to mid-May there is uninterrupted dry weather, with temperatures as low as 16°C (61°F) in Banjul and surrounding areas. Hot, humid weather predominates the rest of the year, with a rainy season from June to October; during this period, temperatures may rise as high as 43°C (109°F) but are usually lower near the sea. Mean temperatures range from 23°C (73°F) in January to 27°C (81°F) in June along the coast, and from 24° C (75°F) in January to 32°C (90°F) in May inland. The average annual rainfall ranges from 92 cm (36 in) in the interior to 145 cm (57 in) along the coast.

[4]FLORA AND FAUNA

The countryside contains many flowers, including yellow cassias and scarlet combretum. The tropical shrub area contains bougainvillea, oleander, and a dozen varieties of hibiscus. Distinctive fauna includes several varieties of monkeys.

[5]ENVIRONMENT

The Gambia's environmental concerns include deforestation, desertification, and water pollution. Deforestation is the most serious problem, with slash-and-burn agriculture the principal cause. In the 1950s, 34,000 hectares (84,000 acres) were set aside as forest parks, but by 1972, 11% of these reserves had been totally cleared. As of 2001, only 2% of the total land area is protected. During 1981–85, deforestation averaged 2,000 hectares (5,000 acres) per year. Only 9% of the forests in The Gambia have survived the expansion of agricultural land and the use of trees for fuel. A 30% decrease in rainfall over the last 30 years has increased the rate of desertification for The Gambia's agricultural lands. Water pollution is a significant problem due to lack of adequate sanitation facilities. Impure water is responsible for life-threatening diseases that contribute to high infant mortality rates. The Gambia has 3 cubic kilometers of renewable water resources with 91% used for farming activity. Only about 53% of the people in rural areas have pure drinking water. As of 1994, The Gambia's wildlife was threatened by changes in habitat and poaching. As of 2001, 4 of the nation's 117 mammal species and 1 in a total of 280 bird species were threatened. One type of reptile was also endangered. Threatened species include the African slender-snouted crocodile and the West African manatee.

[6]POPULATION

The population of The Gambia in 2003 was estimated by the United Nations at 1,426,000, which placed it as number 145 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 45% of the population under 15 years of age. There

were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.66%, with the projected population for the year 2015 at 1,851,000. The government's objectives are to substantially reduce population growth by lowering the fertility and mortality rates through family planning and maternal child health services. The population density in 2002 was 129 per sq km (334 per sq mi).

It was estimated by the Population Reference Bureau that 32% of the population lived in urban areas in 2001. The capital city, Banjul, had a population of 229,000 in that year. According to the United Nations, the urban population growth rate for 2000–2005 was 4.0%. The majority of the population lives near the Atlantic coast with the interior of the country sparsely populated.

[7]MIGRATION

Each year, some 20,000–30,000 migrants from Senegal, Mali, and Guinea come to The Gambia to help harvest the groundnut crop. Gambians, in turn, move freely over national borders, which are poorly marked and difficult to police in West Africa.

In 2000 there were 185,000 migrants living in The Gambia, including 12,000 refugees. The migrants' stock made up approximately 14% of the population. In 2000 the net migration rate was 9.1 migrants per 1,000 population, down from 13.3 per 1,000 in 1990. The government views the immigration level as too high.

[8]ETHNIC GROUPS

Africans comprise 99% of the population in The Gambia. The Mandinka (Malinké), who made up an estimated 42% of the population in 1998, came to The Gambia by the 13th century. Fulani (18%) predominate in the eastern part of the country; other major groups include the Wolof (16%), Jola (10%), Serahuli (9%), and others (1%). Only 1% of the population is non-African, including Syrians, Lebanese, and British.

[9]LANGUAGES

English is the official language, but there are 21 distinct languages spoken. The principal vernaculars are Wolof, Fula, and Mandinka, the latter spoken by the Mandingo.

[10]RELIGIONS

Islam, which was introduced in the 12th century, is followed by about about 90%. The main Muslim branches are Tijaniyah, Qadiriyah, Muridiyah, and Ahmadiyah. Christians (9%), mostly Roman Catholics, are concentrated in the Banjul area. Protestant denominations include Anglicans, Methodists, Baptists, Seventh-Day Adventists, and Jehovah's Witnesses, along with other small evangelical groups. Some Gambians also practice traditional indigineous religions (1%). Certain Muslim and Christian holidays are officially observed.

[11]TRANSPORTATION

The Gambia River not only provides important internal transport but is also an international commercial link; oceangoing vessels can travel 240 km (150 mi) upstream. In 2002 there were 400 km (249 mi) of total waterways. Banjul, the principal port, receives about 300 ships annually. Ferries operate across the river and between Banjul and Barra.

With the construction of major all-weather roads on both sides of the Gambia River, the waterway has become less significant for passenger traffic. As of 2002, there were 2,700 km (1,678 mi) of roads, including 956 km (594 mi) of paved roads; 106,600 passenger cars and 142,300 commercial vehicles were in use. The Gambia has no railroads. There is an international airport at Yundum, 26 km (16 mi) from Banjul. Air Gambia, 60% state owned, acts as an agent only; foreign air carriers provide international service.

[12]HISTORY

Archeological evidence in the form of stone axes and broken pottery points to the existence of early habitation in the Gambia River region around 2000 BC In 470 BC, Carthaginian sailors visited the River Gambia. Hannon the Carthaginian referred to The Gambia in his writings, making The Gambia known to the outside world. In AD 300, West African trading networks expanded as early empires established trading networks for peoples living in the Gambia River area. Later kingdoms of the Foni, Kombo, Sine-Salom and Fulladou in The Gambia became trading partners of West Africa's great empires. Islam reached the Ghana Empire in the early 8th century, following the Arab conquest of North Africa.

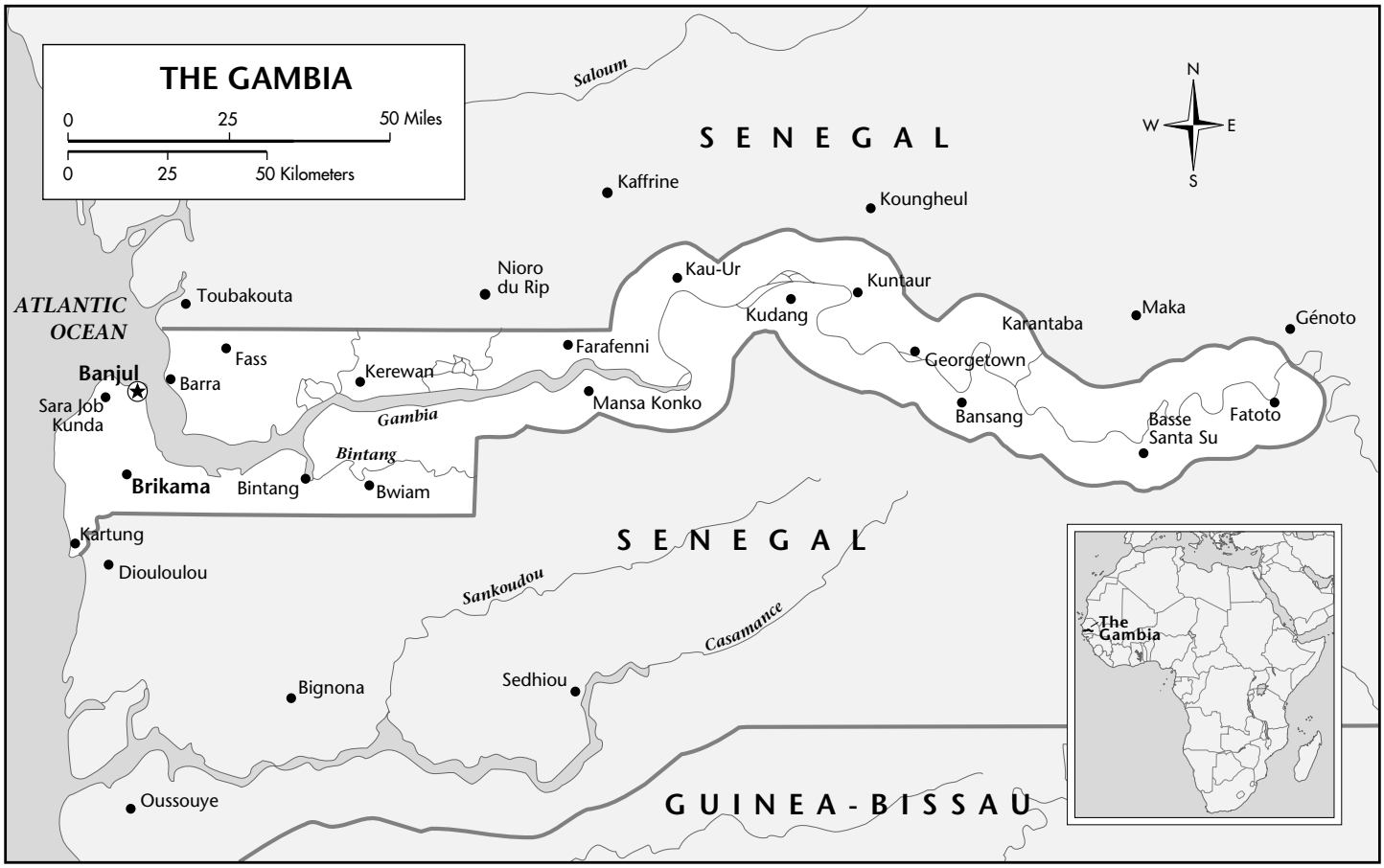
Around AD 750, at Wassu, a large concentration of stone pillars was placed on the north bank of the River Gambia, the largest of which weigh about ten tons and stand about eight and a half feet above the ground. The stones likely mark the burial sites of kings and chiefs similar to burial grounds of royalty in the Ghana Empire. In the 11th century, Islamic leaders (Karamos) were buried like this, making some of the circles holy places.

Eastern Gambia was part of the great West African empires that flourished for a millennium beginning with Ghana after AD 300. The relative political stability guaranteed by the empires permitted trade and movement of peoples throughout the region. Powerful kingdoms organized as families and clans of Wolof, Mandingo, and Fulbe (Fulani) peoples formed larger social and political units. Small groups of Mandingos had settled in The Gambia by the 12th or 13th century, and a Mali-based Mandingo empire was dominant in the 13th and 14th centuries.

Portuguese sailors discovered the Gambia River in 1455; its navigability made it uniquely important for European traders seeking to penetrate the interior. In 1587, English merchants began to trade in the area. The Royal African Company acquired a charter in 1678 and established a fort on James Island, a small island in the river estuary. In 1765, the forts and settlements in The Gambia were placed under the control of the crown, and for the next 18 years The Gambia formed part of the British colony of Senegambia, with headquarters at Saint-Louis. In 1783, the greater part of Senegambia was handed back to France; the Gambia section ceased to be a British colony and was returned to the Royal African Company.

In 1816, Capt. Alexander Grant entered into a treaty with the chief of Kombo for the cession of Banjul Island. He renamed it St. Mary's Island and established on it a settlement that he called Bathurst (now Banjul). In 1821, the British settlements in The Gambia were placed under the administration of the government of Sierra Leone. This arrangement continued until 1888, except for the period 1843–66, when The Gambia had its own colonial administration. In 1888, The Gambia again became a separate colony. Its boundaries were defined following an agreement with France in 1889.

After 1888, The Gambia was administered by a governor assisted by an Executive Council and a Legislative Council. In 1902, St. Mary's Island was established as a crown colony, while the rest of the territory became a protectorate. In 1960, universal adult suffrage was introduced in the protectorate, and a 34-member House of Representatives replaced the Legislative Council. The office of prime minister was created in 1962, and the Executive Council was reconstituted to include the governor as chairman, the prime minister, and eight other ministers. Dr. (later Sir) Dawda Kairaba Jawara, the leader of the Progressive People's Party (PPP), became the first prime minister. The Gambia attained full internal self-government on 4 October 1963, with Jawara as prime minister. An independence constitution, which came into force in February 1965, established The Gambia as a constitutional monarchy within the Commonwealth.



LOCATION: 13°10′ to 13°35′ 36″ N; 13°43′ 5″ to 16°49′ 31″ W. BOUNDARY LENGTHS: Senegal, 756 kilometers (470 miles); Atlantic coastline, 71 kilometers (44 miles). TERRITORIAL SEA LIMIT: 12 miles.

On 23 April 1970, after a referendum, The Gambia became a republic with Jawara as the first president. He and the ruling PPP remained in power into the 1980s, weathering an attempted left-wing coup and paramilitary rebellion in July 1981, which was quashed by Senegalese troops under a mutual defense pact signed in 1965; an estimated 500–800 people died in the uprising, and there was much property damage. In February 1982, the Confederation of Senegambia was formally constituted. Jawara was reelected to a new term as president that May, receiving 72.4% of the vote. He was reelected in March 1987, defeating two opponents with 59.2% of the vote, and again in April, 1992. He gained 59% of the vote to 22% for Sheriff Mustapha Dibba, his nearest of four rivals. His PPP was also returned to legislative power but with a reduced majority. It fell from 31 to 25 of the elected seats, in the 36-seat House of Representatives.

In March 1992 Jawara accused Libya of arming a force led by Samba Samyang, the leader of the 1981 coup attempt. Libya denied involvement. He also made similar accusations against Libya and Burkina Faso in 1988. In May 1992 Jawara announced an amnesty for most members of the Movement for Justice in Africa (MOJA) which had been linked to the failed 1981 coup. And in April 1993, two of MOJA's leaders returned from exile to organize as a political party.

Jawara was expected to retire in midterm, but on 22 July 1994 he was overthrown in a bloodless military coup led by Lt. Yahya Jammeh, who had studied in the United States and held an honorary post in the Alabama National Guard. President Jawara took shelter in an American warship which, at the time, had been on a courtesy call. The junta of junior officers and a few civilians suspended the constitution, banned all political activity, detained its superior officers, and placed ministers of the former government under house arrest. The European Union and the United States suspended aid and pressed for a quick return to civilian rule. In 1995, Vice-President Sana Sebally attempted another coup, ostensibly to return civilian rule, but it failed. Isolated from the West, Jammeh sought diplomatic ties with other marginalized nations. In 1994, he established relations with Libya and, in 1995, he did so with Taiwan (incurring China's wrath and a break in relations). Economic accords were signed with Cuba and Iran as well.

On 26 September 1996, presidential elections were held in which Jammeh won 55.76% of the vote. Ousainou Darboe took 35.8% and Amath Bah won 5.8%. Three former contenders, the PPP, The Gambia People's Party and the National Convention Party, blamed for The Gambia's problems, were proscribed from competition. Two days later, Jammeh dissolved the Armed Forces Provisional Ruling Council, which he had formed upon taking power in 1994, and called for legislative elections in January 1997. The Alliance for Patriotic Reorientation and Construction won 32 of 45 contested seats (4 of the body's 49 are appointive). The elections were considered to have been relatively fair, although opposition candidates were harassed and there was almost no media exposure of any but the ruling party.

In 1998, tourism, the most important source of foreign currency, had risen to near pre-coup levels as Jammeh suppressed grumbling in the army, reestablished stability, and allowed some democratic reforms to move ahead. In February 1998, Jammeh made his first official visit to France. He signed a technical, cultural and scientific accord in Paris designed to reinforce Franco-Gambian cooperation. In 1999, Jammeh raised The

Gambia's international profile by mediating between Casamance rebels and the Senegalese government. The ADB, OPEC, and the Islamic Bank approved a round of loans and credits for building and equipping schools and hospitals, and the IMF agreed to a second annual loan worth $11.8 million under the ESAF.

However, in March 2000 the government was reeling from accusations of embezzlement of some $2–$3 million of Nigerian oil aid, the siphoning off of millions of dollars of a Taiwanese loan, and money laundering in connection with the privately held peanut processing and marketing company, Gambian Groundnut Corporation (GGC). The government stepped up security measures and controls over the private media, which it justified on the grounds of an alleged coup attempt on 15 January 2000. The coup may have been stage-managed as a pretext for increased security measures. In mid-April, student protests ended with the deaths of 14 people. Local elections, scheduled for November 2000 were repeatedly postponed.

The 18 October 2001 presidential elections were conducted amidst charges of fraud, and thousands of Diola—members of Jammeh's ethnic group living across the border in Senegal—reportedly helped re-elect Jammeh who took 52.96% of the vote. Ousainou Darboe of the United Democratic Party (UDP), who had formed a coalition with the People's Progressive Party (PPP) and with The Gambia People's Party (GPP) of Hassan Musa Camara, came in second. Despite his allegations of voting and identity card fraud, Darboe conceded defeat. The EU, the Commonwealth, the UK, the UN, and Transparency International observers said they were relatively satisfied with the conduct of the election.

In 1999, the HIV/AIDS adult prevalence rate was estimated to be below 2%, one of the lowest rates in sub-Saharan Africa. The 2002 UN Human Development Report ranked The Gambia 160th out of 173 countries on the basis of real GDP per capita, adult literacy, and life expectancy.

[13]GOVERNMENT

Under the republican constitution of 24 April 1970, as amended, the president, popularly elected for a five-year term, was the head of state. Presidential powers included designating a vice president, who exercised the functions of a prime minister, and appointing cabinet members. The House of Representatives had 36 members elected by universal adult suffrage (at age 18), five chiefs elected by the Chiefs in Assembly, and eight appointed nonvoting members; the Attorney General was also a member ex officio.

The military junta suspended the constitution on 22 July 1994, but following presidential elections two years later, a unicameral National Assembly was instituted, consisting of 49 members, 4 of which were appointed by the president with the remainder standing for election. Presently, the Assembly consists of 53 members, 48 of which are popularly elected, and five of which are appointed by the president. They serve a five-year term. Presidential elections are due October 2006 and legislative elections January 2007. A cabinet reshuffle occurred in January 2000.

[14]POLITICAL PARTIES

The first Gambian political party, the Democratic Party, was formed in 1951 by Rev. John C. Faye. The Muslim Congress Party (CP) and the United Party (UP), led by Pierre S. N'Jie, were formed in 1952. The People's Progressive Party (PPP), under the leadership of Dawda Kairaba Jawara, was formed in 1958 and has governed the country since independence. The CP and the PPP merged in 1968. Two other parties were formed to compete in the 1977 elections, the National Liberation Party and the National Convention Party (NCP). In the elections of May 1982, the PPP won 27 seats (the same as in 1977), the NCP 3, and independents 5; in March 1987, the PPP won 31 seats and the NCP 5; and in April, 1992, PPP won 25 seats and the NCP 6. Other parties included The Gambia People's Party (GPP), the People's Democratic Organization for Independence and Socialism (PDOIS), the Gambian People's Democratic Party (PDP), and the Movement for Justice in Africa (MOJA).

After the 1994 coup political parties were barred. The ban was lifted in August 1996, but three pre-coup parties, the People's Progressive Party, The Gambia People's Party, and the National Convention Party remained proscribed. An independent electoral commission lifted the ban on these parties in August 2001. Elections for the House of Assembly were held on 2 January 1997 with members installed on 16 January 1997. Jammeh's Alliance for Patriotic Reorientation and Construction took 33 of 45 contested seats, the United Democratic Party took 7 seats, the National Reconciliation Party 2 seats, the PDOIS 1 seat, and independents 2 seats.

Members of opposition parties were harassed during Jammeh's annual tour in 1999 when he lashed out at them as a "gang of alcoholics." His own party weathered rough seas in early 2000 as its secretary-general, Phodey Makalo, disappeared with most of its funds. The July 22 Movement, which served Jammeh as a militia and political vehicle to launch his campaign, was reintegrated into the APRC.

Parliamentary elections were held on 17 January 2002 giving the APRC 45 of 53 seats. The PDOIS took three seats. Citing elections bias on the part of the Independent Electoral Commission (IEC), the main challenger to the APRC, the United Democratic Party boycotted the elections. APRC candidates ran unopposed in 33 of 48 constituencies. Former head of state Sir Dawda Jawara returned from exile in September 2002 upon condition that he resign from his party.

[15]LOCAL GOVERNMENT

There are five administrative divisions, each with a council, the majority of whose members are elected. The divisions—Central River, Lower River, North Bank, Upper River, and Western—are subdivided into 35 districts administered by chiefs with the help of village mayors and councilors. Banjul has a city council.

[16]JUDICIAL SYSTEM

The judicial system is based on a composite of English common law, Koranic law, and customary law. It accepts compulsory ICJ jurisdiction with reservations, and includes subsidiary legislative instruments enacted locally. The constitution provides for an independent judiciary, and although the courts are not totally free from influence of the executive branch, they have demonstrated their independence on occasion.

The Supreme Court, presided over by a chief justice, has both civil and criminal jurisdiction. Formerly, appeals from any decision of the Supreme Court went before the Court of Appeals, whose judgments could be taken to the UK Privy Council. The January 1997 constitution provided for a reconfiguration of the courts with the Supreme Court replacing the Privy Council.

Muslim courts apply Shari'ah law in certain cases involving Muslim citizens, and in traditional matters, chiefs rule on customary law and local affairs. District tribunals serve as appeals courts in cases of tribal law and custom. Cases of first instance in criminal and civil matters are handled by administrative officers who function as magistrates in courts located in each of the five administrative regions and Banjul.

[17]ARMED FORCES

The Gambia's armed forces had 800 members in 2002, of which the largest contingent was two infantry battalions. The 70-member naval patrol had 3 coastal patrol boats. The Gambia provided observers to two other African nations. Military spending in 2001 was $1.2 million, or 0.3% of GDP.

[18]INTERNATIONAL COOPERATION

The Gambia was admitted to the UN on 21 September 1965 and is a member of ECA and all the non-regional specialized agencies except IAEA. It also belongs to the African Development Bank, Commonwealth of Nations, ECOWAS, G-77, and AU. The nation is a member of the WTO and a signatory to the Law of the Sea.

An agreement of confederation with Senegal, signed on 17 December 1981 and effective 1 February 1982, called for integration of the security services and armed forces of the two countries under the name Senegambia. The presidents of Senegal and The Gambia became president and vice president of Senegambia, respectively. The confederation was dissolved in 1989.

[19]ECONOMY

The Gambia's light sandy soil is well suited to the cultivation of groundnuts, which is the country's principal agricultural export. About 75% of the population is engaged in crop production and livestock raising. However, groundnut production has fallen in recent years, and in 1990, tourism overtook groundnut exports as the nation's number one export earner. Significant export revenues are earned from fishing and reexport trade.

The military's takeover of the country in 1994 resulted in a loss of $50 million in aid from the West, equal to about 10% of national income. In addition, tourism declined dramatically; and Senegal, which surrounds The Gambia on three sides, closed the borders because of smuggling. As a result of the 1994 CFA devaluation, The Gambia's goods were no longer competitive in the reexport trade. During the late 1990s, the tourism industry rebounded, as did trade. Tourism declined in 2000, but record crops supported healthy economic growth in 2001. Tourism in 2002 accounted for 10–15% of GDP. Because most tourist packages to The Gambia were all-inclusive, and tourists rarely left their hotels, the government banned all-inclusive tourist packages in 1999 in an attempt to funnel money into the local economy.

Average annual growth of GDP was at 2.7% for 1988 to 1998, but GDP growth was 5.7% in 2001. The inflation rate was low in 2001. Corruption remains an ongoing problem, and the pace of privatization was slow in 2003. The government anticipated debt relief under the World Bank/IMF Heavily Indebted Poor Country Initiative in 2003.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 The Gambia's gross domestic product (GDP) was estimated at $2.5 billion. The per capita GDP was estimated at $1,770. The annual growth rate of GDP was estimated at 5.7%. The average inflation rate in 2001 was 4%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 21% of GDP, industry 12%, and services 67%. Foreign aid receipts amounted to about $38 per capita and accounted for approximately 13% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $328. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 1%. The richest 10% of the population accounted for approximately 38.2% of household consumption and the poorest 10% approximately 1.6%.

[21]LABOR

In 2002, the workforce numbered about 300,000. Approximately 75% of workers were engaged in agriculture, with industry, commerce and services accounting for 19% of the labor force. The government provided jobs to 6% of the workforce in 2002.

The Labor Act of 1990 allows all workers (except civil servants, police, and military personnel) to form associations and trade unions. Approximately 10% of the workforce is unionized, which is about 30,000 workers. Strikes are permitted with 14 days' notice (21 days for essential services) to the Commissioner of Labor. Collective bargaining occurs even though unions are small and fragmented. Minimum wages and hours of employment are set by six joint industrial councils (commerce, artisans, transport, the port industry, agriculture, and fisheries), but only 20% of the labor force is covered by minimum wage legislation. The minimum wage was $.66 per day in 2002. Most Gambians pool their resources within extended families in order to meet their basic needs. The statutory working age is 18, but because of limited opportunities for secondary schooling, most children begin working at age 14.

[22]AGRICULTURE

The soil is mostly poor and sandy, except in the riverine swamps. On upland soils the main food crops, besides groundnuts, are millet, manioc, corn, and beans. Most landholdings range between five and nine hectares (12 and 22 acres). Agriculture supports about 80% of the active population, and contributed about 40% of GDP in 2001. Irregular and inadequate rainfall has adversely affected crop production in recent years.

The principal cash crop is groundnuts, grown on some 111,000 hectares (275,000 acres). Production totaled 126,000 tons in 1999. That year, the paddy rice crop was estimated at 29,000 tons. Other food crops in 1999 included an estimated 21,000 tons of corn and 76,000 tons of millet. Mangos, bananas, oranges, pawpaws, and limes are grown mainly in the Western Division. Oil palms provide oil for local consumption and kernels for export; palm oil production was estimated at 2,000 tons in 1999, and kernels at 3,000 tons.

[23]ANIMAL HUSBANDRY

The livestock population in 2001 was estimated at 323,000 head of cattle, 228,000 goats, 129,000 sheep, and 17,000 hogs. Total production of meat in 2001 was 6,200 tons; cow's milk, 7,600 tons; and eggs, 731 tons.

[24]FISHING

In 2000, the catch was 29,016 tons, as compared with 4,100 tons in 1967. Bonga shad accounted for about 70% of the 2000 catch. Exports of fish products amounted to $7.5 million that year. A 1982 agreement with Senegal allows nationals of each country to operate fishing companies in the other's waters.

[25]FORESTRY

Portions of The Gambia are covered by mangrove forest, open woodland, or savanna with woodland or bush. Wood resources are used for fuel (84%), poles, and rural housing construction. Roundwood removals were estimated at 715,000 cu m (25 million cu ft) in 2000.

[26]MINING

The mineral industry was a minor component of Gambia's economy. Clays for bricks, laterite, silica sand, cockleshell, and sand and gravel were exploited for domestic construction needs. Production of silica sand was 170,000 tons in 2001, down from 303,000 in 1997. The Gambia had significant glass and quartz sand deposits, and resources of ilmenite, rutile, tin, and zircon. The government has encouraged exploration for gold. Large

deposits of ilmenite were discovered along the coast in 1953, and were exploited by UK interests from 1956 to 1959. A new mineral and mining act was being developed.

[27]ENERGY AND POWER

All electric power is produced at thermal stations. Installed capacity in 2001 totaled 29,000 kW; production amounted to 75 million kWh in 2000, and in the same year consumption was 69.7 million kWh.

[28]INDUSTRY

There is little industry in The Gambia. Industries include groundnut processing, building and repair of river craft, village handicrafts, and clothing manufacture. There are candle factories, oil mills, a soft drink factory, a distillery, a shoe factory and a soap and detergent plant. Although the government provides incentives for industrial development, progress on that front has been slow. The Gambia has no known oil or natural gas reserves, but hydrocarbon exploration is taking place offshore Bunjal. The Gambia produces industrial minerals for local consumption. Privatization has been slow, with the last successful privatization as of 2003 being the 1999 sale of the Atlantic hotel to the Libyan company Lafico.

[29]SCIENCE AND TECHNOLOGY

The United Kingdom's Medical Research Council operates a field station (of its Dunn Nutrition Unit Laboratory in Cambridge) at Keneba, West Kiang, and a research laboratory on tropical diseases at Fajara, near Banjul. Gambia College, founded in 1978, has schools of agriculture, nursing and midwifery, and public health. The Gambia Ornithological Society, founded in 1974, is devoted to birdwatching.

[30]DOMESTIC TRADE

The marketing of the groundnut crop for export is handled by the Gambia Produce Marketing Board. About 75% of the population is employed in subsistence farming. Manufacturing is primarily based on agriculture and serves a domestic market. Cooperative banking and marketing unions finance the activities of a network of cooperatives in the groundnut-growing areas. Reexportation of goods through the port of Banjul is a major contributing factor to the economy. Normal business hours are from 8 AM to noon and 2 to 5 PM, Monday through Thursday, 8 AM to noon and 3 to 5 PM on Friday, and 8 or 9 AM to noon on Saturday.

[31]FOREIGN TRADE

Peanut products are by far The Gambia's leading export. However, peanut exports were depressed in the early 1980s, first by drought and then by low world prices. Other exports include fish, cotton lint, and palm kernels. The leading imports are food, manufactured goods, raw materials, fuel, machinery, and transport equipment.

Principal trading partners in 1999 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Belgium	2.1	11.1	-9
United Kingdom	1.4	20.6	-19.2
Senegal	0.5	4.4	-3.9
Netherlands	0.3	9.2	-8.9
France	0.2	13.0	-12.8
Japan	0.2	6.3	-6.1
China (inc. Hong Kong)	0.2	20.9	-20.7
Côte d'Ivoire	0.1	7.9	-7.8
Brazil	n.a.	11.9	n.a.
United States	n.a.	9.6	n.a.

[32]BALANCE OF PAYMENTS

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of The Gambia's exports was $139.2 million while imports totaled $200.3 million resulting in a trade deficit of $61.1 million.

The International Monetary Fund (IMF) reports that in 1997 The Gambia had exports of goods totaling $120 million and imports totaling $207 million. The services credit totaled $109 million and debit $75 million. The following table summarizes The Gambia's balance of payments as reported by the IMF for 1997 in millions of US dollars.

Current Account	**-24**
Balance on goods	-87
Balance on services	35
Balance on income	-8
Current transfers	37
Capital Account	**6**
Financial Account	**39**
Direct investment abroad	…
Direct investment in The Gambia	12
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	10
Other investment liabilities	17
Net Errors and Omissions	**-14**
Reserves and Related Items	**-7**

[33]BANKING AND SECURITIES

The Central Bank of Gambia (CBG), the bank of issue, was established in 1971. The largest commercial bank is Standard Chartered Bank Gambia, which is incorporated locally, with branches in Banjul, Bakav, Serrekunda, and Basse. The government no longer has an equity interest in the bank, in which the parent company holds 75% and Gambian shareholders 25%. The Gambia Commercial and Development Bank (GCDB) was wholly owned by the government but now has been sold to private interests, and the other commercial bank, the International Bank for Commerce and Industry (BICI), is, as of 1997, also privately owned.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $72.5 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $151.9 million.

[34]INSURANCE

Among the insurance companies listed as doing business in The Gambia as of 1995 were the Gambia National Insurance Co., the Great Alliance Insurance Co., and the Senegambia Insurance Co.

[35]PUBLIC FINANCE

The fiscal year extends from 1 July to 30 June. In the 1980s, expansionary fiscal policies exacerbated a weakening economy; by 1985, the budget deficit reached 30% of GDP. An economic recovery program was initiated to reduce public expenditures, diversify the agricultural sector, and privatize the parastatal sector. This step preceded the 1988 agreement with the IMF for a structural adjustment program which helped the economy grow at an annual rate of 4% between 1990 and 1993.

The US Central Intelligence Agency (CIA) estimates that in 2001 The Gambia's central government took in revenues of approximately $90.5 million and had expenditures of $80.9 million including capital expenditures of $4.1 million. Overall, the government registered a surplus of approximately $9.6 million. External debt totaled $440 million.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were

calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	91
Tax revenue	92.3%	84
Non-tax revenue	5.5%	5
Capital revenue	1.1%	1
Grants	1.1%	1
EXPENDITURES	100.0%	81
General public services	18.1%	15
Defense	4.3%	3
Public order and safety	4.5%	4
Education	12.3%	10
Health	7.0%	6
Social security	3.0%	2
Housing and community amenities	4.6%	4
Recreation, cultural, and religious affairs	1.5%	1
Economic affairs and services	24.3%	20
Other expenditures	3.8%	3
Interest payments	16.7%	14

[36]TAXATION

Direct taxes provide only a small proportion of revenues, the greater proportion being derived from customs and excise duties and from foreign loans and grants-in-aid. Individuals are taxed on the basis of a graduated scale; companies are taxed at a flat rate on undistributed profits. The government revised the income tax system in March 1988 and enacted new sales taxes in April 1988 to broaden the tax base, improve tax collection, and rationalize the tax system.

[37]CUSTOMS AND DUTIES

Customs duties are assessed by CIF (cost, insurance, and freight) value, as is the 10% national sales tax, from which some imports are exempt. Some commodities may be subject to excise taxes.

[38]FOREIGN INVESTMENT

Joint ventures have been encouraged in The Gambia, but with the stipulation that a portion of the profits must be reinvested. Under an ordinance passed in 1964, developing industries are exempt from profits tax for five years.

In 2002 the government embarked on a new effort to attract foreign investment, called the Gateway Project, financed by a World Bank loan. The Gambia Investment Promotion and Free Zone Agency (GIPZA) was established, with the first free zone planned for Banjui Airport. Gambia's foreign investment regime is open door and non-discriminatory, with foreign companies treated the same as local companies. Incentives for locating in the free zones include exemptions from taxes and customs duties, a ten-year tax holiday, and a reduced 10% corporate income tax rate for investments in the tourist sector. The government's priorities for foreign investment are agriculture, fisheries, tourism, light manufacture and assembly, energy, mineral exploration and exploitation, and telecommunications.

[39]ECONOMIC DEVELOPMENT

Development goals have been focused on transport and communications improvements, increases in rice and groundnut yields, and production diversity.

The historical importance of Great Britain to The Gambia has declined, as Gambia has turned increasingly to the IDA and the European Development Fund, France, Germany, Switzerland, Japan, and Arab donors for aid. When Western aid ceased after the 1994 military takeover, The Gambia turned to Taiwan, Libya, Cuba, Nigeria, and Iran for economic support.

In 1999, the EU intended to spend $20 million on poverty alleviation, and the African Development Bank sponsored a $1 million rehabilitation program for the fishing industry. In 2000, The Gambia was slated to receive $91 million in debt relief under the International Monetary Fund (IMF)/World Bank Heavily Indebted Poor Countries (HIPC) initiative, intended to reduce poverty and stimulate economic growth. The IMF began a three-year $27 million Poverty Reduction and Growth Facility (PRGF) Arrangement with The Gambia in 2002, which was due to expire in 2005. The agriculture, tourism, and construction sectors drove GDP growth in 2001 to 6%. The government in 2002 was directing spending to social sectors, including agriculture, education and health. A girls' scholarship program began in 2001, which met with great success enrolling girls in poor households in school.

[40]SOCIAL DEVELOPMENT

A national pension and disability system covers employed persons in quasi-government institutions and in participating private companies. The retirement age is 55, with early retirement at 45. Worker's compensation laws have been in effect since 1940. A special scheme exists for civil servants and the military. Agricultural workers and subsistence farmers are excluded from coverage.

Women play little part in the public life of this conservative Islamic country. Arranged marriages are common, and polygamy is practiced. Women face discrimination in education and employment. Inheritance rights, moreover, favor men. The painful and often life-threatening practice of female genital mutilation continues to be widespread and is opposed by organized women's rights groups. Domestic violence is widespread, and considered a family issue. Education for children is compulsory, in theory, but this provision is not enforced in practice.

Although constitutional government was presumably restored in 1997, the military retained political power, and human rights abuses continue. There were reports of arbitrary arrest, detention and torture.

[41]HEALTH

The Gambia has hospitals in Banjul (Royal Victoria) and Bansang and a health clinic in Konbo, St. Mary. The country provided 62% of its people with safe water and 37% with adequate sanitation in 2000. Health conditions are poor: in 2000, average life expectancy was estimated at only 53 years for women and men. Nearly half of all children die by age five, primarily because of malaria and diarrheal diseases. Malaria, tuberculosis, trypanosomiasis, and schistosomiasis are widespread. In 1999, there were approximately 260 reported cases of tuberculosis per 100,000 people.

The fertility rate was 5 births per woman in 2000 and the infant mortality was 73 deaths per 1,000 live births. The Gambia has a higher than average maternal mortality rate, with an estimated 1,100 maternal deaths during childbirth or pregnancy per 100,000 live births, as of 1998. Contraceptives were used by 12% of married women (ages 15–49) between 1989–95. As of 1999, there were fewer than 0.05 physicians per 1,000 people, and 0.6 hospital beds. As of 1999, total health care expenditure was estimated at 3.7% of GDP.

Female genital mutilation is performed on nearly every woman in The Gambia. Nearly 500,000 women were affected in 1994. The government has published a policy opposing female genital mutilation, but no specific laws currently prohibit it.

The most recent immunization rates available (1990–94) for children under one year old were as follows: tuberculosis, 98%; diphtheria, pertussis, and tetanus, 90%; polio, 29%; and measles, 87%.

At the end of 2001 the number of people living with HIV/AIDS was estimated at 8,400 (including 1.6% of the adult population)

and deaths from AIDS that year were estimated at 4,000. HIV prevalence in 1999 was 1.95 per 100 adults.

[42]HOUSING

A Housing Finance Fund provides low-cost housing and related assistance. As of 2000, 80% of urban and 52% of rural dwellers had access to improved water sources. The government has been looking into the use of alternative building materials to cut housing expenses. In 2001, about 75% of building materials were imported.

[43]EDUCATION

Primary school is free but not compulsory and lasts for six years. Secondary schooling is in two stages of three plus three years. In 1996 primary schools had an enrollment of 124,513 students and 4,118 teachers, while secondary schools had 32,097 students and 1,547 teachers. The pupil-teacher ratio at the primary level was 33 to 1 in 1999. In the same year, 70% of primary-school-age children were enrolled in school, while 23% of those eligible attended secondary school. There were nine higher-level schools, including a teachers' training college. Projected adult literacy rates for the year 2000 stand at 63.5% (males, 56.2%; females, 70.4%). Educational expenditure accounted for 21.2% of total government expenditure in 1996. As of 1999, public expenditure on education was estimated at 4.8% of GDP.

[44]LIBRARIES AND MUSEUMS

The national library in Banjul contains 115,000 volumes. Gambia College in Brikoma has a library of 23,000 volumes. The Yundum College Library at Banjul has 4,000 volumes, and the library of the Gambia Technical Training Institute has 3,880. The Gambia National Museum, founded in 1982, is also in Banjul and features primarily archaeological and historical exhibits.

[45]MEDIA

In 2000 there were 31,900 telephones in use, using an adequate network of microwave radio relays and open wire. There were also about 5,624 cellular phones in use. As of 2001 there were 3 AM and 2 FM radio stations and 1 television station (which was government-owned). In 2000, there were 396 radios and 3 televisions sets for every 1,000 people. Internet access is limited, with two service providers serving 5,000 users in 2001.

There is one daily newspaper, *The Daily Observer*, with a 2002 circulation of 2,000. Though nominally independent, there have been allegations that editorial content was swayed toward promotion of the Alliance for Patriotic Reorientation and Construction (APRC). Other newspapers include *The Gambia Daily*, which, in spite of its name, is actually published three mornings per week, by the Ministry of Information and Broadcasting; *The Foroyaa*, a weekly with a circulation of 1,500; *The Gambia News and Report*, another weekly, also with a circulation of 1,500; and *The Point*, published twice a week, with a 2002 circulation of 4,000.

The old and new constitutions provide for free expression, but the government is presently said to prohibit all dissenting political publication and broadcasting.

[46]ORGANIZATIONS

The Gambia Chamber of Commerce and Industry represents many of the principal Gambian, British, and French firms. A network of cooperative societies functions within the groundnut-growing region.

[47]TOURISM, TRAVEL, AND RECREATION

Tourism has experienced significant growth in recent years. In 1999, 96,126 foreign tourists arrived in The Gambia, over 92% of them from Europe. Tourist receipts from the previous year totaled $49 million. As of 1997, there were 5,914 hotel beds with a 59% occupancy rate. All visitors need a valid passport and visa as well as a current international immunization card. Inoculations against typhoid, polio, hepatitis, yellow fever, and cholera are recommended.

In 2002, the US government estimated the cost of staying in Banjul at $112 per day. Outside the capital, travel costs are significantly less expensive, averaging from $25 to $50 per day.

[48]FAMOUS GAMBIANS

The first prime minister of the independent Gambia and the first president of the republic until 1994 was Alhaji Sir Dawda Kairaba Jawara (b.1924). Col. Yahya A. J .J. Jammeh (b.1965) seized power from Jawara in a bloodless coup in 1994.

[49]DEPENDENCIES

The Gambia has no territories or colonies.

[50]BIBLIOGRAPHY

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GHANA

Republic of Ghana

CAPITAL: Accra

FLAG: The national flag is a tricolor of red, yellow, and green horizontal stripes, with a five-pointed black star in the center of the yellow stripe.

ANTHEM: *Hail the Name of Ghana.*

MONETARY UNIT: The cedi (¢) is a paper currency of 100 pesewas. There are coins of ½, 1, 2½, 5, 10, 20, and 50 pesewas and 1, 5, 10, 20, 50, and 100 cedis, and notes of 1, 2, 5, 10, 20, 50, 100, 200, 500, and 1,000 cedis. ¢1 = $0.000118 (or $1 = ¢8450) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Anniversary of the Inauguration of the Fourth Republic, 7 January; Independence Day, 6 March; Labor Day, 1 May; Republic Day, 1 July; Christmas, 25 December; Boxing Day, 26 December; Movable religious holidays include Good Friday and Easter Monday.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the southern coast of the West African bulge, Ghana has an area of 238,540 sq km (92,100 sq mi), extending 458 km (284 mi) NNE–SSW and 297 km (184 mi) ESE–WNW. Bordered on the E by Togo, on the S by the Atlantic Ocean (Gulf of Guinea), on the W by Côte d'Ivoire, and on the NW and N by Burkina Faso, Ghana has a total boundary length of 2,633 km (1,635mi), of which 539 km (334 mi) is coastline. Comparatively, the area occupied by Ghana is slightly smaller than the state of Oregon. Ghana's capital city, Accra, is located on the Gulf of Guinea coast.

[2]TOPOGRAPHY

The coastline consists mostly of a low sandy shore behind which stretches the coastal plain, except in the west, where the forest comes down to the sea. The forest belt, which extends northward from the western coast about 320 km (200 mi) and eastward for a maximum of about 270 km (170 mi), is broken up into heavily wooded hills and steep ridges. North of the forest is undulating savanna drained by the Black Volta and White Volta rivers, which join and flow south to the sea through a narrow gap in the hills. Ghana's highest point is Mount Afadjato at 880 m (2,887 ft) in a range of hills on the eastern border. Apart from the Volta, only the Pra and the Ankobra rivers permanently pierce the sand dunes, most of the other rivers terminating in brackish lagoons. There are no natural harbors. Lake Volta, formed by the impoundment of the Volta behind Akosombo Dam, is the world's largest manmade lake (8,485 sq km/3,276 sq mi).

[3]CLIMATE

The climate is tropical but relatively mild for the latitude. Climatic differences between various parts of the country are affected by the sun's journey north or south of the equator and the corresponding position of the intertropical convergence zone, the boundary between the moist southwesterly winds and the dry northeasterly winds. Except in the north, there are two rainy seasons, from April through June and from September to November. Squalls occur in the north during March and April, followed by occasional rain until August and September, when the rainfall reaches its peak. Average temperatures range between 21° and 32°C (70–90°F), with relative humidity between 50% and 80%. Rainfall ranges from 83 to 220 cm (33–87 in) a year.

The harmattan, a dry desert wind, blows from the northeast from December to March, lowering the humidity and causing hot days and cool nights in the north; the effect of this wind is felt in the south during January. In most areas, temperatures are highest in March and lowest in August. Variation between day and night temperatures is relatively small, but greater in the north, especially in January, because of the harmattan. No temperature lower than 10°C (50°F) has ever been recorded in Ghana.

[4]FLORA AND FAUNA

Plants and animals are mainly those common to tropical regions, but because of human encroachment, Ghana has fewer large and wild mammals than in other parts of Africa. Most of the forest is in the south and in a strip along the border with Togo. Except for coastal scrub and grassland, the rest of Ghana is savanna.

[5]ENVIRONMENT

Slash-and-burn agriculture and overcultivation of cleared land have resulted in widespread soil erosion and exhaustion. Overgrazing, heavy logging, overcutting of firewood, and mining have taken a toll on forests and woodland. About one-third of Ghana's land area is threatened by desertification. Industrial pollutants include arsenic from gold mining and noxious fumes from smelters. Water pollution results from a combination of industrial sources, agricultural chemicals, and inadequate waste treatment facilities. Ghana's cities produce about 0.5 million tons of solid waste annually. The nation has 30 cubic kilometers of renewable water resource with 52% used for farming activity and 13% used for industrial purposes; about 91% of all urban dwellers and 62% of the rural population have access to pure water.

In 2001, Ghana had five national parks and four other protected areas, totaling 4.6% of the country's total land area.

The ban on hunting in closed reserves is only sporadically enforced, and the nation's wildlife is threatened by poaching and habitat destruction. Of the country's 222 mammal species, 13 are threatened, as well as 10 of the nation's 529 bird species and 4 types of reptiles. In addition, 22 of over 3,000 plant species are endangered.

[6]POPULATION

The population of Ghana in 2003 was estimated by the United Nations at 20,922,000, which placed it as number 50 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 43% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.17%, with the projected population for the year 2015 at 26,359,000. The Ghanaian government views the high growth rate as a hindrance to development, because of the pressure put on scarce public resources, employment, and food supplies. Modifying fertility is the primary official means of decreasing population growth. The population density in 2002 was 85 per sq km (220 per sq mi). Approximately 80% of the inhabitants reside in the south or in the far northeast and northwest.

It was estimated by the Population Reference Bureau that 38% of the population lived in urban areas in 2001. The capital city, Accra, had a population of 1,904,000 in that year. Other large cities were Kumasi (450,900) and Tema (206,000). According to the United Nations, the urban population growth rate for 2000–2005 was 4.2%.

[7]MIGRATION

For generations, immigrants from Burkina Faso and Togo have done much of the manual work, including mining, in Ghana; immigrant traders from Nigeria have conducted much of the petty trade; and Lebanese and Syrians have been important as intermediaries. In 1969, when many foreigners were expelled, Ghana's alien community was about 2,000,000 out of a population of about 8,400,000. In 1986, the government estimated that at least 500,000 aliens were residing in Ghana, mostly engaged in trading.

Ghanaians also work abroad, some as fishermen in neighboring coastal countries. Many Ghanaians were welcomed in the 1970s by Nigeria, which was in the midst of an oil boom and in need of cheap labor. In early 1983, as the oil boom faded, up to 700,000 Ghanaians were expelled from Nigeria; soon after, however, many deportees were reportedly being invited back by Nigerian employers unable to fill the vacant posts with indigenous labor. But in May 1985, an estimated 100,000 Ghanaians again were expelled from Nigeria.

In 1999, Ghana was hosting some 14,600 refugees, including 11,905 Liberians, 1,051 Togolese, 1,292 Sierra Leoneans, 94 Sudanese, and 83 others from Rwanda, Nigeria, Ethiopia, and Burundi. UNHCR organized a plan for the voluntary repatriation of some 15,000 Liberian refugees; since June 1997, 3,342 have repatriated under the plan. Of those Liberian refugees remaining in Ghana, another 4,000 have expressed willingness to return to their homeland; however, the majority wish to stay in Ghana or be resettled in third countries. Repatriation efforts for both Liberian and Togolese refugees were ongoing in 1999. Also in 1999, both Liberian and Sierra Leonean refugees were still arriving in Ghana in sizable numbers. In 2000 the number of migrants living in Ghana was 614,000. In that year the net migration rate was -1.2 migrants per 1,000 population. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

It is fairly certain that Ghana has been occupied by Negroid peoples since prehistoric times. Members of the Akan family, who make up some 44% of the population, include the Twi, or Ashanti, inhabiting the Ashanti Region and central Ghana, and the Fanti, inhabiting the coastal areas. In the southwest, the Nzima, Ahanta, Evalue, and other tribes speak languages related to Twi and Fanti. The Moshi-Dagomba constitute 16% of the population, the Ewe 13%, and the Ga 8%. The Accra plains are inhabited by tribes speaking variants of Ga, while east of the Volta River are the Ewe living in what used to be British-mandated Togoland. All these tribes are fairly recent arrivals in Ghana, the Akan having come between the 12th and 15th centuries, the Ga-Adangbe in the 16th century, and the Ewe in the 17th century. Most of the inhabitants of the Northern Region belong to the Mole-Dagbani group of Voltaic peoples or to the Gonja, who appear to bear some relation to the Akan. European and other groups account for only 0.2% of the population.

[9]LANGUAGES

Of the 56 indigenous languages and dialects spoken in Ghana, 31 are used mainly in the northern part of the country. The languages follow the tribal divisions, with the related Akan languages of Twi and Fanti being most prominent. Also widely spoken are Moshi-Dagomba, Ewe, and Ga. English is the official language and is the universal medium of instruction in schools. It is officially supplemented by five local languages.

[10]RELIGIONS

An estimated 69% of the population belonged to various Christian denominations, 16% were Muslims (though Muslim leaders claim the number is closer to 30%), and about 9% of the population practices other religions, including the Baha'i Faith, Buddhism, Judaism, Hinduism, Shintoism, Ninchiren Shoshu Soka Gakkai, Sri Sathya Sai Baba Sera, Sat Sang, Eckanker, the Divine Light Mission, Hare Krishna, Rastafarianism, and indigenous religions. Christian denominations include Catholics, three branches of Methodists, Anglicans, Mennonites, two branches of Presbyterians, Lutherans, the Church of Jesus Christ of Latter-Day Saints, Seventh-Day Adventists, Pentecostals, Baptists, and Society of Friends. Some Christians also include elements of indigenous religions in their own practices. There are three primary branches of Islam within the country: Ahlussuna, Tijanis, and Ahmadis. A small number of Muslims are Shi'a. Zetahil, a religion that is unique to Ghana, combines elements of both Islam and Christianity.

The indigenous religions generally involve a belief in a supreme being along with lesser gods. Veneration of ancestors is also common. The Afrikan Renaissance Mission, also known as Afrikania, is an organization which actively supports recognition and practice of these traditional religions.

In many areas of the country, there is still a strong belief in witchcraft. Those suspected of being witches (usually older women) have been beaten or lynched and occasionally banished to "witch camps," which are small villages in the north primarily populated by suspected witches. The law does provided protected for alleged witches and incidents of banishment and violence against supposed offenders seems to be decreasing.

Although there is no state religion, attendance at assemblies or devotional services is required in public schools, with a service that is generally Christian in nature. However, this requirement is not always enforced.

[11]TRANSPORTATION

The government's development program has been largely devoted to improving internal communications; nevertheless, both road and rail systems deteriorated in the 1980s. Rehabilitation began

LOCATION: 4°45′ to 11°10′ N; 1°12′ E to 3°15′ W. BOUNDARY LENGTHS: Togo, 877 kilometers (545 miles); Atlantic coastline, 539 kilometers (335 miles); Côte d'Ivoire, 668 kilometers (415 miles); Burkina Faso, 544 kilometers (338 miles). TERRITORIAL SEA LIMIT: 12 miles.

in the late 1980s, with priority being given to the western route, which is the export route for Ghana's manganese and bauxite production and also serves the major gold-producing area. Rail lines are also the main means of transportation for such products as cocoa, logs, and sawn timber; they are also widely used for passenger service. There were 953 km (592 mi) of railway in 2002, with the main line linking Sekondi-Takoradi with Accra and Kumasi.

Ghana had about 39,940 km (24,818 mi) of roads in 2002, of which about 9,346 km (5,808 mi), including 30 km (19 mi) of expressways, were paved. Good roads link Accra with Tema, Kumasi, Takoradi, and Akosombo. In 2000, Ghana had 106,600 private automobiles and 142,300 commercial vehicles. The government transport department operates a cross-country bus service; municipal transport facilities are available in all main towns.

The Black Star Line, owned by the government, operates a cargo-passenger service to Canada, the US, the UK, Italy, and West Africa. In 2002, Ghana had a merchant shipping fleet comprising 7 vessels and 16,450 GRT. Lake transport service between Akosombo and Yapei is operated by Volta Lake Transport Co.

Ghana has no natural harbors. An artificial deepwater port was built at Sekondi-Takoradi in the 1920s and expanded after World War II. A second deepwater port, at Tema, was opened in 1962, and in 1963 further extensions were made. At a few smaller ports, freight is moved by surfboats and lighters. The major rivers and Lake Volta provide about 1,293 km (803 mi) of navigable waterways.

In 2001, there were 12 airports in Ghana, 7 of which had paved runways. Accra's international airport serves intercontinental as well as local West African traffic. Smaller airports are located at Sekondi-Takoradi, Kumasi, Tamale, and Sunyani. Ghana Airways, owned by the government, operates domestic air services and flights to other African countries and to the Federal Republic of Germany (FRG), London, and Rome. In 2001, 301,100 passengers were carried on scheduled domestic and international flights.

[12]HISTORY

Oral traditions indicate that the tribes presently occupying the country migrated southward roughly over the period 1200–1600. The origins of the peoples of Ghana are still conjectural, although the name "Ghana" was adopted on independence in the belief that Ghanaians are descendants of the inhabitants of the empire of Ghana, which flourished in western Sudan (present-day Mali), hundreds of miles to the northwest, more than a thousand years ago.

The recorded history of Ghana begins in 1471, when Portuguese traders landed on the coast in search of gold, ivory, and spices. Following the Portuguese came the Dutch, the Danes, the Swedes, the Prussians, and the British. Commerce in gold gave way to the slave trade until the latter was outlawed by Great Britain in 1807. The 19th century brought a gradual adjustment to legitimate trade, the withdrawal of all European powers except the British, and many wars involving the Ashanti, who had welded themselves into a powerful military confederacy; their position as the principal captors of slaves for European traders had brought them into conflict with the coastal tribes. British troops fought seven wars with the Ashanti from 1806 to 1901, when their kingdom was annexed by the British crown.

In 1874, the coastal area settlements had become a crown colony—the Gold Coast Colony—and in 1901 the Northern Territories were declared a British protectorate. In 1922, part of the former German colony of Togoland was placed under British mandate by the League of Nations, and it passed to British trusteeship under the UN after World War II. Throughout this period, Togoland was administered as part of the Gold Coast.

After a measure of local participation in government was first granted in 1946, the growing demand for self-government led in 1949 to the appointment of an all-African committee to inquire into constitutional reform. Under the new constitution introduced as a result of the findings of this committee, elections were held in 1951, and for the first time an African majority was granted a considerable measure of governmental responsibility. In 1954, further constitutional amendments were adopted under which the Gold Coast became, for practical purposes, self-governing. Two years later, the newly elected legislature passed a resolution calling for independence, and on 6 March 1957 the Gold Coast, including Ashanti, the Northern Territories Protectorate, and the Trust Territory of British Togoland, attained full independent membership in the Commonwealth of Nations under the name of Ghana. The Gold Coast thus became the first country in colonial Africa to gain independence. The nation became a republic on 1 July 1960.

During the period 1960–65, Ghana's first president, Kwame Nkrumah, steadily gained control over all aspects of Ghana's economic, political, cultural, and military affairs. His autocratic rule led to mounting but disorganized opposition. Following attempts on Nkrumah's life in August and September 1962, the political climate began to disintegrate, as government leaders accused of complicity in the assassination plots were executed or removed from office. A referendum in January 1964 established a one-party state and empowered the president to dismiss Supreme Court and High Court judges. Another attempt to assassinate Nkrumah occurred that month.

In February 1966, Nkrumah was overthrown. A military regime calling itself the National Liberation Council (NLC) established rule by decree, dismissing the civilian government and suspending the constitution. A three-year ban on political activities was lifted 1 May 1969, and after elections held in August, the Progressive Party, headed by Kofi A. Busia, formed a civilian government under a new constitution. During his two years in office, Busia lost much of his public following, and Ghana's worsening economic condition was the pretext in January 1972 for a military takeover led by Lt. Col. Ignatius Kutu Acheampong, who formed the National Redemption Council (NRC). Unlike the military rulers who came to power in 1966, however, the NRC made no plans for a rapid return to civilian rule. The NRC immediately repudiated part of the foreign debt remaining from the Nkrumah era and instituted an agricultural self-help program dubbed Operation Feed Yourself. By July 1973, the last 23 of some 2,000 persons arrested during the coup that brought the NRC to power had been released.

The NRC was restructured as the Supreme Military Council in 1976. A military coup on 5 July 1978 ousted Acheampong, who was replaced by Lt. Gen. Frederick Akuffo. Less than a year later, on 4 June 1979, a coup by enlisted men and junior officers brought the Armed Forces Revolutionary Council to power, led by a young flight lieutenant, Jerry Rawlings. Acheampong, Akuffo, and another former chief of state, A. A. Afrifa (who had engineered Nkrumah's overthrow in 1966), plus five others, were found guilty of corruption and executed in summary proceedings. Dozens of others were sentenced to long prison terms by secret courts. The new regime did, however, fulfill the pledge of the Akuffo government by handing over power to civilians on 24 September 1979, following nationwide elections. The Nkrumah-style People's National Party (PNP) won 71 of 140 parliamentary seats in the balloting, and PNP candidate Hilla Limann was elected president.

Ghana's economic condition continued to deteriorate, and on 31 December 1981 a new coup led by Rawlings overthrew the civilian regime. The constitution was suspended, all political parties were banned, and about 100 business leaders and government officials, including Limann, were arrested. Rawlings became chairman of the ruling Provisional National Defense

Council. In the following 27 months there were at least five alleged coup attempts. Nine persons were executed in 1986 for attempting to overthrow the regime, and there remained concern over the activities of exile groups and military personnel.

A new constitution was approved by referendum on 28 April 1992 and Rawlings was elected with about 58% of the vote in a sharply contested multiparty election on 3 November 1993. The legislative elections in December, however, were boycotted by the opposition, and the ruling National Democratic Congress (NDC) was able to capture 190 of the 200 seats.

On 4 January 1993, the Fourth Republic was proclaimed and Rawlings was inaugurated as president. Opposition parties, assembled as the Inter-Party Coordinating Committee (ICC), issued a joint statement announcing their acceptance of the "present institutional arrangements" on 7 January, and further stated that they would continue to act as an elected opposition even though they had won no seats in the assembly.

Throughout the 1990s, Ghana's Northern Region has been the site of ethnic/tribal strife. The Kankomba, a landless, impoverished people, began to fight for economic rights against the dominant Nanumbia. In 1995, a curfew was imposed on the region amid massive strife.

Legislative elections were again held in 1996. By maintaining power throughout his elected term (1992–96), Rawlings became the head of the first Ghanian government to serve a full term without being overthrown. In 1995, Rawlings set up an Electoral Commission charged with setting up and conducting free elections complete with international observers. The Commission enlisted the help of all registered opposition parties and conducted a massive drive to register voters. In the balloting, held 7 December 1996, 77% of the electorate turned out, a substantial improvement over the turnout in 1992. Most observers credited the increase with the Rawlings government's increased transparency.

1n 1996, Rawlings was reelected to a second four-year term, having received about 58% of the vote to the Great Alliance Party candidate John Kufour's 40%. The NDC took 133 seats in the 200-member assembly. The NPP emerged as the leading opposition, taking 60 of the remaining seats. The next presidential elections were held on 7 and 28 December 2000, with Rawlings barred by law from serving a third term. Kufour won the election, taking 57.4% of the vote to NDC candidate and Rawlings' vice-president John Atta Mills's 42.6% in the second round of voting (Kufour won 48.4% of the vote in the first round, and Mills took 44.8%). Five other candidates contested the elections, and Rawlings relinquished power willingly. When Kufour took office in January 2001, he began investigations into alleged corruption and human rights violations during the time Rawlings was in power, which caused consternation on Rawlings' part. Also on 7 December, parliamentary elections were held; the second round of voting was held on 3 January 2001, and the NPP took 100 of the 200 seats, to the NDC's 92. The elections were judged by international observers to be generally free and fair, although there were reports of government pressure on the media and voter intimidation.

Tension between Kufour and Rawlings continued throughout 2001, and came to a head on 4 June when Rawlings, who was celebrating the anniversary of his 1979 takeover of power, gave a speech that implied Kufour did not have the confidence of the military. This was seen as a threat of another coup, and thousands marched in protest of Rawlings' statement. One of Kufour's first acts as president was to abolish the national holidays commemorating 4 June 1979 and the 31 December 1981 anniversary of the second coup that began the Rawlings era. Following Rawlings' speech, the military leadership stated its support of the Kufour government.

In early 2003, Kufour was host to talks between Côte d'Ivoire's new prime minister Seydou Diarra and representatives of the country's northern-based rebels in an attempt to reach an accord on a power-sharing agreement with President Laurent Gbagbo's government, after the civil war that broke out in the country in September 2002.

Ghana's leaders and citizens face unprecedented social threats. The National AIDS Control Programme (NACP) in Accra expects that by 2014 AIDS will account for 35% of all deaths. In 1994, AIDS accounted for an estimated 3.5% of all deaths with some 200 people being infected daily. In February 2000, the estimated HIV prevalence was between 4% and 5% nationwide. HIV/AIDS affects the development of all sectors including health, education, the labor force, economy, transport and agriculture. To curb the pandemic, Ghana has launched a national crusade against it.

Despite this setback to Ghana's development, in August 1999, representatives of Shell and Chevron signed a memorandum of understanding with representatives of Nigeria, Benin, Togo, and Ghana specifying that a gas pipeline traversing the four countries would be built. In February 2003, the heads of state of the four countries signed a treaty on establishing a legal and fiscal framework and a regulatory authority for the US$500 million West African Gas Pipeline (WAGP). The pipeline will be designed to carry an initial volume of 195 million cubic feet of gas.

13 GOVERNMENT

Since independence, Ghana has experienced four military coups and ten changes of government. The military ruled Ghana by decree from 1972 to 1979, when an elected constituent assembly adopted a new constitution establishing a unicameral parliament and an executive branch headed by a president. On 31 December 1981, a military coup installed the Provisional National Defense Council (PNDC) as the supreme power; the constitution was suspended and the national assembly dissolved.

A consultative assembly, convened late in 1991 to draw up a new constitution, completed its work in March 1992. The government inserted a controversial amendment indemnifying officials of the PNDC from future prosecution for all acts of commission and omission during their term in office. In an April 1992 referendum, the constitution was approved by 92.5% of voters in a low turnout (58% of those eligible). It provides for a presidential system and a legislature (national assembly) of 200 members. Since the 1992 referendum, the government introduced multiparty competition, with the 1996 and 2000–2001 elections receiving high marks for fairness from international observers.

Rawlings was both chief of state and head of government until his second term expired in December 2000. The president is elected for a four-year term, and the constitution bars a third term. John Agyekum Kufour was elected president in 2000 over Rawlings' vice president and hand-picked would-be successor, John Atta Mills.

14 POLITICAL PARTIES

The United Gold Coast Convention (UGCC) was established in 1947 with the declared aim of working for self-government at the earliest possible date. In 1949, as most of the UGCC leadership came to accept constitutional reform as an alternative to immediate self-government, the party secretary, Kwame Nkrumah, broke away and formed his own group, the Convention People's Party (CPP). In January 1950, Nkrumah announced a program of "positive action" for which he and the main leaders of the party were prosecuted and sentenced for sedition. At the first elections held in 1951 under a new constitution, the CPP obtained 71 of the 104 seats, and Nkrumah and his colleagues were released from prison to enter the new government. In May 1952, Kofi A. Busia, of the University College, founded the Ghana Congress Party (GCP), which

continued the UGCC position of trying to form alliances with traditional chiefs. The GCP's leadership was a mixture of dissatisfied former CPP members and the professional-oriented leadership of the UGCC. In 1953, Nkrumah was elected life chairman and leader of the CPP.

In 1954, the assembly and cabinet became all African. A new party, the Ashanti-based National Liberation Movement (NLM), was formed to fight the general centralizing tendencies of the CPP and also to maintain the position of the traditional rulers; the NLM leadership, except for Busia, consisted of former CPP members. In the elections held in 1956, however, the CPP retained its predominant position, winning 72 of 108 seats in the Legislative Assembly.

One of the first acts of independent Ghana under Nkrumah was the Avoidance of Discrimination Act (1957), prohibiting sectional parties based on racial, regional, or religious differences. This led the opposition parties to amalgamate into the new United Party (UP), opposing the government's centralization policies and the declining power of the traditional rulers. The effectiveness of the opposition was reduced following the 1960 election by the withdrawal of official recognition of the opposition as such and by the detention of several leading opposition members under the Preventive Detention Act (1958). In September 1962, the National Assembly passed by an overwhelming majority a resolution calling for the creation of a one-party state; this was approved by referendum in January 1964.

After the military takeover of February 1966, the National Liberation Council outlawed the CPP along with all other political organizations. The ban on political activities was lifted on 1 May 1969, and several parties participated in the August 1969 balloting. The two major parties contesting the election were the Progress Party (PP), led by Busia, which was perceived as an Akan-dominated party composed of former members of the opposition UP; and the National Alliance of Liberals (NAL), a Ewe- and CPP-dominated group under the leadership of the former CPP minister Komla Gbedemah. The PP won 105 seats in the 140-member National Assembly; 29 seats were captured by the NAL, and 6 by the five minor parties. In October 1970, the NAL merged with two of the smaller groups to form the Justice Party.

All political parties in Ghana were again disbanded following the January 1972 military coup led by Col. Acheampong. When political activities resumed in 1979, five parties contested the elections. The People's National Party (PNP), which won 71 of 140 seats at stake, claimed to represent the Nkrumah heritage; the Popular Front Party (PFP) and the United National Convention (UNC), which traced their lineage back to Busia's Progress Party, won 43 and 13, respectively. The Action Congress Party (ACP), drawing primary support from the Fanti tribe, won 10 seats, while the leftist Social Democratic Front won 3. After the elections, the PNP formed an alliance with the UNC. In October 1980, however, the UNC left the governing coalition, and in June joined with three other parties to form the All People's Party. The coup of December 1981 brought yet another dissolution of Ghana's political party structure. Opposition to the Provisional National Defense Council (PNDC) was carried on by the Ghana Democratic Movement (organized in London in 1983) and a number of other groups.

With adoption of a new constitution in April 1992, the long-standing ban on political activity was lifted on 18 May 1992. Ghanaians prepared for the presidential and legislative elections to be held in November and December. The parties that emerged could be grouped into three clusters. The center-right group was the most cohesive and it consisted of followers of Kofi Busia. They formed the New Patriotic Party (NPP) and chose Adu Boaheu as their presidential candidate. The center-left group was Nkrumahists. Ideological and leadership differences kept them divided into 5 separate parties, of which the People's National Convention, a party led by ex-President Limann, was best organized. PNDC supporters comprised the third grouping. They favored continuity and, after forming the National Democratic Congress (NDC), were able to draft Rawlings as their candidate.

Rawlings eventually defeated Boaheu (58% to 30%) for the presidency. Opposition parties boycotted the December 1992 legislation elections, and the NDC carried 190 of the 200 seats. But the fear of one-party control prompted a split in the NDC. The official opposition in parliament was a faction of the ruling NDC.

Meanwhile, the NPP provided the most serious challenge to the NDC. It sees itself as defender of the new constitution. The NPP broke away from the opposition, the Inter-Party Coordinating Committee, by announcing in August 1993 its recognition of the 1992 election results, which the ICC had refused to accept.

On 7 December 1996, parliamentary elections were again held and while Rawlings's NDC maintained a majority, it fell from 190 seats in 1992 to 133 seats. The NPP, leading the opposition, won 60 seats. The People's Convention held 5 seats and the People's National Convention held 1. The elections were preceded by a massive voter registration drive and judged to be free and fair by international observers.

Leading up to the 2000 elections, the four main opposition parties formed the Joint Action Committee (JAC) to monitor the electoral register and campaign activities to ensure transparency. The elections for the National Assembly were held on 7 December 2000 and 3 January 2001. The NPP emerged the winner by a slim margin, taking 100 seats to the NDC's 92. The socialist People's National Convention took three seats, the socialist Convention People's Party took one seat, and independents won four seats. In the 7 and 28 December 2000 presidential elections, in addition to the NPP's candidate John Kufour and the NDC's candidate John Atta Mills, the following 5 parties put presidential candidates forward: the People's National Convention, the Convention People's Party, the National Reform Party, the Great Consolidated Popular Party, and the United Ghana Movement.

15 LOCAL GOVERNMENT

As of early 2003, Ghana was divided into 10 regions: Eastern, Western, Ashanti, Northern, Volta, Central, Upper East, Upper West, Brong-Ahafo, and Greater Accra. In 1994, the 10 regions were further subdivided into 267 local administrative units. Local government in Ghana has traditionally been subject to the central government because responsibilities between the two were not well-defined. In late 1982, the government announced that town and village councils, which had been dissolved after the 1981 coup, would be run by people's and workers' defense committees. They were replaced by Committees for the Defense of the Revolution in 1984. The Local Government Law of 1988 and the Local Government Act of 1993 further empowered local governments, and set the stage for efforts to assist them with development planning, working with civil society, and less dependence on central government for resources.

Elections for 103 district assemblies, 4 municipal assemblies, and 3 metropolitan assemblies were conducted in March 1994. In April 2000, the World Bank approved a US$11-million credit for infrastructure development in Ghana's smaller cities. The Urban 5 Project is intended to support Ghana's decentralization program through capacity building, improvement of urban infrastructure, and delivery of services at the levels of the district assemblies. The project is part of an 11-year program. Local assembly elections were held in August 2002; 14,079 candidates competed in the elections, which were peaceful but marked by low voter turnout.

[16]JUDICIAL SYSTEM

The 1992 constitution established an independent judiciary and a number of autonomous institutions such as the Commission for Human Rights to investigate and take actions to remedy alleged violations of human rights. The new system is based largely on British legal procedures. The new court system consists of two levels: superior courts and lower courts. The superior courts include the Supreme Court, the Appeals Court, the High Court, and regional tribunals. Parliament has the authority to create a system of lower courts. The old public tribunals are being phased out as they clear their dockets.

The 1971 Chieftaincy Act gives the traditional courts powers to mediate local matters. Traditional courts in which village chiefs enforce customary tribal laws in resolving local divorce, child custody, and property disputes continue to operate alongside the new courts.

The constitution provides for an independent judiciary. However, in practice the judiciary is influenced on occasion by the executive branch, and is hampered by a lack of staff and financial resources. The government nominates any number beyond a minimum of 9 members to the Supreme Court, subject to parliament's approval.

Defendants have the right to have a public trial, to be presumed innocent, to have an attorney, and to cross-examine witnesses.

[17]ARMED FORCES

In 2002, Ghana's active defense forces numbered 7,000. The army numbers 5,000 including the presidential guard. The 1,000-member navy operates six vessels, and the air force 1,000 flies 19 combat aircraft. The Ghanaian military provides support to UN and peacekeeping missions in Croatia, Lebanon, Iraq, Kuwait, Sierra Leone, Tajikistan, and the Western Sahara. Ghana spent $35.2 million on defense in 2001, or 0.7% of GDP.

[18]INTERNATIONAL COOPERATION

On 8 March 1957, Ghana was admitted to UN membership; the nation belongs to ECA and all the nonregional specialized agencies. Ghana is also a member of the African Development Bank, Commonwealth of Nations, G-77, and African Union. In November 1974, Ghana was admitted as a member of the International Bauxite Association, and in June 1975 it ratified the treaty creating ECOWAS. The nation is a member of the WTO and a signatory of the Law of the Sea.

[19]ECONOMY

Ghana's economy is led by the agricultural sector, which accounted for about 35% of GDP and employed 65% of the labor force in 2001. Its key crops are cassava, coco-yams (taro), plantains, and yams. Maize, millet, sorghum, rice, and groundnuts are also important staple crops. Agricultural crops which are sold for export include coffee, bananas, palm nuts, copra, limes, kola nuts, shea nuts, rubber, cotton, and kenaf. Cocoa, however, is the dominant export crop; in 2000–2001, cocoa production was estimated to be around 400,000 metric tons. The civil war in Côte d'Ivoire that began in 2002 contributed to a marked rise in cocoa prices, but it was unknown if this development would result in a long-term shift in the cocoa market.

Ghana produces meat, but not enough to satisfy local demand. The fishing industry, likewise, produces only about half of local demand.

Ghana has significant deposits of gold, and important new investments were made in this sector in 1992. In that year, earnings from gold exports exceeded those of cocoa for the first time, and continued to do so through 2003. Industrial diamonds are also produced. Ghana is a modest oil producer and refines petroleum products. Bauxite deposits are substantial but largely unexploited: the aluminum smelter at Tema uses bauxite imported from Jamaica. Significant manganese production occurs at Nsuta.

In addition, tourism and timber are growth areas. Timber reserves, however, are declining due to large-scale deforestation that is both legally approved and illegal. With respect to tourism, infrastructure and communications outside the main cities are poor, but tourism has become the country's third largest source of foreign currency.

Prior to 1990, the economy was dominated by over 300 state-owned enterprises. Although over 150 of these firms had been privatized by 1996, the overall pace of privatization has been slow. The economy is also hampered by poor roads and an inadequate telecommunications sector. Inflation has also been a problem peaking at 70% in 1995 before receding to about 21% by the end of 2001. Inflation has been fueled by undisciplined spending by parastatals and large public sector wage increases, which have added substantially to the government's budget deficit. In an attempt to contain inflation, the government has pursued a high interest rate policy. The economy grew at 4.5% in 1995, up from 3.8% in 1994, due to increased gold production and a good cocoa harvest. The economy continued at a growth rate of 4.2% in 2001. Ghana remains heavily reliant on international assistance from the World Bank, its largest donor. Most aid is tied to progress in the privatization program. Ghana in 2001 applied for a debt reduction package under the Heavily Indebted Poor Countries Initiative set up by the World Bank and the IMF; Ghana was to receive $875 million over three years.

The 373-mile (600-km) West Africa Gas Pipeline, for which Ghana will provide a supply point in Tema, was to be constructed in 2003, with an estimated capacity of 11 million cu m (400 million cu ft) a day.

The government under John Agyekum Kufuor that came to power in 2000 was dedicated to privatization and encouraging foreign investment. Kufuor declared his administration to usher in the "Golden Age of Business."

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Ghana's gross domestic product (GDP) was estimated at $39.4 billion. The per capita GDP was estimated at $1,980. The annual growth rate of GDP was estimated at 3%. The average inflation rate in 2001 was 25%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 36% of GDP, industry 25%, and services 39%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $32 million or about $2 per capita and accounted for approximately 0.7% of GDP. Worker remittances in 2001 totaled $34.02 million. Foreign aid receipts amounted to about $33 per capita and accounted for approximately 13% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $305. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 1%. The richest 10% of the population accounted for approximately 30.1% of household consumption and the poorest 10% approximately 2.2%. It was estimated that in 1992 about 31% of the population had incomes below the poverty line.

[21]LABOR

In 2000, an estimated nine million Ghanaians were in the labor force. As of 1999, an estimated 60% of the labor force was engaged in agriculture, 15% in industry, and 25% in services. In 1997, the estimated unemployment rate was 20%.

Although freedom of association is provided by law, the government controls the right to unionize. Government has not, however, prevented the formation of unions. Less than 9% of workers in the formal economy are union members partially due to the weak economy. More workers, up to 86%, are entering the informal sector which is not organized. The law protects the right to strike after mandatory arbitration, but this has not been utilized. Workers are also permitted to engage in collective bargaining.

The minimum working age is 15, but local custom and economic necessity encourage many children to work at much younger ages. The government, labor, and employers set a daily minimum wage of $.78 which was still in effect in 2002. This amount does not provide a living wage for a family. The legal maximum workweek is set at 45 hours, but most collective bargaining agreements allow for a 40-hour week. Health and safety regulations are difficult to enforce due to lack of resources.

[22]AGRICULTURE

Agriculture, especially cocoa, forms the basis of Ghana's economy, accounting for 36% of GDP in 2001. Cocoa exports in 2001 contributed 16% ($246.7 million) to total exports. About 23% of the total area, or 5,300,000 ha (13,096,000 acres), was cultivated in 1998. About 85% of all agricultural land holders in Ghana are small scale operators who primarily farm with hand tools.

Cocoa beans were first introduced to Ghana in 1878 by Tettah Quarshie. Thereafter, the cultivation of cocoa increased steadily until Ghana became the world's largest cocoa producer, supplying more than one-third of world production by the mid-1960s. By the early 1980s, production was less than half that of two decades before; market conditions were aggravated by a drop of nearly 75% in world cocoa prices between 1977 and 1982. In 1983/84, cocoa production totaled 158,000 tons, the lowest since independence; by 1999, production had rebounded to about 409,000 tons (second highest after Côte d'Ivoire). The Ghana Cocoa Marketing Board purchases and (at least in theory) exports the entire cocoa crop, as well as coffee and shea nuts. Cocoa smuggling was made punishable by death in 1982.

Ghana continues to be a net food importer. Ghana's Ministry of Food and Agriculture estimates that Ghanaian agriculture may be operating at just 20% of its potential. The grain harvest in 1999 included corn, 1,014,000 tons; paddy rice, 210,000 tons; sorghum, 302,000 tons; and millet, 160,000 tons. Other crops were cassava, 7,845,000 tons; plantains, 2,046,000 tons; cocoyams (taro), 1,707,000 tons; yams, 3,249,000 tons; tomatoes, 216,000 tons; peanuts, 212,000 tons; sugarcane, 147,000 tons; coconuts, 240,000 tons; chilies and peppers, 170,000 tons; oranges, 50,000 tons; palm kernels, 35,000 tons; and palm oil, 310,000 tons. Considerable potential exists for the development of agricultural exports including pineapples, tomatoes, soybeans, and cut flowers.

[23]ANIMAL HUSBANDRY

Livestock can be raised only in the tsetse-free areas, mainly in the Northern Region and along the coastal plains from Accra to the eastern frontier. Ghana's indigenous West African shorthorn is one of the oldest cattle breeds in Africa. Ghanaian livestock farms which can be termed ranches are few; average livestock population for these outfits is about 400 animals. The elimination of deadly epizootic diseases by prophylactic inoculation of cattle (especially with the help of mobile immunization centers) resulted in a rise of the cattle population from 100,000 head in 1930 to 662,000 in 1968 and 1,360,000 in 2001. There were also about 3,200,000 goats, 2,850,000 sheep, 325,000 hogs, and 21,000,000 poultry. Total meat production in 2001 was 167,000 tons. Many live animals and much meat are imported (mainly from Nigeria) to satisfy local demand. A serious problem for the livestock industry continues to be the provision of adequate feed for animals during the dry season. Almost every household in Ghana rears a few animals for home consumption and as capital saving in case of crop failures.

[24]FISHING

In 2000, the total marine fish catch was 377,570 tons, and the freshwater catch (not including subsistence fishing) about 74,500 tons. Round sardinella and European anchovies together accounted for 49% of the total catch. Exports of fish products amounted to $78.5 million in 2000. In 1973, an industrial fishing complex at Tema began production of canned pilchards and sardines. Lake Volta accounts for about half the freshwater catch. Considerable potential exists for the development of shrimp and fish exports.

[25]FORESTRY

The forest area (primarily in the south) covers about 28% of the country. Since October 1972, the government has acquired a majority share in a number of foreign-owned timber companies. The Timber Marketing Board has a monopoly on the export of timber and timber products.

Among the roughly 300 timber-producing species are the warwa obech, mahogany, utile, baku, and kokrodua; species such as avodire, sapale, and makuri are considered the best in Africa. A ban on the export of 21 species was established in 1979 in order to encourage the production of sawn timber and timber products. The total production of roundwood in 2000 was 21,765,000 cu m (769,540,000 cu ft), with 95% burned as fuel. Sawn wood production was 243,000 cu m (8.6 million cu ft), with exports of $76.8 million. Total exports of forest products in 2000 amounted to $137.6 million. After cocoa and minerals, sawn timber and logs constitute the third-largest export item. The government is encouraging a shift to value-added timber exports in order to strengthen Ghana's position in the global market, create more employment, and bring in more foreign revenue.

[26]MINING

Mining was Ghana's leading industry in 2002, and gold was its top export commodity, followed by bauxite, manganese ore, and diamonds. Ghana was Africa's second-largest gold producer, behind South Africa, and was the continent's third-largest producer of aluminum metal and manganese ore. In 2000, mineral exports were $984 million, or 51% of total exports (excluding smuggled gold and diamonds); gold accounted for $702 million. Extensive smuggling of gold, the top export of the Gold Coast, and of diamonds through the years has cut into government revenues, as did weak international prices in 1999 and 2000 and high energy costs. In 2000, Ghana also produced trioxide arsenic, hydraulic cement, kaolin, salt, sand and gravel, silica sand, silver, dimension stone, and limestone and lime for processing gold ore.

Gold production in 2000, not including smuggled or undocumented production, was 72,080 kg, down from its peak the previous year, 79,946, and up from 54,662 in 1997. The drop was attributed to the closure in 2000 of the Teberebie Mine, which ranked third in the country in 1999, with 8,573 kg mined, and of surface mining operations at the Obuasi complex, the largest producer in the country, resulting in a drop in production from 27,537 kg in 1998 to 19,937 in 2000 through its open-pit and underground operations. Also closing were the Prestea underground mine, in 1998; the Asikam alluvial mine, in 2000;

and oxide mining at Bogosu, to be phased out in 2001. Recent start-ups, however, included the second, third, and fourth top producers in 2000, all begun in 1998—the Tarkaw open-pit mine yielded 11,272 kg (full capacity of 15,500 was planned for 2003; Tarkaw's underground operation ceased production in 2000); the Damang, 9,881; and the Bibiani, 8,513. Obuasi and Bibiani were owned by Ashanti Goldfields Co. Ltd, which was listed on stock exchanges in New York, Toronto, Australia, and Zimbabwe. Its seven gold mines in Ghana, Guinea, Tanzania, and Zimbabwe produced 54,035 kg, of which 66% was from Ghana, compared to 78% in 1999, and it reported measured and indicated resources of 187.3 million tons at an average grade of 4.36 grams per ton of gold, of which Obuasi's four mines in Ghana accounted for 56 million tons at a grade of 10 grams per ton of gold. Development of Normandy Ghana Gold Ltd.'s new Yamfo-Sefwi gold deposit, with 75.7 million tons of measured, indicated, and inferred resources, could see national production returning to the 76–79-ton range between 2002 and 2004. However, known and economic gold resources were being depleted at the Bogosu, Damang, Iduapriem, and Obotan mines. A 15%–25% increase in the world gold price could stimulate new exploration and access to lower grade ores and extend the life of the mines.

Production of processed manganese ore, all from the Nsuta-Wassaw open-pit mine, was 896,000 tons in 2000, surpassing totals of the peak production years in the 1970s, and up from 638,937 in 1999, 437,000 in 1997, and 217,000 in 1995. Manganese production, begun in 1916, was controlled by the US-owned African Manganese Co. until 1975, when the government-owned National Manganese Corp. took over. Only one relatively small bauxite deposit was worked, at Awaso. The site has been in production since 1941 by Ghana Bauxite Company (20% government owned); reserves have been estimated to last 30 years, and other ore reserves nearby were adequate to support mine life for a century. In 2000, production amounted to 504,000 tons, the same figure as in 1997, and up from 355,000 in 1999; export capacity was to be 1 million tons by 2003. Akwatia, owned by a joint UK- and Ghanaian-government company, was the only formal operating diamond mine. The majority of diamonds were recovered by artisanal miners from alluvial and raised terrace gravel workings in the Birim Valley. Total production in 2000, not including unreported artisanal production, amounted to 920,000 carats, up from 680,000 in 1999 and 809,000 in 1998; total formal-sector production peaked in the 1970s, at more than 2.5 million carats.

Through privatization programs in the 1990s, the government greatly reduced its once-dominant stake in cement and gold companies; it has maintained controlling interest in Ghana Consolidated Diamonds Ltd. Efforts to attract foreign investment in recent years have brought a wide range of companies from Australia, Canada, Ireland, South Africa, the United Kingdom, and the United States, which held controlling interests in most of the mines in Ghana. The issuance of reconnaissance and prospecting licenses by the Ghana Minerals Commission dropped from 62 in 1997 to 4 in 2000, as a result of the decrease in exploration risk capital and the weakening gold price, thus prompting the Ghana Chamber of Mines to ask for review of the 1986 Mining Law to increase incentives to foreign investors.

[27]ENERGY AND POWER

Output of electricity reached 7,100 million kWh in 2000, of which 69.6% was from hydroelectric sources and 30.4% was from fossil fuels; at the beginning of 2001, total installed capacity was 1,200 MW. The greatest single source of power is the Volta River Project, begun in 1962 and based on a hydroelectric installation at Akosombo, about 100 km (60 mi) northeast of Accra. Work on the Akosombo (or Volta River) Dam was finished in 1965. The first stage of the electrification project was completed in mid-1967 and had a capacity of 512,000 kW; by 1990, the plant's capacity had been expanded to 912 MW. Ghana's other major hydroelectric plant is at Kpong (160 MW). The Volta River Authority supplies 99% of the total national electricity consumption, 50–60% of which is absorbed by aluminum refining. Excess electricity is sold to Togo, Benin, and Côte d'Ivoire. A $150 million project to extend the main grid to northern Ghana was completed in 1991.

Beginning in the 1970s, oil exploration was conducted offshore and in the Volta River Basin. In 1979, an offshore field developed by Agri-Petco, a US company, began operations; it was later taken over by Primary Fuel, also a US company, but production ceased in 1986. The Ghana National Petroleum Corporation, which was established in 1984, reported production of oil at the rate of 6,000 barrels per day at the South Tano Basin in 1991. By 1994, total Ghanaian crude oil production totaled only 1,400 barrels per day, but it rose to 7,000 by 2000, compared with consumption totaling 31,000 barrels per day in the same year. Nigerian oil accounts for the bulk of petroleum imports. Recoverable oil reserves were estimated at 16.5 million barrels in 2000. Natural gas reserves, located primarily in the Tano fields, were estimated at 23.8 billion cu m (840 billion cu ft) in the same year.

[28]INDUSTRY

Food, cocoa, and timber processing plants lead a list of industries that include an oil refinery, textiles, vehicles, cement, paper, chemicals, soap, beverages, and shoes. As part of its chemicals industry, Ghana produces rubber, aluminum, and pharmaceuticals. Much of Ghana's industrial base was nationalized over the years. Encouraged by the IMF, however, Ghana has largely ended its parastatal era. Between 1991 and 1999, more than two-thirds of the 300 public sector companies were divested, and the government decided to speed up privatization by contracting private consultants to manage the process.

In 2000, industry annually accounted for about 25% of GDP. Recent industrial activity has included a reopened glass factory, a new palm oil mill, a locally supplied cement plant, and facilities for milling rice, distilling citronella, and producing alcohol. Industry in Ghana is now oriented towards the fabrication of value-added semi-manufactured and finished products rather than just primary commodities for export—items such as furniture, jewelry, beer bottles, aluminum cooking utensils, fruit juice, and chocolate bars. The Tema industrial estate includes the Tema Food Complex, comprised of a fish cannery, flour and feed mills, a tin-can factory, and other facilities. The aluminum smelter at Tema is owned by Kaiser Aluminum and is one of Ghana's largest manufacturing enterprises.

The construction industry in 2002 included projects geared toward the building of roads, bridges, coastal works, and residential housing.

Ghana produces no oil or natural gas, but it has an oil refinery with a capacity of 45,000 barrels per day. The Tema refinery operates on crude oil imported from Nigeria. Ghana has natural gas reserves of 24 billion cubic meters. The 600 km (373 mi) West African Gas Pipeline was due to be completed in 2003, with a supply point in Tema. The pipeline is to have an estimated capacity of 400 cubic feet a day.

[29]SCIENCE AND TECHNOLOGY

The Council for Scientific and Industrial Research founded in 1958 at Accra, advises the government on scientific matters, coordinates the national research effort, and disseminates research results. Attached to the council are 14 research institutes, many of which deal with land and water resources. Other learned societies and research institutions include the Ghana Institution of Engineers, the Pharmaceutical Society of Ghana, and the Geological Survey of Ghana, all at Accra; and the

Ghana Science Association, the Ghana Meteorological Services Department, and the West African Science Association, all at Legon; and the Cocoa Research Institute at Tafo-Akimo. The Ghana Academy of Arts and Sciences was founded in 1959.

The University of Ghana, at Legon, has faculties of agriculture and science, a medical school, and institutes for medical research and for Volta River Basin studies. The University of Cape Coast has a faculty of science and a school of agriculture. The University of Science and Technology at Kumasim has faculties of agriculture, environmental and development studies, pharmacy and science, and schools of engineering and medical science. The country also has a computer science institute in Accra and eight technical institutes and polytechnics in various cities. In 1987–97, science and engineering students accounted for 32% of college and university enrollments.

[30]DOMESTIC TRADE

Subsistence farming is still the primary basis of the domestic economy, with nearly 60% of the work force employed in agriculture. Although there are retail stores in all towns and main trading centers, most retail trade, particularly of food products, is still carried on in local markets, mainly by women. Larger wholesale and retail outlets (including supermarkets) are primarily located in Accra. The overseas marketing of primary agricultural products is effected through governmental marketing boards, which use trading companies and cooperatives as agents to purchase commodities from the producers. A value added tax of 12.5% applies to all consumer goods and services. An excise tax applies for certain products such as cigarettes and alcohol.

Normal business hours are from 8 AM to noon and 2 to 4:30 or 5 PM, Monday through Friday; some companies also open on Saturday morning. Banks are open from 8:30 AM to 2 PM, Monday through Thursday, and to 3 PM on Friday. English is widely spoken.

[31]FOREIGN TRADE

Cocoa exports from Ghana produce almost a fifth of commodity export revenues (18%), and a competitive percentage of world cocoa exports (7.8%). The mining industry receives the largest percentage of export money, by selling gold, diamonds, base metals (37%), and aluminum (9.1%). Wood exports were also substantial (5.6%). Imports included capital equipment, petroleum, consumer goods; and foods, most notably rice. Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Switzerland	393	30	363
United Kingdom	315	268	47
Netherlands	187	186	1
United States	98	219	-121
Germany	90	208	-118
Togo	64	50	14
Italy	49	147	-98
France	42	94	-52
China (inc. Hong Kong)	28	117	-89
Nigeria	27	321	-294
Spain	22	141	-119

[32]BALANCE OF PAYMENTS

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Ghana's exports was $1.94 billion while imports totaled $2.83 billion resulting in a trade deficit of $890 million.

The International Monetary Fund (IMF) reports that in 2000 Ghana had exports of goods totaling $1.9 billion and imports totaling $2.74 billion. The services credit totaled $504 million and debit $597 million. The following table summarizes Ghana's balance of payments as reported by the IMF for 2000 in millions of US dollars.

Current Account	**-413**
Balance on goods	-843
Balance on services	-93
Balance on income	-108
Current transfers	631
Capital Account	**-1**
Financial Account	**266**
Direct investment abroad	…
Direct investment in Ghana	110
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	41
Other investment liabilities	115
Net Errors and Omissions	**-112**
Reserves and Related Items	**259**

[33]BANKING AND SECURITIES

The Bank of Ghana, established in 1957, is the central bank. Commercial banking services are rendered mainly by the Commercial Bank of Ghana (worth approximately $30 million in 1999); and SSB Bank Limited (worth about $80 million in 1999). Two British banks, Barclays Bank of Ghana Ltd. and the Standard Chartered Bank of Ghana Africa Ltd. (both 40% state-owned), together had 67 branches in 1993. Other commercial banks include The Trust Bank Limited, The Agricultural Development Bank, Agricultural Bank Limited, Bank for Housing and Construction Limited, National Investment Bank Limited, Cooperative Bank Limited, Prudential Bank Limited, and International Commercial Bank Limited.

Merchant banks include the Merchant Bank of Ghana Limited, Ecobank Ghana Limited, CAL Merchant Bank Limited, First Atlantic Merchant Bank Limited, and Metropolitan and Allied Bank Limited.

The International Monetary Fund reports that in 2000, currency and demand deposits—an aggregate commonly known as M1—were equal to $478.0 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $975.6 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 27%.

A stock exchange was opened in Accra in 1987. By 1994, the tiny exchange was up nearly 300%. International mutual fund managers and other foreign investors have shown increasing interest in Ghana, and in 1998, the Ghana stock exchange was judged the best performing bourse in emerging markets.

[34]INSURANCE

In 1962, the government set up the State Insurance Corp. (SIC) with the primary aims of tightening control over the activities of insurance companies (including their investment policies) and providing insurance coverage for the government and governmental bodies. In 1972, the SIC started a new subsidiary, the Ghana Reinsurance Organization, to curb the outflow of reinsurance premiums from the country. Insurance services were available as of 1997 through 16 companies, five of them classified as foreign (although a 1976 law required the latter to distribute 20% of equity to the government and 40% to Ghanaian partners). In 1999, there were 21 insurance companies operating in Ghana.

[35]PUBLIC FINANCE

Ghana turned to the IMF as the economy approached bankruptcy in 1983. The IMF-sponsored stabilization program, known as the ERP (Economic Recovery Program), was pursued vigorously through its several phases, and borrowing from the IMF came to

a temporary end in 1992. Many changes took place in the ten years of the program. The currency was devalued repeatedly; foreign exchange was auctioned. The cocoa sector was revamped, starting with higher producer prices, and privatized. Ghana's civil service was one of Africa's largest, therefore the number of civil service employees was reduced; and the state attempted to unburden itself of its parastatals. A systematic program removed government subsidies, and tax collection procedures were strengthened.

From 1995 to 1997, another IMF-backed structural adjustment program continued privatization, but public sector wage increases and defense spending countered austerity measures. Ghana's budgets have habitually been in deficit, financed mainly through the domestic banking system, with consequent rapid increases in the money supply and the rate of inflation. The third phase of the IMF program began in 1998, focusing on financial transparency and macroeconomic stability. In 2001, Ghana sought debt relief under the Heavily Indebted Poor Country (HIPC) program and reached decision point in early 2002.

The US Central Intelligence Agency (CIA) estimates that in 2001 Ghana's central government took in revenues of approximately $1.6 billion and had expenditures of $2 billion. Overall, the government registered a deficit of approximately $372 million. External debt totaled $5.96 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**1,603**
Tax revenue	70.3%	1,127
Non-tax revenue	20.5%	329
Grants	9.2%	147
EXPENDITURES	**100.0%**	**1,852**
General public services	10.3%	204
Defense	4.9%	96
Public order and safety	3.8%	75
Education	22.0%	435
Health	7.0%	138
Social security	7.1%	140
Housing and community amenities	2.8%	55
Economic affairs and services	15.9%	315
Other expenditures	3.4%	68
Interest payments	16.6%	327

36 TAXATION

The basic corporate tax rate is 35% for all companies, except for income from nontraditional exports (8%) and hotels (25%). The capital-gains tax rate is about 5% and the tax rate on dividends is 10%. A personal income tax ranging from 5%, to 35% for foreign nationals and rich citizens is also levied. As of 30 December 1998, Ghana's sales tax of 15% was replaced by value-added tax (VAT) with a standard rate of 10%. As of 6 January 2000, the standard VAT rate was increased to 12.5%. Exempt from the VAT are vaccines, other specified drugs and salt. A salary tax of 5% on employees and 12.5% on employers finances the Social Security and National Insurance Trust pension program. There are also property (.05%) and excise taxes, and a 0-15% gift tax.

37 CUSTOMS AND DUTIES

Ghana uses the Harmonized Commodity Coding System (HS) to classify goods. The ad valorem tax is assessed with the Customs Valuation Code (CVC) formulated by the World Trade Organization. In 1999, duty on most machinery and capital goods was 0%, the duty for raw materials and intermediate goods 10%, and the duty on most consumer goods 20%. There are import restrictions on cigarettes, narcotics, mercuric medicated soap, toxic waste, contaminated goods, foreign soil, and counterfeit notes and coins of any country. The import license system was abolished in 1989, but a permit is still required for the import of drugs, communications equipment, mercury, gambling machines, handcuffs, arms and ammunition, and live plants and animals. There are no controls on exports.

Ghana is a member of ECOWAS. The country also created free zones in May 1996, one located in the Greater Accra Region and two other sites at Mpintsin and Ashiem. The seaports and airport also qualify as free zones, as do companies that export more than 70% of products. These companies receive a ten-year corporate tax holiday and zero import tax.

38 FOREIGN INVESTMENT

Before the 1983 Economic Recovery Program, nationalized enterprise was the cornerstone of Ghanaian investment policy. Under the supervision of the IMF and World Bank, the government styled its policies on the model of a number of Asian countries where encouragement of the private sector and foreign direct investment (FDI) are considered essential to sustained economic growth. The principal law on FDI is the Ghana Investment Promotion Center (GIPC) Law of 1994, which governs investments in all sectors except minerals and mining (under the Minerals and Mining Act of 1986 as amended in 1994 and administered by the Minerals Commission), oil and gas (under the Petroleum Exploration and Production Law of 1984 administered by the Ghana National Petroleum Corporation—GNOC), and the free trade zones, established in 1996. The 1994 investment code guarantees the free transferability of dividends, loan repayments, licensing fees, and the repatriation of capital; provides guarantees against expropriation; and provides for dispute arbitration. Foreign investors are not subject to differential treatment on taxes, prices, or access to foreign exchange, imports, and credit.

The GIPC is responsible for promoting direct investment in Ghana. The only performance requirements are that a foreign investor must have at least $10,000 in capital for joint ventures, $50,000 for wholly foreign-owned ventures, and $300,000 for trading companies, and that the latter must employ at least 10 Ghanaians. The free trade zone consists of land near the seaports of Tema and Takoradi and the Kotoka Airport. To qualify for free zone incentives—a year corporate tax holiday and zero duty on imports—the business must export at least 70% of its output. Small enterprises—petty trading, taxi services with less than 10-car fleets, beauty and barber shops, small scale mining, pool betting businesses, and lotteries besides soccer—are reserved for Ghanaians.

Since 2000, the government has transformed its general foreign investment promotion strategy to specific firm target promotion directed at production centers of Europe and Asia. The objectives of the program are to attract firms that seek to local and sub-regional markets and which contribute to value-added production using raw materials available in Ghana.

Because a number of different agencies are involved in the promotion and monitoring of FDI in Ghana, published statistics tend to be unreliable and unreconciled. For the period 2000 to 2002, the GIPC reported it had licensed 510 projects representing a total investment of $351.2 million, $297.9 million of which was FDI and $53.3 million local funds. Of these, 342 were joint ventures and 169 wholly foreign-owned. From 1997 to 1999, FDI averaged $66.7 million a year (UNCTAD estimates), compared to the $100 million a year 2000 to 2002. In the first quarter of 2003, FDI was reported at a record-setting pace of $56.7 million, $49.7 million of which was for projects in the service sector.

The major foreign investment projects in Ghana have been in mining and manufacturing. The United Kingdom has been the largest foreign investor, with investments exceeding $750 million, primarily through Lonmin Plc's 32% stake in the Ashanti Goldfields Corporation, In 2003, Lonmin was in the process of selling its stake to Anglogold of South Africa, which was negotiating taking over the Ashanti Goldfields. The largest firm operating in Ghana is Valco, operated by the American company, Kaiser and Reynolds Aluminum, whose guaranteed use of electric power for aluminum refining made possible the building of the Volta Dam and its hydroelectric generating plant. In early 2003, a drought caused an energy crisis in Ghana and brought Valco's operations to a near standstill. Other American companies operating in Ghana include Teberebie Golfields Limited, CMS Generation (independent power producer), Affiliated Computer Services (since 2000, involved in developing offshore business process outsourcing projects), Regimanuel-Gray Limited (construction), Coca-Cola Company, Phyto-Riker (pharmaceuticals), Westel (ICT company formed by the partnership of Western Wireless International and Ghana National Petroleum Company), Pioneer Foods (Star-Kist Tuna), Union Carbide, Amoco, ChevronTexaco, and ExxonMobile.

[39]ECONOMIC DEVELOPMENT

Recent economic policy has aimed at correcting basic problems in every phase of the economy: unemployment (20% in 1997), low productivity, high production costs, the large foreign debt ($5.96 billion in 2001), low savings and investing, inflation (25% in 2001), and high private and government consumption. The country relies heavily on financial assistance from international lenders including the World Bank and the International Monetary Fund (IMF). Conditions of the loans include progress in privatizing state-owned enterprises and achieving macroeconomic performance targets.

The government's recently launched Vision 2020 plan aims at making Ghana a middle-income country through free-market reforms over the course of the next 25 years. Key elements of the plan include increased privatization of parastatals, a more friendly environment for foreign investment, renewed efforts to facilitate private-sector growth, and improvements in infrastructure and social welfare. By 2003, about two-thirds of 300 state-owned enterprises had been sold to private owners. During 1999, Japan announced the donation of $16.5 million to import machinery, spare parts, and industrial materials. The US energy firm CMS announced planned to build a new electric generating unit, alleviating fears of further power outages.

In 2002, Ghana reached decision point on the IMF/World Bank's Heavily Indebted Poor Countries (HIPC) initiative, and was to receive $3.7 billion in debt relief. The relief will allow Ghana to increase spending on education, health, programs to benefit rural areas, and improved governance. Ghana raised electricity, fuel, and municipal water rates, and raised taxes to stabilize its fiscal position, as part of the agreed-upon debt relief plan. In 2003, Ghana negotiated a three-year $258 million Poverty Reduction and Growth Facility (PRGF) Arrangement with the IMF, to support the government's economic reform program for 2003–05.

[40]SOCIAL DEVELOPMENT

The Social Security and National Insurance Trust, established in 1972, covers wage employees. Self-employed persons have the option of joining. Pensions are funded by 5% contributions from employees and 12.5% contributions from employers. The minimum pension is set at 50% of the average annual salary. There are no sickness or maternity benefits provided, however employed persons receive worker's compensation. Agricultural workers and subsistence farmers are excluded from coverage in these programs.

Women play a prominent role in agriculture and domestic trade, and are represented at the highest levels of political life. Traditional courts, however, often deny women inheritance or property rights. Traditional customs also violate the human rights of children, including facial scarring and female genital mutilation. Violence against women is common, and seldom are reported. Among the Ewe ethnic group, a traditional practice called trokosi allows an individual or family to enslave a virgin daughter to a local priest or shrine for as long as three years as a means of assuring atonement for crimes committed by member's of the family. Reports on the actual number of girls thus enslaved vary, with some suggesting a number over 2,000, while other international observers report that there are less than 100 at any time. There are many reports of teachers sexually assaulting female students.

Ethnic tensions and violence continue in the northern region.Some human right abuses continue, although significant improvements were made. The use of excessive force and lengthy pretrial detention was not uncommon.

[41]HEALTH

Waterborne parasitic diseases are a widespread health hazard and the creation of Lake Volta and related irrigation systems has led to an increase in malaria, sleeping sickness, and schistosomiasis. The upper reaches of the Volta basin are seriously afflicted with onchocerciasis, a filarial worm disease transmitted by biting flies. Lymphatic filians in some remote villages of Ghana affect between 9.2 to 25.4% of the population. Control of filariasis in remote areas has been difficult. In 1997, efforts were made to vaccinate children up to one year old against tuberculosis, 72%; diphtheria, pertussis, and tetanus, 60%; polio, 61%; and measles, 59%. As of 1999, total health care expenditure was estimated at 4.7% of GDP. In 2000, 64 % of the population had access to safe drinking water and 63 % had adequate sanitation.

As of 1999, there were an estimated 0.1 physicians and 1.5 hospital beds per 1,000 people. Between 1985 and 1995, 60% of the population had access to health care services.

In 2002, Ghana's estimated birth rate was 28 per 1,000 people. About 22% of Ghana's married women (ages 15 to 49) used contraception as of 2000. The total fertility rate in 2000 was 4.2 children for each woman's childbearing years. An estimated 8% of all births in 1999 were low birth weight. In 2000, the infant mortality rate was 58 per 1,000 live births, and the overall death rate in 2002 was estimated at 10.3 per 1,000 people.

Twenty-six percent of all children under five were malnourished in 2000. Goiter was present in 33% of school-age children. At the end of 2001, the number of people living with HIV/AIDS was estimated at 360,000 (including 3% of the adult population) and deaths from AIDS that year were estimated at 28,000. HIV prevalence in 1999 was 3.6 per 100 adults. Two other common diseases have been tuberculosis (281 cases per 100,000 in 1999) and measles (38,821 cases in 1994). Cholera cases in 1995 numbered 4,698.

Thirty percent of all women in Ghana have undergone female genital mutation. Currently, Ghana's government has prohibited this under specific laws.

[42]HOUSING

Ghana's housing needs have been increasing as the main towns grow in population. In 1982, the government established the State Housing Construction Co. to help supply new low-cost dwelling units. The Bank for Housing and Construction finances private housing schemes on a mortgage basis. Under another housing ownership scheme, civil servants may acquire accommodations on purchase-lease terms. The Cocoa Marketing Board, the Social Security and National Insurance Trust, and other organizations have also invested in housing projects; nevertheless, most houses continue to be built without

government assistance. Foreign mining companies provide housing for all their overseas employees and many of their African workers. According to the latest available information, housing units in the 1980s numbered 2,458,000, with 5.2 people per dwelling.

Recognizing that most private homes are too expensive for many citizens, the government has been working on programs addressing land and material costs and long-term financing for constructions. From 2001–2004, the government had planned to build about 20,000 housing units. As of 2001, about 76% of urban and 46% of rural households had access to adequate water supplies.

[43]EDUCATION

Most of the older schools, started by Christian missions, have received substantial financial help from the government, but the state is increasingly responsible for the construction and maintenance of new schools. Projected adult illiteracy rates for the year 2000 stand at 29.8% (males, 20.5%, females, 38.8%).

Primary education has been free since 1952 and compulsory since 1961. Primary school lasts six years and is followed by seven years of secondary schooling. In 1995, Ghana had 12,134 primary schools with 71,863 teachers and 2,154,646 pupils. General secondary schools had 841,722 pupils in 1992. The pupil-teacher ratio at the primary level was estimated at 30 to 1 in 1999. In the same year, 51% of primary-school-age children were enrolled in school, while 26% of those eligible attended secondary school. The supply of teachers continues to fall far short of the number needed to keep pace with increasing student enrollment. Ghana has three universities with a combined 1990 enrollment of 9,609: the University of Ghana, in Legon, outside Accra; the University of Science and Technology in Kumasi; and the University of Cape Coast.

In 1996, education accounted for 19.9% of the total government expenditure. As of 1999, public expenditure on education was estimated at 5% of GDP.

[44]LIBRARIES AND MUSEUMS

The Ghana Library Board maintains the Accra Central Library, 13 regional libraries, 47 branch libraries, mobile units, and children's libraries, with combined holdings of over three million volumes in 2002. The University of Ghana (Balme Library) in Legon has holdings of around 362,000 volumes and is the largest research library in Ghana. The University of Science and Technology Library has 310,000 volumes. The Research Library on African Affairs (formerly the George Padmore Memorial Library), which opened in Accra in 1961, maintains a collection of publications on various aspects of Africa.

The Ghana National Museum, in Accra, founded by the University College of Ghana and now operated by the Museum and Monuments Board, contains hundreds of exhibits illustrating the culture, history, and arts and crafts of Ghana and West Africa. The West African Historical Museum at Cape Coast, sponsored by the Museum and Monuments Board and the University of Cape Coast, opened in 1971. The Ghana National Museum of Science and Technology is at Accra. There are regional museums at Ho and Kumasi, which is also home to the Ghana Armed Forces Museum. The University of Ghana has several museums in Legon, maintained by the departments of geology and archaeology, and a teaching museum run by the Institute of African Studies.

[45]MEDIA

Telephone, telegraph, radio, and television services are owned and operated by the government. In 2001 there were 240,000 mainline telephones and 150,000 cellular phones in use.

The government-owned Ghana Broadcasting Corp. makes radio services available throughout the country in English and six other languages; an international radio service beams programs in English, French, and Hausa to all parts of Africa. An international telex system was inaugurated in 1962 and a government-owned television service was established in 1965. As of 2001, there were 49 FM radio stations and 10 television stations. In 2000 there were 710 radios and 118 televisions for every 1,000 people. Internet service was offered by 12 service providers in 2000, with 200,000 subscribers in 2002.

As of 2002, there two major three daily newspapers in Ghana. *The Daily Graphic* (circulation 100,000) and *Ghanaian Times* (40,000) are government owned. *The Daily Telegraph* (10,000) is independent). Weeklies, with their 2002 circulation, include the *Weekly Spectator* (165,000), *The Mirror* (90,000), *The Ghanaian Chronicle* (60,000), *Graphic Sports* (60,000), *Echo* (40,000), and *Evening News* (30,000). All papers are printed in English.

The government dominates all media, and though it is said to tolerate the small independent print media, it is reported to repress dissenting opinions during election times. The constitution does provide for free speech and press.

[46]ORGANIZATIONS

Cooperatives have played an important role in marketing agricultural produce, especially cocoa. The Cocoa Research Institute of Ghana promotes growth and development in the national cocoa industry and sponsors research in techniques for processing cocoa, coffee, shea, and kola. The National Chamber of Commerce, with headquarters in Accra, has 13 district chambers. The Ghana Employers' Association strives to promote better relations between workers and business owners. Professional organizations and unions exist for a number of careers and occupations.

National cultural associations—including associations of writers, musicians, artists, dancers, and dramatists—have been established. The Ghana Science Association was founded in 1958. The Ghana Academy of Arts and Science was founded in 1959. National youth organizations include the Agricultural Youth Association, the Democratic Youth League of Ghana, the Ghana Scout Association, National Union of Ghanaian Students, Presbyterian Young People's Guild of Ghana, Student Christian Movement of Ghana, Green Earth Youth Organization, and groups of the YMCA/YWCA. Ghana has active chapters of the Red Cross and Amnesty International.

[47]TOURISM, TRAVEL, AND RECREATION

Ghana has sought to develop a tourist trade. Attractions include casinos, fine beaches, game reserves, and old British, Dutch, and Portuguese trading forts and castles. Indigenous dance forms and folk music thrive in rural areas, and there are many cultural festivals. The National Cultural Center is in Kumasi, the capital of the Ashanti region, an area rich in traditional Ghanaian crafts. There is an Arts Center in Accra, as well as the National Museum, the Alwri Botanical Gardens, and the burial place of W.E.B. Du Bois. Visas or entry permits are required of all visitors as well as yellow fever immunization. In 1999, 372,651 tourists visited Ghana, and tourist receipts totaled $304 million. In 1998, there were 10,879 hotel rooms with 14,289 beds.

In 2001, the US Department of State estimated the cost of staying in Accra at $165 per day. Daily expenses are an estimated $132 in Kumasi. Elsewhere the cost per day can be significantly less, averaging around $60.

[48]FAMOUS GHANAIANS

J. E. Casely Hayford (1867–1930), for 13 years a member of the Legislative Assembly, is remembered as a leading public-spirited citizen. Dr. J. E. K. Wegyir Aggrey (1875–1927), noted educational reformer, played a large part in the development of secondary education. Sir Henley Coussey (1891–1958) and Sir Emmanuel Quist (1882–1959) were distinguished jurists.

Persons from overseas who played a great part in the progress of Ghana were the Rev. Alexander Gordon Fraser (1873–1962), the first principal of Achimota School; Sir (Frederick) Gordon Guggisberg (1869–1930), who took the first steps toward Africanization of the public service and was instrumental in founding Achimota School; and Sir Charles Noble Arden-Clarke (1898–1962), who was governor of the Gold Coast during the preparatory years of independence (1948–57) and the first governor-general of Ghana. The writer, sociologist, and civil rights leader W(illiam) E(dward) B(urghardt) Du Bois (b.US, 1868–1963) settled in Ghana in 1961 and is buried in Accra.

Kwame Nkrumah (1909–72), the first president of the republic, served in that capacity until the military coup of February 1966; he died in exile in Guinea. J. B. Danquah (1895–1965), a lawyer, was named vice-president of the UGCC at the time of its founding in 1947. Detained along with Nkrumah after the Accra riots in 1948, he later helped to found the GCP. Arrested by Nkrumah in 1961, and again in 1964, he died in prison in 1965. Kofi Abrefa Busia (1913–78), a noted sociologist, was prime minister from October 1969 to January 1972. Flight-Lieut. Jerry (John) Rawlings (b.1947), the son of a Scottish father and a Ghanaian mother, led successful military coups in 1979 and 1981. He was elected president in 1992, and reelected in 1996. Kofi Annan (b.1938) became secretary general of the United Nations in 1996.

49 DEPENDENCIES

Ghana has no territories or colonies.

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GUINEA

Republic of Guinea
République de Guinée

CAPITAL: Conakry

FLAG: The national flag is a tricolor of red, yellow, and green vertical stripes.

ANTHEM: *Liberté (Liberty)*.

MONETARY UNIT: A new currency, the syli (S), of 100 cauris, was introduced in October 1972; S1 = 10 old Guinea francs. The Guinea franc (GFr) of 100 centimes was restored in January 1986 on a one-to-one basis with the syli. There are notes of 25, 50, 100, 500, 1,000, and 5,000 GFr. GFr1 = $0.0005181 (or $1 = GFr1,930) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; Anniversary of Women's Revolt, 27 August; Referendum Day, 28 September; Independence Day, 2 October; Armed Forces Day, 1 November; Day of 1970 Invasion, 22 November; Christmas, 25 December. Movable religious holidays include 'Id al-Fitr, 'Id al-'Adha', and Easter Monday.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Guinea, on the west coast of Africa, has an area of 245,857 sq km (94,926 sq mi), extending 831 km (516 mi) SE–NW and 493 km (306 mi) NE–SW. Comparatively, the area occupied by Guinea is slightly smaller than the state of Oregon. Bordered on the N by Senegal, on the N and NE by Mali, on the E by Côte d'Ivoire, on the S by Liberia and Sierra Leone, on the W by the Atlantic Ocean, and on the NW by Guinea-Bissau, Guinea has a total boundary length of 3,719 km (2,311 mi), of which 320 km (199 mi) is coastline.

Guinea's capital city, Conakry, is located on the country's Atlantic coast.

[2]TOPOGRAPHY

Guinea owes its frontiers mainly to the accidents of the late 19th-century partition of Africa and has no geographic unity. The country can be divided into four regions: Lower Guinea (Guinée Maritime), the alluvial coastal plain; Middle Guinea, the plateau region of the Futa Jallon (Fouta Djalon), deeply cut in many places by narrow valleys; Upper Guinea (Haute Guinée), a gently undulating plain with an average elevation of about 300 m (1,000 ft), savanna country broken by occasional rocky outcrops; and the forested Guinea Highlands (Guinée Forestière), composed of granites, schists, and quartzites, including Mt. Nimba (1,752 m/5,747 ft), the highest peak in the country, at the juncture of Guinea, Liberia, and Côte d'Ivoire. The Niger River and its important tributary the Milo have their source in the Guinea Highlands; the Gambia River and Senegal River (whose upper course is called the Bafing in Guinea) rise in the Futa Jallon.

[3]CLIMATE

The coastal region and much of the inland area have a tropical climate with a long rainy season of six months, a relatively high and uniform annual temperature, and high humidity. Conakry's year-round average high is 29°C (84°F), and the low is 23°C (73°F); its average rainfall is 430 cm (169 in) per year. April is the hottest month; July and August are the wettest. Rainfall in the Futa Jallon is much less (about 150–200 cm/60–80 in) and more irregular, and temperatures are lower; moreover, the daily temperature range is much greater, especially during the dry season. In Upper Guinea, rainfall is lower than in the Futa Jallon; the average daily temperature range is as great as 14°C (25°F), and greater in the dry season. Rainfall in the highlands averages about 280 cm (110 in) annually; temperatures are relatively equable owing to the altitude, although with an average daily range of 18° C (32°F).

[4]FLORA AND FAUNA

Dense mangrove forests grow along the river mouths. Farther inland, the typical vegetation of Lower Guinea is woodland dominated by parinari, with many woody climbers and bushes below. Gum copal is common near streams. The Futa Jallon has been subject to excessive burning, and the lower slopes are characterized by secondary woodland, much sedge (catagyna pilosa), and expanses of laterite; the higher plateaus and peaks have dense forest, and some plants found nowhere else in the world have been reported on them. Savanna woodland characterizes Upper Guinea, with only tall grass in large areas; trees include the shea nut, tamarind, and locust bean. There is rain forest along the border with Liberia.

The elephant, hippopotamus, buffalo, lion, leopard, and many kinds of antelope and monkey are to be found in Guinea, as well as crocodiles and several species of venomous snakes. Birds are plentiful and diverse.

[5]ENVIRONMENT

Centuries of slash-and-burn agriculture have caused forested areas to be replaced by savanna woodland, grassland, or brush. During 1981–85, some 36,000 ha (89,000 acres) of land were deforested each year. Between 1990-1995, Guinea lost an average of 1.14% of its forest and woodland area each year. Mining, the expansion of hydroelectric facilities, and pollution contribute to the erosion of the country's soils and desertification. Water pollution and improper waste disposal are also significant

environmental problems in Guinea. In 1994, water-borne diseases contributed to an infant mortality rate of 145 per 1,000 live births. The nation has 226 cubic kilometers of renewable water resources with 87% used in farming activity. Only about 35% of the people living in rural areas do not have pure water. Guinea's cities produce about 0.3 million tons of solid waste per year. As of 2001, 11 of Guinea's 190 mammal species and 12 of its 409 bird species were endangered, as well as 3 types of reptiles, 1 amphibian, and 29 of the nation's plant species. Human encroachment and hunting have reduced Guinea's wildlife, especially its large mammals, and overfishing represents a threat to the nation's marine life. A nature reserve has been established on Mt. Nimba. Threatened species include the African elephant, Diana monkey, and Nimba otter-shrew.

[6]POPULATION

The population of Guinea in 2003 was estimated by the United Nations at 8,480,000, which placed it as number 87 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 101 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.59%, with the projected population for the year 2015 at 11,233,000. The government's policy is to lower the fertility and infant mortality rates through healthcare reform. The population density in 2002 was 34 per sq km (88 per sq mi).

It was estimated by the Population Reference Bureau that 33% of the population lived in urban areas in 2001. The capital city, Conakry, had a population of 1,764,000 in that year. Other large towns include Kankan (70,000), Labé, Nzérékoré, Boké, and Siguiri. According to the United Nations, the urban population growth rate for 2000–2005 was 4.5%.

[7]MIGRATION

After independence, Guineans left the country in increasing numbers, mostly for Senegal and Côte d'Ivoire. In the early and mid-1980s, probably 2 million Guineans were living abroad, perhaps half of them in Senegal and Côte d'Ivoire. Many of them returned after the end of the Sékou Touré regime in 1984.

In 1997, Guinea had the highest number of refugees of any West African nation. There were around 420,000 Liberians and around 250,000 from Sierra Leone in Guinea. These refugees escaped from the fighting in their respective countries. The voluntary repatriation program begun for Liberians in March 1998 was suspended at the resumption of fighting. Out of the 120,000 who opted for repatriation, some 80,000 were returned before the Guinean-Liberian border was closed. In 2000, conditions in Sierra Leone were not yet conducive to repatriation and 150,000 refugees from that nation remain in Guinea. The total number of refugees remaining in Guinea in 2000 was 427,200. In that year the net migration rate was -6.2 migrants per 1,000 population. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

Of Guinea's two dozen ethnic groups, three predominate: the Fulani, Malinké, and Soussou. The Fulani (sometimes called Peul), perhaps the largest single group (40% of the population), live mainly in the Futa Jallon. The Malinké (referred to in other parts of West Africa as Mandingo) and related peoples of the so-called Nuclear Mandé group (30%) live in eastern Guinea and are concentrated around Kankan, Beyla, and Kouroussa. The Soussou (20%), with related groups, are centered farther west and along the coast in the areas around Conakry, Forécariah, and Kindia. Related to them are the Dialonké, living farther east in Middle Guinea and western Upper Guinea. Smaller tribes make up the remaining 10% of the population. Toward the southeast, in the Guinea Highlands near the borders of Liberia and Côte d'Ivoire, are various Kru or peripheral Mandé groups; among them are the Kissi around Quéckédou, the Toma around Macenta, and the Koranko near Kissidougou. Notable among the 3,500 or so non-Africans are Lebanese and Syrians.

[9]LANGUAGES

French is the official language and the language of administration. In 1967, a cultural revolution was announced for the purpose of "de-Westernizing" Guinean education. A literacy program begun in 1968 sought eventually to teach all citizens to speak and write one of the eight principal local languages: Malinké (Maninkakan), Fulani (Poular), Soussou, Kpelle (Guerzé), Loma (Toma), Kissi, Coniagui, and Bassari, all of which belong to the Niger-Congo language group. After the fall of the Touré regime in 1984, French was again emphasized; however, the tribal languages are still spoken.

[10]RELIGIONS

About 85% of all Guineans, particularly the Fulani and Malinké, are Muslims; about 10% follow various Christian faiths; and most of the remaining 5% practice traditional African religions. Most Muslims belong to the Sunni sect, and practices, particularly public prayers and the prescribed fasts, are often combined with animist beliefs and ceremonies. Christian missions were established in the 19th century, but converts have been few. Among Christian groups are Roman Catholics, Anglicans, Baptists, Jehovah's Witnesses, Seventh-Day Adventists, and various other evangelical churches. There are a small number of Baha'is, Hindus, Buddhists, and observers of traditional Chinese religions.

In May 1967, President Sékou Touré ordered that only Guinean nationals be allowed to serve in the country's Roman Catholic priesthood. The Catholic archbishop in Conakry was sentenced to life imprisonment at hard labor in 1971 for allegedly plotting against the state; he was released in August 1979. In 1984 private education, long prohibited by the government, was again permitted.

Certain holidays of both Islam and Christianity are recognized as public holidays.

[11]TRANSPORTATION

Lack of an adequate transportation network has hindered the country's development. Altogether, rail trackage totals 1,086 km (675 mi). The state-owned, meter-gauge, single-track railroad from Conakry to Kankan (663 km/412 mi) was built between 1900 and 1914; it is in disrepair and no longer able to carry heavy traffic. As of 1991, the railway was being rehabilitated with French assistance. A standard-gauge track of about 112 km (70 mi) along this line, between Conakry and Debélé, near Kindia, links the port and the OBK bauxite mine. The Friguia Mining Co. built and maintains 144 km (89 mi) of railway between the Fria mines and alumina works and the port of Conakry; the Boké mining operation constructed a 135-km (84-mi) railroad linking its deposits at Sangarédi with the port of Kamsar. Of 30,500 km (18,953 mi) of roads, some 5,033 km (3,128 mi) were tarred in 2002. There were 23,155 automobiles and 13,000 commercial vehicles in 1995.

Conakry has a natural deepwater harbor that handles foreign cargo (mostly bauxite and alumina). Port modernization is scheduled with aid from the IDA, the African Development Bank, and the Federal Republic of Germany (FRG). A deepwater port at Kamsar, completed in 1973, handles the output of the Boké bauxite mine, as much as 9 million tons a year. There are lesser ports at Kassa, Benty, and Kakande. Most rivers are of little value for navigation. A national shipping line is jointly owned with a Norwegian company.

LOCATION: 8° to 15° W; 7°35′ to 12°30′ N. BOUNDARY LENGTHS: Senegal, 330 kilometers (205 miles); Mali, 932 kilometers (579 miles); Côte d'Ivoire, 605 kilometers (376 miles); Liberia, 563 kilometers (350 miles); Sierra Leone, 652 kilometers (405 miles); Atlantic coastline, 352 kilometers (219 miles); Guinea-Bissau, 386 kilometers (240 miles). TERRITORIAL SEA LIMIT: 12 miles.

In 2001, there were an estimated 15 airports in Guinea, 5 of which had paved runways. Conakry's airport, Gbeesia, handles international jet traffic. Gbeesia, three smaller airfields at Labé, Kankan, and Faranah, and a number of airstrips are served by the national carrier, Air Guinée, which also flies to other West African cities and carried 36,000 passengers on domestic and international flights in 1997.

12 HISTORY

Archaeological evidence indicates that at least some stone tools found in Guinea were the work of peoples who had come there from the Sahara, perhaps because of the desiccation that had occurred in the Saharan region by 2000 BC. Agriculture was practiced along the coast of Guinea by AD 1000, with rice the staple crop.

Most of Upper Guinea fell within the area influenced by the medieval empire of Ghana at the height of its power, but none of present-day Guinea was actually within the empire. The northern half of present-day Guinea was, however, within the later Mali and Songhai empires.

Malinké did not begin arriving in Guinea until the 13th century, nor did the Fulani come in considerable numbers until the 17th century. In 1725, a holy war (jihad) was declared in Futa Jallon by Muslim Fulani. The onslaught, directed against the non-Muslim Malinké and Fulani, was ultimately successful in establishing the independence of the Fulani of Futa Jallon and effecting their unity within a theocratic kingdom under Almamy Karamoka Alfa of Timbo.

Meanwhile, European exploration of the Guinea coast was begun by the Portuguese in the middle of the 15th century. By the

17th century, French, British, and Portuguese traders and slavers were competing with one another. When the slave trade was prohibited during the first half of the 19th century, the Guinea creeks afforded secluded hiding places for slavers harried by the ships of the Royal Navy. French rights along the coast were expressly preserved by the Peace of Paris (1814), and French—as well as British and Portuguese—trading activities expanded in the middle years of the 19th century, when trade in peanuts, palm oil, hides, and rubber replaced that in slaves. The French established a protectorate over Boké in 1849 and consolidated their rule over the coastal areas in the 1860s. This inevitably led to attempts to secure a more satisfactory arrangement with the Fulani chiefs of Futa Jallon. A protectorate was established over the region in 1881, but effective sovereignty was not secured for another 15 years.

Resistance to the consolidation of the French advance up the Senegal and the Niger, toward Lake Chad, was made by Samory Touré, a Malinké born in Upper Guinea. He had seized Kankan in 1879 and established his authority in the area southeast of Siguiri, but his attacks on the area led the inhabitants to seek aid from the French troops already established at Kita in the French Sudan (Soudan Français, now Mali) in 1882. Samory signed treaties with the French in 1886 and again in 1890, but on various pretexts both he and the French later renounced them, and hostilities resumed. His capture in 1898 marked the end of any concerted local resistance to the French occupation of Guinea, Ivory Coast (now Côte d'Ivoire), and southern Mali.

In 1891, Guinea was constituted as a French territory separate from Senegal, of which it had hitherto been a part. Four years later, the French territories in West Africa were federated under a governor-general. The federation structure remained substantially unchanged until Guinea attained independence. In 1946, Africans in Guinea became French citizens, but the franchise was at first restricted to the Europeanized *évoulés*, and was not replaced by universal adult suffrage until 1957.

The End of Colonial Rule

In September 1958, Guinea participated in the referendum on the new French constitution. On acceptance of the new constitution, French overseas territories had the option of choosing to continue their existing status, to move toward full integration into metropolitan France, or to acquire the status of an autonomous republic in the new quasi-federal French Community. If, however, they rejected the new constitution, they would become independent forthwith. French President Charles de Gaulle made it clear that a country pursuing the independent course would no longer receive French economic and financial aid or retain French technical and administrative officers. The electorate of Guinea rejected the new constitution overwhelmingly, and Guinea accordingly became an independent state on 2 October 1958, with Ahmed Sékou Touré, leader of Guinea's strongest labor union, as president.

During its first three decades of independence, Guinea developed into a militantly socialist state, which merged the functions and membership of the Parti Démocratique de Guinée (PDG) with the various institutions of government, including the public state bureaucracy. This unified party-state had nearly complete control over the country's economic and political life. Guinea expelled the US Peace Corps in 1966 because of alleged involvement in a plot to overthrow President Touré. Similar charges were directed against France; diplomatic relations were severed in 1965 and did not resume until 1975. An ongoing source of contention between Guinea and its French-speaking neighbors was the estimated half-million expatriates in Senegal and Côte d'Ivoire; some were active dissidents who, in 1966, formed the National Liberation Front of Guinea (Front de Libération Nationale de Guinée—FLNG).

International tensions erupted again in 1970 when some 350 men, including FLNG partisans and Africans in the Portuguese army, invaded Guinea under the leadership of white Portuguese officers from Portuguese Guinea (now Guinea-Bissau). Waves of arrests, detentions, and some executions followed this invasion, which was repulsed after one day. Between 1969 and 1976, according to Amnesty International, 4,000 persons were detained for political reasons, with the fate of 2,900 unknown. After an alleged Fulani plot to assassinate Touré was disclosed in May 1976, Diallo Telli, a cabinet minister and formerly the first secretary-general of the OAU, was arrested and sent to prison, where he died without trial in November.

In 1977, protests against the regime's economic policy, which dealt harshly with unauthorized trading, led to riots in which three regional governors were killed. Touré responded by relaxing restrictions, offering amnesty to exiles (thousands of whom returned), and releasing hundreds of political prisoners. Ties were loosened with the Soviet bloc, as Touré sought increased Western aid and private investment for Guinea's sagging economy.

Single-list elections for an expanded National Assembly were held in 1980. Touré was elected unopposed to a fourth seven-year term as president on 9 May 1982; according to the government radio, he received 100% of the vote. A new constitution was adopted that month, and during the summer Touré visited the United States as part of an economic policy reversal that found Guinea seeking Western investment to develop its huge mineral reserves. Measures announced in 1983 brought further economic liberalization, including the relegation of produce marketing to private traders.

Touré died on 26 March 1984 while undergoing cardiac treatment at the Cleveland Clinic; he had been rushed to the United States after being stricken in Sa'udi Arabia the previous day. Prime Minister Louis Lansana Béavogui then became acting president, pending elections that were to be held within 45 days. On 3 April, however, just as the Political Bureau of the ruling Guinea Democratic Party (PDG) was about to name its choice as Touré's successor, the armed forces seized power, denouncing the last years of Touré's rule as a "bloody and ruthless dictatorship." The constitution was suspended, the National Assembly dissolved, and the PDG abolished. The leader of the coup, Col. Lansana Conté, assumed the presidency on 5 April, heading the Military Committee for National Recovery (Comité Militaire de Redressement National—CMRN). About 1,000 political prisoners were freed.

Conté suppressed an attempted military coup led by Col. Diarra Traoré on 4 July 1985. Almost two years later, it was announced that 58 persons, including both coup leaders and members of Touré's government, had been sentenced to death; however, it was believed that many of them, as well as Traoré, had actually been shot days after the coup attempt. All were identified with the Malinké, who were closely identified with the Touré regime. The military regime adopted free-market policies in an effort to revive the economy.

Multi-party Democracy Initiated

Under pressure locally and abroad, Guinea embarked on a transition to multiparty democracy, albeit with considerable reluctance from the military-dominated government. It legalized parties in April 1992, but did not really allow them to function freely. It postponed presidential elections for over a year (until 19 December 1993) and then annulled the results from two Malinké strongholds, claiming victory with 51.7% of the vote. The Supreme Court upheld the Ministry of the Interior's decision despite official protestations from the opposition. Though international opinion on the elections was divided, it was generally conceded that the elections administration had been widely manipulated in favor of the PUP candidate, and in several instances the voting process was fraudulent.

The legislative elections were delayed until 11 June 1995. These elections were supposed to have preceded the presidential elections, but the regime switched the order in 1993. The opposition felt that scheduling the presidential election first gave the incumbent an unfair advantage in both elections. International observers found significant flaws in these elections as well, and afterwards, the opposition vowed to boycott the Assembly. Factionalism within the opposition alliance, CODEM, shattered this resolve, and by the time the Assembly was convened, 71 PUP representatives and 43 members representing 8 other parties assumed their seats.

The greatest threat to Conté's power came in February 1996, when mutineers commanded tanks, fired upon the presidential palace, and seized the president. The palace was all but destroyed, and some 30 to 50 people were killed, many of them civilians by stray bullets. Conté was able to strike a deal with the mutineers, agreeing to establish a multiparty grievance committee that was disbanded before it could issue its final report. No one received a death sentence, though 38 soldiers received sentences, 34 of them colonels, majors, captains, and lieutenants. Only six were Susu, and four of them received the lightest sentences. Conté gave in to the mutineers' demands by doubling soldiers' pay and taking over the defense department himself.

In December 1998, Guinea held its second round of multiparty elections. Though it was technically more acceptable than previous polling, the PUP marshaled the resources of the state and the public bureaucracy to conduct its campaign up-country. The opposition submitted a report detailing fraudulent and illegal election and campaign practices by the ruling party. Further, the Guinean Human Rights Organization and Amnesty International accused the government of routine torture—stripping, tying up, and beating opposition militants.

Before the international borders were reopened, the government seized Malinké RPG leader Alpha Condé for allegedly attempting to cross into Côte d'Ivoire. He and four RPG parliamentarians, and some 70 RPG militants were jailed. The Condé trial was repeatedly delayed, and the charges were changed to "recruitment of mercenaries with intent to overthrow the government." It was suspended shortly after it began in April 2000 when Condé's lawyers and the Court failed to agree on the legality of the arrest and the charges. Condé was being tried along with 48 others in the Cour de Sûreté de l'Etat (State Security Court).

The political climate in May 2000 was uneasy with fear that the Alpha Condé affair would drag on unresolved. Legislative and local elections were scheduled for later in the year, but the opposition renewed its calls to boycott them. Despite this adversity, municipal elections were held in June 2000 accompanied by violence in at least seven cities leading to several civilian deaths. Reports of arrests, beatings, rapes, and torture of protesters followed. The opposition indicated that unless a neutral arbiter, such as an independent electoral commission were established, it would boycott the legislative elections.

In mid-September 2000, the State Security Court convicted Condé of sedition and sentenced him to five years hard labor in prison, though later he was granted clemency. Seven of his 47 co-accused received lighter sentences, while the others were acquitted. The international community overwhelmingly condemned the trial as a mockery of justice. Condé's five-year sentence would eliminate him from running in the next presidential elections.

In November 2001, in what amounted to a constitutional coup, Conté and the PUP-dominated National Assembly amended the constitution to increase the number of years in a presidential term from five to seven, and to remove term limits. The amendment also allowed the president to nominate local government officials. In June 2002 flawed parliamentary elections resulted in the ruling party's gain of a two-third's majority in the Assembly.

Conté's declining health has given rise to speculation that he might not stand for re-election in December 2003, and should he be unable to run, the country risks political chaos. The army, which is deeply divided by age, ethnicity, and other factors, would likely intervene.

[13]GOVERNMENT

Guinea is a multi-party republic with a semi-authoritarian executive. Guinea's first constitution took effect on 12 November 1958 and was substantially amended in 1963 and 1974. Under the new constitution promulgated in May 1982 (but suspended in the military coup of April 1984), sovereignty was declared to rest with the people and to be exercised by their representatives in the Guinea Democratic Party (PDG), the only legal political party. Party and state were declared to be one and indivisible. The head of state was the president, elected for a seven-year term by universal adult suffrage (at age 18). A national assembly of 210 members was elected in 1980 from a single national list presented by the PDG; the announced term was five years, although the 1982 constitution and its precursors stipulated a term of seven (the assembly was dissolved after four years, in 1984). The constitution gave Assembly members control of the budget and, with the president, the responsibility to initiate and formulate laws.

Under the Touré regime there was no separation of functions or powers. The legislature, the cabinet, and the national administration were subordinate to the PDG in the direction and control of the nation. The assembly served mainly to ratify the decisions of the PDG's Political Bureau, headed by Touré, who was also president of the republic and secretary-general of the PDG; the assembly and the cabinet (appointed by Touré) implemented the decisions and orders of the party arrived at by the party congress, national conference, and the Political Bureau. Locally, PDG and government authority were synonymous.

The armed forces leaders who seized power after Touré's death ruled Guinea through the Military Committee for National Recovery (CMRN). Following the adoption by referendum of a new constitution on 21 December 1990, the CMRN was dissolved and a Transitional Committee of National Recovery (CTRN) was set up in February 1991 as the country's legislative body.

In 1993, the government created a 114-member national assembly. The assembly members are elected for a term of four years, 38 members in single-district constituencies, and 76 members by proportional representation. In July 1996, Lansana Conté created the post of prime minister, which presently is occupied by his confidante, former Supreme Court chief justice, Lamine Sidimé. In December 2002, Conté reshuffled his cabinet.

[14]POLITICAL PARTIES

From 1945, when political activity began in Guinea, until about 1953, the political scene was one of loose electoral alliances that relied more on the support of traditional chiefs and of the French administration than on political programs or organized memberships. After 1953, however, these alliances rapidly lost ground to the Guinea section of the African Democratic Rally (Rassemblement Démocratique Africain—RDA), an interterritorial organization founded in 1946. This section, known as the Guinea Democratic Party (Parti Démocratique de Guinée—PDG), was formed by Marxists determined to develop an organized mass political movement that cut across ethnic differences and had a strongly nationalist outlook. Their leader was Ahmed Sékou Touré, a prominent trade union leader in French West Africa. The alleged great-grandson of the warrior-chief Samory who had fought the French in the late 19th century, Touré had much support in areas where Samory had fought his

last battles, although his strongest backers were the Susu in Lower Guinea. In 1957, the PDG won 57 of 60 seats in Territorial Assembly elections.

Convinced that the French Community proposed by De Gaulle would not result in real independence for the people of French West Africa, Touré called for a vote against joining the Community in the referendum of 28 September 1958. Some 95% of those voting in Guinea supported Touré in opting for Guinea's complete independence. In December 1958, the opposition parties fused with Touré's PDG, making it the only political party in the country. The precipitous withdrawal of the French bureaucracy in 1958 led, almost of necessity, to the PDG's inheritance of much of the structure of government.

During the 1960s, the PDG's party machinery was organized down to the grassroots level, with local committees replacing tribal authorities, and sectional, regional, and national conferences ensuring coordination and control. In 1968, a new local unit within the PDG, the Local Revolutionary Command (Pouvoir Révolutionnaire Local—PRL) was organized. By 1973, the PRL had assumed complete responsibility for local economic, social, and political affairs. There were 2,441 PRLs in 1981, each directed by a committee of seven members and headed by a mayor. Each of the 35 regions had a party decision-making body called a Federal Congress, headed by a secretary. A 13-member Federal Committee, headed by the regional governor, was the executive body. The 170 districts had similar bodies, called sections, congresses, and committees.

The Political Bureau, nominally responsible to a Central Committee, was the PDG's chief executive body. Until the military coup that abolished the PDG in April 1984, the Political Bureau was the focus of party and national power, and its members were the most important government ministers and officials, with Touré as chairman. The PDG and its mass organizations were outlawed after the 1984 coup.

Political parties were legalized in April 1992. Within a month, more than 30 parties had been formed, a number by government ministers who helped themselves to state funds and used the state agencies to promote their campaigns. The use of government vehicles for partisan activities and the disbursement of state monies to supporters were commonplace.

By July 1992, government had banned all political demonstrations. This hampered opposition parties preparing for National Assembly elections then scheduled for late 1992 and presidential elections scheduled for early 1993. Elections were delayed. By October 1993, 43 political parties were legally registered. At least a dozen were allied with the government Party for Unity and Progress (PUP) while nearly thirty belonged to a loose coalition, the Democratic Forum, whose objective was to present a common candidate to run against Conté. The Forum dissolved when two of its members admitted they had already made their campaign deposit, which legally entitled them to enter the race. At that point, the field of candidates widened pitting seven opposition leaders against Conté. In December 1993, despite official protests by the opposition, Lansana Conté officially won 51.7% of the vote. International observers noted isolated incidents of violence and destruction of ballot boxes, and further declared the campaigning and balloting unsatisfactory.

In 1993, the most significant national opposition parties were the Rally for the Guinean People (RPG), the Union for a New Republic (UNR), and the Party for Renewal and Progress (PRP). The PRP and the UNR later merged to form the UPR, which presented Mamadou Ba as its candidate in the December 1998 elections. In these elections, Ba took second place with 24.6% of the vote, Alpha Condé (RPG) received 16.9%, Jean-Marie Doré received 1.7% (UPG), and Charles Pascal Tolno (PPG) claimed 1.0%. Again, under protest from the opposition, Conté won on the first round with 54.1% officially. The next presidential elections are scheduled for December 2003.

In the National Assembly, 38 seats are elected by single-member district, and 76 are assigned by proportional voting. Elections were last held 30 June 2002 with the PUP taking 61.6%, the UPR 26.6%, and other 11.8%. The number of seats by party was PUP 85, UPR 20, and other 9 with the PUP gaining a two-thirds majority—a significant increase over the 71 seats it held since the June 1995 elections. The opposition denounced the contest as fraudulent. The next legislative elections were scheduled for 2007.

[15]LOCAL GOVERNMENT

Under the Touré regime, the local units of the PDG, the local revolutionary commands (PRLs), were responsible for the political and economic administration of rural areas. In principle, the PRLs regulated all commerce, farming, distribution of land, public works, and communications, as well as civil life and the people's courts in communities under their authority. Each PRL had a company of militia of 101 members, subdivided into 4 platoons and 12 groups.

In the early 1990s, Guinea embarked upon an ambitious decentralization program. Three hundred three rural development communities (CRDs) were created each comprising several districts (groupings of villages). The 303 CRDs were divided proportionately among the existing 33 prefectures, and four natural regions. In 1994, the number of regions was increased to seven headed by governors appointed by the president. The prefectures are under the tutelage of appointed prefects, who in turn supervise sub-prefects. A sub-prefecture is the location for public services within a CRD.

CRDs and the districts within them represent the most decentralized political and financial public authority. Elections for CRD councils were last held in 1991, and little investment has made in them. However, through training and other investments, some CRDs have begun collecting hut, market, truck-stop, gravel pit, forestry, and other taxes. They have also begun to establish local development plans for schools, clinics, and mosques.

On 25 June 2000, the government organized municipal elections, which had been postponed from 29 June 1999 to December 1999, and then to June 2000 reportedly for budgetary reasons. The PUP ruling party claimed victory in 31 of Guinea's 38 communes, the Union for Progress and Renewal (UPR) won five local councils, the Assembly of Guinean People (RPG) one, and the Fight for Common Cause (LCC)—allied with the PUP—took one. Voter turnout was only 54%, or less than one-third of the adult population.

[16]JUDICIAL SYSTEM

The judicial system is based on French civil law, customary law, and decree; legal codes are under revision, and Guinea has not accepted compulsory ICJ jurisdiction. In 1958 and 1965, the government introduced some customary law, but retained French law as the basic framework for the court system.

The system is composed of courts of first instance, two Courts of Appeal (in Kankan and in Conakry) and the Supreme Court. There is also a State Security Court (Cour de Sûreté de l'Etat), which tried the 1985 coup plotters, and conducted the Alpha Condé trial in 1999/2000. The legality of this court was debated in the February 1996 putsch. The Supreme Court ruled in favor of its validity since it predated the 1990 constitution, and the constitution failed to specifically address its existence. A military tribunal exists to handle criminal cases involving military personnel.

A traditional system of dispute resolution exists at the village and neighborhood level. Cases unresolved at this level may be referred to the courts for further consideration. The traditional system has been found to discriminate against women.

Although the 1990 constitution guarantees the independence of the judiciary, magistrates have no tenure and are susceptible to

influence by the executive branch. The penal code provides for the presumption of innocence, the equality of citizens before the law, the right to counsel, and the right to appeal a judicial decision. This code is supported by the constitution, which provides for the inviolability of the home, and judicial search warrants are required by law. In reality, police and paramilitary personnel often ignore these legal protections.

In September 1996, the government announced the creation of a discipline council for dealing with civil servants who abuse their positions in the government. In June 1998, a special arbitration court was established to resolve business disputes.

[17]ARMED FORCES

The armed forces numbered about 9,700 in 2002, including 8,500 in the army, 400 in the navy, and 800 in the air force. The army had 11 battalions with 38 T-34 and T-54 tanks among its predominantly Soviet-made equipment. The navy had 2 craft, and the air force 8 combat aircraft, including 4 Soviet-made MiG-21 fighters. There was a People's Militia of 7,000 and 2,600 in the gendarmerie and Republican Guard. Opposition forces numbered approximatley 1,800 in the Movement of the Democratic Forces of Guinea. Defense spending in 2001 was $137.6 million or 3.3% of GDP.

[18]INTERNATIONAL COOPERATION

Guinea was admitted to the UN on 12 December 1958 and is a member of ECA and all the non-regional specialized agencies except IAEA. It is a signatory of the Law of the Sea and a member of the WTO. Guinea also belongs to the African Development Bank, the ACP, ECOWAS, G-77, and AU; the nation hosted the ECOWAS summit conference in 1983. Guinea became a partner with Sierra Leone and Liberia in the Mano River Union in 1980, when it also joined Gambia and Senegal as a member of the Gambia River Development Organization. In addition, Guinea belongs to the Niger Basin Authority and the Organization of the Islamic Conference.

The International Bauxite Association was established in Conakry in 1974 with Guinea as a charter member. In 1975, Guinea signed the Lomé Convention, providing for aid and trade relations with the EC.

[19]ECONOMY

Guinea has extensive mineral deposits, primarily bauxite, and hydroelectric resources, along with soils and climate favorable for producing a diverse array of food and export crops. The country has wide expanses of both natural and cultivated forests, and it has begun to exploit its potential as a producer of timber. Guinea is rich in fishery resoures, and has an as-yet untapped potential to increase industrial fishing. Still, Guinea is one of the poorest countries in the world.

For two decades after French withdrawal in 1958 the country was governed according to socialist-style economic management. Agriculture was collectivized and private commerce and industry repressed. In 1984, a major reform movement gained political power and reforms were instituted aimed at developing a modern market economy. The collective farms were abolished, state-owned enterprises were liquidated, compulsory marketing through state agencies was abolished, food prices were decontrolled, and the government began actively to seek foreign investment for sectors other than mining and energy. Although the reforms were largely successful, the economy has been restrained by an underdeveloped infrastructure, including poor transportation and communications systems. High levels of debt, unemployment, and underemployment also hamper economic progress.

As of 2000, 80% of the population engaged in subsistence agriculture. The mining sector accounted for about 75% of exports. Real growth in the GDP was 3.3% in 2001 and was expected to reach 6.5% in 2004. Despite a rise in the world price for bauxite, Guinea's primary export, earnings in the mining sector have been weak. In 2000, Guinea qualified for debt relief under the Heavily Indebted Poor Countries Initiative established by the World Bank and the IMF, and it was to use the savings for improvements in education, health, rural roads and rural water access. Fighting in Liberia and Sierra Leone has spilled over into Guinea and disrupted its economy.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Guinea's gross domestic product (GDP) was estimated at $15 billion. The per capita GDP was estimated at $1,970. The annual growth rate of GDP was estimated at 3.3%. The average inflation rate in 2000 was 6%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 24% of GDP, industry 38%, and services 38%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $6 million or about $1 per capita and accounted for approximately 0.2% of GDP. Worker remittances in 2001 totaled $8.7 million. Foreign aid receipts amounted to about $36 per capita and accounted for approximately 9% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $477. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 1%. Approximately 29% of household consumption was spent on food, 5% on fuel, 2% on health care, and 9% on education. The richest 10% of the population accounted for approximately 32.0% of household consumption and the poorest 10% approximately 2.6%. It was estimated that in 1994 about 40% of the population had incomes below the poverty line.

[21]LABOR

Over 80% of Guinea's labor force of about 3 million in 2000 were engaged in agriculture. Services and industry accounted for the remaining 20% of the workforce. Most of the population relies on subsistence farming. Most of the wage and salary earners work in the public sector; mining is the other major source of salaried employment.

Guinea's Labor Code permits all workers (except military and paramilitary) to create and participate in labor organizations. The General Workers Union of Guinea (UGTG) and the Free Union of Teachers and Researchers of Guinea (SLECG) have emerged since the code ended the previously existing trade union monopoly system. However, the National Confederation of Guinean Workers (CNTG) remains the largest labor organization. Collective bargaining is protected by law. Salaried workers, including public sector civilian employees, have the right to strike, provided that they have given 10 days' notice of an intent to strike and that they are not engaged in an essential service. About 5% of the workforce is unionized.

The minimum working age is 16, and is enforced for large firms working in the formal economy. However, most children work, either in the informal economy or in agriculture. The workweek is technically 48 hours, but most people work longer hours. The labor code has provisions for a minimum wage but the government has yet to establish one, and most workers do not earn a living wage.

[22]AGRICULTURE

Only 2.6% of Guinea's arable land area is cultivated. Agriculture accounts for 24% of GDP and engages 84% of the active population. The agricultural sector of the economy has stagnated since independence. The precipitate withdrawal of the French planters and removal of French tariff preference hurt Guinean agriculture, and drought conditions during the 1970s also hindered production. Since 1985, however, the free market policies of the Second Republic have encouraged growth in agricultural production, with slow but steady increases in output. Guinea is a net food importer, however, importing some 30% of its food needs.

Price controls have also had a dampening effect on output. In theory, until the reforms of the early 1980s, the state controlled the marketing of farm produce. However, even during the late 1970s, when all private trade in agricultural commodities was illegal, only a small amount of agricultural production actually passed through the state distribution system; some 500,000 private smallholders reportedly achieved yields twice as high as government collectives, despite having little or no access to government credit or research and extension facilities. During the 1970s and early 1980s, agricultural exports fell markedly, and food production decreased, necessitating rice imports of at least 70,000 tons a year. (In 1984, a drought year, 186,000 tons of cereal had to be imported.) However, some restrictions on marketing were removed in 1979 and 1981; more recently, prices were decontrolled and many state farms and plantations dissolved. These steps appeared to bring improvements.

The principal subsistence crops (with estimated 1999 production) are manioc, 812,000 tons; rice, 750,000 tons; sweet potatoes, 135,000 tons; yams, 89,000 tons; and corn, 89,000 tons. Cash crops are peanuts, palm kernels, bananas, pineapples, coffee, coconuts, sugarcane, and citrus fruits. In 1999, an estimated 429,000 tons of plantains, 220,000 tons of sugarcane, 215,000 tons of citrus fruits, 150,000 tons of bananas, 174,000 tons of peanuts, 52,000 tons of palm kernels, and 18,000 tons of coconuts were produced. That same year, coffee production was estimated at 21,000 tons, compared to 14,000 tons on average annually from 1979 to 1981. Prior to the reforms, a large portion of the coffee crop was smuggled out of the country. Guinea's trade deficit in agricultural products was $128.3 million in 2001.

[23]ANIMAL HUSBANDRY

In 1998 there were an estimated 2,973,000 head of cattle, 885,000 sheep, 1,052,000 goats, 58,000 hogs, and 12,560,000 chickens. Almost all the cattle are the small humpless Ndama variety kept by the Fulani in Futa Jallon and Upper Guinea, where sheep and goats also are herded. The Ndama cattle are not susceptible to animal trypanosomiasis and, although very small, their yield in meat is good. Total meat production in 2001 was 51,600 tons.

[24]FISHING

Guinea's annual ocean fisheries potential exceeds 200,000 tons, according to World Bank estimates. The total catch in 2000 was 91,513 tons, 96% from marine fishing. Domestic artisanal fisherman only catch about 13% of the estimated annual yield. Tuna is the most important catch. Many species found in Guinean waters are among the richest in West Africa and command high value. Exports of fish products in 2000 were valued at $25 million. Fishing contributes about 1.5% to GDP. A 1990 agreement with the European Union reflected a growing investment interest in the fishing sector. Since then, several small scale fishing ventures have been established, including a shrimp farming project financed by the African Development Bank, and development of private cold storage facilities in 14 different prefectures.

[25]FORESTRY

Forests and woodland make up about 28% of Guinea's land area. The nation's forest resources offer great promise, the major constraint on development being lack of adequate transportation. Logging and sawmill facilities have been built in the Nzérékoré area. Removal of roundwood was estimated at 12.1 million cu m (427 million cu ft) in 2000; about 95% of the harvest was used for fuel. Exports of forestry products totaled $6.0 million in 2000, while imports amounted to $4.5 million.

[26]MINING

Guinea had the world's largest bauxite reserves and ranked second in production in 2001, behind Australia. Mining was the most dynamic sector of the Guinean economy, accounting for 16% of GDP in 2001 (down from 25% in 1996) and 90% of exports, 90% of which were from bauxite. Alumina, gold, and diamonds were the next leading export commodities in 2002, and bauxite, gold, diamond, and alumina refining were the country's top four industries. Rapid expansion, particularly of bauxite (aluminum ore) and alumina (aluminum oxide) production, occurred in the 1970s; production subsequently declined and has since remained somewhat constant. Declining bauxite prices have led the mineral industry to diversify. Guinea also had significant deposits of iron ore and granite.

The government has claimed that Guinea had 20 billion tons of bauxite reserves, with proven reserves of 18 billion tons. In 2001, Guinea's mine output was 17.95 million tons wet-basis bauxite (metallurgical plus calcinable ore estimated to be 13% water), 15.7 million tons dry-basis bauxite (wet-basis ore reduced to dry-basis, estimated to be 3% water), and 100,000 tons calcined bauxite, down from 660,000 in 1997. The government has encouraged foreign participation in the bauxite sector. Bauxite mining began in 1952 at Kassa, but these deposits were exhausted by 1962. In 1960, the Fria International Co. for the Production of Aluminum (later renamed Friguia), an international consortium of several Western aluminum producers, began construction of a major mining and processing complex at the large Fria deposit. Friguia was 49% government owned, and the government took 65% of the profits, as it did from the other bauxite producers. In 2001, the Alumina Co. of Guinea announced that it had increased alumina production at its Friguia refinery by 150,000 tons per year, to 700,000. In 1966, the Guinea Bauxite Co. (Compagnie des Bauxite de Guinée, or CBG), the world's largest bauxite producer, was formed—49% owned by the government and 51% by an international consortium—to develop the Boké reserves at Sangarèdi. Some $339 million was spent on development of the site, including a railroad to the port of Kamsar. The company began exporting bauxite in 1973 and produced 10.6 million tons in 1991. CBG operated a number of open-pit mines, including Bidikou, Sangarèdi, and Silidara, and had a capacity of 14 million tons per year. CBG's foreign partner became Halco Mining, a consortium of Alcan, of Canada, Pechiney, of France, and Alcoa, of the United States. CBG had additional resources at the Boundou Waade, N'danga, and Paravi deposits, with estimated total reserves of more than 300 million tons. Production at the Debélé bauxite mine—developed with a $100 million investment from the former USSR and owned by the state's Société de Bauxite de Kindia (SBK)—was expected to grow from 1.5 million tons per year to 2.5million tons per year during the years 2002–2004.

In 2001, Guinea produced 13,000 kg of gold, including artisanal production, up from 7,835 in 1998; 370,000 carats of diamond, including artisanal production (70%–80% gem quality), down from the average 381,000 recorded in 1998–2000, following 1997's output of 205,000; and 550,000 tons of hydrate alumina and 550,000 tons of calcined alumina. The

country also produced cement, clays, salt, sand and gravel, and stone.

Société Ashanti de Guinée, owners of the Siguiri gold mine, the largest in the country, reported a 7% decrease in production in 2001, to 8,808 kg. The Société Aurifère de Guinée (SAG), 49% owned by the state and 51% by the multinational Chevaning Mining Co., was established in 1985, and operated a placer mine near Siguiri. Artisanal gold production from the Siguiri and Dinguiraye areas was estimated at 3,000 kg, most of which was smuggled out of the country, as the government offered less than the market price for gold mined by individuals. Gold reserves in the northeast were estimated at 200–1,000 tons. Semafo, Inc., of Canada—awarded a 10-year license for the Jean Gobele gold project in 2000—began construction of the Kiniero open-pit gold mine in 2001, opened it in 2002, and expected to produce 1,900 kg per year of gold. Semafo also had a join-venture agreement with Rio Tinto PLC, of the United Kingdom, to explore the Mont Kakoulima property, where initial studies indicated a one-meter-thick horizontal layer of massive sulfides containing cobalt, copper, nickel, palladium, and platinum.

Guinea possessed high-quality, unusually large gemstone diamonds that were found in alluvial deposits in the Baoule and Bimoko River Valleys. Small-scale operators produced the majority of diamonds, according to the government; they were allowed to lease plots from the government to then turn over production to the central bank for export. In reality, a considerable share of production was smuggled out of the country, so such production was banned in 1985. The practice continued illegally in 1996, with all production smuggled out of the country. In 1996, the Aredor concession was purchased by Canadian and South African interests, which began pilot-plant operations the same year, recovering 3,828 carats of diamond. In 2001, Aredor was the largest producer of diamonds in the country, at 40,000 carats, and 85% owner Trivalence Mining Corp., of Canada, estimated indicated resources at 461,282 carats. Aredor, which previously was 50% owned by the state and 50% by foreign investors (mainly Bridge Oil Co., of Australia), opened in 1984 but closed its diamond mine at Gbenko in 1994 because of the continued presence of artisanal miners squatting and prospecting the mine.

Iron ore was mined at Kaloum until 1967. Larger, richer deposits have been found in the Mount Nimba and Simandou mountain areas, along the Liberian border. In 1974, the Mifergui-Simandou and Mifergui-Nimba mining companies were formed to exploit the deposits, with the government retaining half interest in the firms. Reserves were estimated at 300–600 million tons; producers hoped political stability would be rapidly restored to Liberia, so that shipments could be made to the port of Buchanan.

The less-than-expected foreign investment was attributed to the country's perceived political and economic risks and decreased availability of financing for junior mining companies, as well as civil disturbances in neighboring countries Guinea-Bissau, Senegal, and Sierra Leone.

[27]ENERGY AND POWER

In 2001, installed capacity was 195,000 kW, about three-quarters of which was hydroelectric. A total of about 770 million kWh was produced in 2000, of which 46% came from fossil fuels and 54% from hydropower. Much of the nation's electricity is consumed by the Fria-Boké bauxite-processing complex. In the same year, consumption of electricity totaled 716.1million kWh. A proposed 100 MW dam on the Bafing River would serve the proposed Tougué-Dabola processing plant. Another proposed dam would be built on the Konkouré River to provide power for the proposed aluminum plant at Ayé-Koé.

[28]INDUSTRY

Industry accounted for 38% of GDP in 2000, 9% of which consisted of manufacturing. The manufacturing growth rate for 2000 was 4.3%. During the socialist years, a sizeable parastatal industrial sector emerged. Guinea had 234 state-run enterprises in 1985, but fewer than 60 remained in the government's portfolio a decade later. Manufacturing in Guinea consists of three elements: public enterprises with large staffs, producing below capacity; small private businesses, mostly engaged in producing beverages, bread, bricks, carpentry, and boilers/metalwork; and small nonindustrial units informally employing persons in a wide variety of occupations.

The alumina smelter at Fria operated at over 90% capacity, producing 660,000 tons in 1994. Among Guinea's other plants are agro-food processors, including a fruit cannery at Mamou; a fruit juice factory at Kankan; a tea factory at Macenta; a palm oil works at Kassa; a small tobacco factor at Beyla; two peanut oil works, at Dabola and at Agola, rice mills, a sugar complex consisting of two dams, a plantation, and a refinery. A textile complex at Sanoyah; a cement and plastics factories at Conakry; and a number of construction material plants are in operation. There is potential to develop a pharmaceuticals industry in Guinea.

[29]SCIENCE AND TECHNOLOGY

The National Directorate for Scientific and Technical Research is in Conakry. The Center for Rice Research is in Kankan. The Pasteur Institute for Animalculture Research and the Institute for Fruit Research are in Kindia. Five colleges and universities, including the University Gamal Abdel Nasser in Conakry, offer degrees in basic and applied sciences. In 1987–97, science and engineering students accounted for 34% of college and university enrollments.

[30]DOMESTIC TRADE

Commerce was severely controlled through state trading enterprises until the end of the socialist era in 1984. Private Guinean traders can now import freely, the government having ended in 1992 its monopoly on imports of petroleum and pharmaceuticals. Prices for all goods other than imported rice and petroleum products were deregulated in 1986 and the private sector was permitted to engage in all levels of internal and external marketing. However, internal corruption and political conflicts have dissuaded foreign investment which is sorely needed to jump start commercial activity.

Business hours are 7:30 AM to 3 PM, Monday through Thursday, 7:30 AM to 1 PM on Friday, and 7:30 AM to 1 PM on Saturday. Banks are normally open from 8 AM to 12:30 PM, Monday through Saturday. French is the official language of businesses.

[31]FOREIGN TRADE

Export figures for 2000 show that the mining industry accounted for 70% in export earnings, including mostly bauxite and alumina, but also gold. Unused postage, stamp-impressed papers, and checkbooks made up 12% of Guinea's total exports, and aluminum hydroxide exports represented another 11%.

Petroleum products, machinery and equipment, and food top the list of imports at 25%, 19%, and 18%, respectively, while vehicles (8.7%), and chemicals (8.4%) also contributed to total imports, worth approximately $612 million in 2000.

Technically, the government no longer permits counter-trade or barter in international trade. Guinea retains its post-colonial ties with France, importing the large portion of goods from that country (following Côte d'Ivoire as leading provider), and exports the majority of its minerals to France, other European

countries, and the US. Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
France	173	121	52
United States	67	48	19
Spain	50	12	38
Ireland	48	n.a.	n.a.
Germany	32	19	13
Switzerland	27	5	22
Russia	22	n.a.	n.a.
United Kingdom	17	9	8
Canada	17	1	16
Côte d'Ivoire	n.a.	131	n.a.

32 BALANCE OF PAYMENTS

At the beginning of 1999, external debt totaled $3.4 billion, representing 74% of GDP. The country relies on mining exports for revenue. Significant debt relief programs are working towards alleviating debt servicing commitments.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Guinea's exports was $694.5 million while imports totaled $555.2 million resulting in a trade surplus of $139.3 million.

The International Monetary Fund (IMF) reports that in 2001 Guinea had exports of goods totaling $731 million and imports totaling $562 million. The services credit totaled $103 million and debit $319 million. The following table summarizes Guinea's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-102**
Balance on goods	169
Balance on services	-216
Balance on income	-102
Current transfers	47
Capital Account	**...**
Financial Account	**-12**
Direct investment abroad	...
Direct investment in Guinea	2
Portfolio investment assets	5
Portfolio investment liabilities	...
Other investment assets	12
Other investment liabilities	-30
Net Errors and Omissions	**-2**
Reserves and Related Items	**117**

33 BANKING AND SECURITIES

At independence, central banking functions were carried out by the Central Bank of the West African States (Banque Centrale des États de l'Afrique de l'Ouest-BCEAO), and commercial banking by branches of five French banks. On 1 March 1960, Guinea withdrew from the franc zone. The Guinean branch of the BCEAO was abolished, and the Central Bank of Guinea was established. Later that year, four of the five private banks were closed down, and the fifth was nationalized in 1961. All banking activities were taken over by the Central Bank, but by 1962 its functions were decentralized and three new state-owned banks were added.

The National Credit Bank for Commerce, Industry, and Housing, with branches throughout Guinea, handled all commercial banking and made loans to finance commerce, industry, and housing. The Guinean Foreign Trade Bank performed functions related to foreign trade. The National Agricultural Development Bank granted medium and long-term loans for agricultural development. There was also a National Savings Bank. All these institutions except the Central Bank were abolished in late 1985 and were replaced by commercial banks.

There are six commercial banks in Guinea, including the Banque Internationale pour le commerce et l'industrie de la Guinée (BICIGUI); the Societe Generale des Banques en Guinee (SGBG); the Banque Islamique de Guinee (BIG); the Unione Internationale des Banques en Guinee (UIBG); and the International Commercial Bank de Guinée (ICBG), which was launched in Conakry in early November 1996. All involve French or US participation. The government has offered for sale to the general public shares in the BICIGUI. The bank controls roughly 45% of the country's banking resources, supplying one-third of all credits to the private sector and up to 60% of those awarded for international trade. BICIGUI has 12 branches (3 in Conakry).

In 1997, due to financial instability and lack of capital, the government was considering making obligatory the direct transfer of public-sector wages and salaries to designated accounts within the commercial banks. New regulations were created to stabilize the banking system by 2000, but those reforms have been delayed, leaving the banking system in the same state.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $287.1 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $353.6 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 16.25%.

Local currency may not be exported or imported. There are no securities exchanges in Guinea.

34 INSURANCE

All insurance companies were nationalized in January 1962. There is a national insurance company, the National Society of Insurance and Reinsurance, and at least five other major companies based in Conakry.

35 PUBLIC FINANCE

Guinea did not have a formal government budget until 1989. Since then, overly optimistic revenue projections, increasing civil service salaries and military expenditures, and diversion of public funds have resulted in deficits. The government took control of the problematic electricity and water utilities in 2001, giving itself one year to fix the structural shortfalls and then find new partners to operate them.

The US Central Intelligence Agency (CIA) estimates that in 2000 Guinea's central government took in revenues of approximately $395.7 million and had expenditures of $472.4 million. Overall, the government registered a deficit of approximately $76.7 million. External debt totaled $3.6 billion.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	396
Tax revenue	60.1%	238
Non-tax revenue	2.5%	10
Capital revenue	1.6%	6
Grants	35.8%	142

36 TAXATION

Personal income and capital gains are taxed at 35%, which is also the corporate tax rate. A 20% withholding tax is levied on dividends. Both employees (17%) and employers (5.0%) contribute to Social Security. In 1996, the government introduced a value-added tax (VAT). In 2003, the standard rate was set at 18%. Exports, international transportation, and basic food items are exempted.

[37]CUSTOMS AND DUTIES

Since 1994, import taxes have steadily increased. Import licenses are required for all imports regardless of country of origin and import duties are levied uniformly. Import rates in 1999 included 2% on agricultural machinery, 6% on raw materials, 20% to 30% on vehicles, and 20% to 70% on luxury goods. The flat income tax on most imports was 33%. Prohibited imports included arms, military equipment, and narcotics. There was also an 18% value added tax on all imported and domestically produced products. With the exception of gold and diamonds, no export taxes were levied.

[38]FOREIGN INVESTMENT

Guinea's national identity rests on its proud "non" to the French community in 1958 and its offers of economic assistance in exchange for political independence, and; even though the country has gone through substantial political and economic liberalization since the passing independence hero, Sékou Touré, in 1984, the legacy still inhibits the embrace of foreign investment., The only sectors of the economy in which private foreign investment were originally allowed after independence were mining and energy, but in the early 1980s agricultural investment was also being sought During 1983–85, direct foreign investment amounted to $2.2 million.

An investment code following the 1984 coup indicated a new emphasis on private investment and incentives. It was replaced by the currently applicable investment code of 1987, as amended in 1995, which pledged national treatment, free repatriation of capital, special incentives for small and medium-size enterprises, nonmining exports, enterprises using over 70% local inputs, and those locating outside of Conakry. In 1989, under donor pressure, the government leased the operation of Conakry's water supply in a 10-year contract to a consortium led by the SARU and Vivendi companies of France operating as the management company SEEG (Société de Exploitation des Eaux de Guinée). The water quality was improved, but the price rose from $.14 m3 in 1988 to $.83 m3 in 1996. After initial gains in efficiency, SEEG could not make further headway against nepotism and corruption and could not devise a way to get the government to pay its bills. Although the contract was renewed in June 2001, the private companies left in frustration. In 2003, under drought conditions, repeated riots in Conakry have protested the scarcity of water and electricity.

In 1992, investment policies were liberalized to permit private ventures in most sectors, including mining and telecommunications, and the Office of Private Investment Promotion (OPIP) was established as a one-stop shop to facilitate the process. By the revised mining code of 1995, foreigners could own up to 85% of mining ventures. The main bauxite mining company in Guinea, CBG (Compagnie des Bauxites de Guinée), is owned 49% by the government and 51% by Halco, which is a consortium of foreign companies made up of Alcan (Canada, 33%); Alcoa and its subsidiary, Reynolds (United States, 13%); Pechiney (France, 10%); VAW (Germany, 10%); and Comalco (Australia, 4%). In 2003, the smaller state-owned SBK (Société des Bauxites de Kindia-Debelé) mine, built in the 1970's as part of a barter agreement with the USSR to pay off loans by providing bauxite to a smelter in the Ukraine, was being managed by Russian Aluminum (RusAl). In 2003, RusAl also planned to acquire the Friguia mine, site of the first aluminum smelter in Africa and now badly in need of privatization and modernizing.

In 1992, the postal service was separated from telecommunications to allow outside participation in the latter. In December 1995 Telekom Malaysia Berhad acquired a 60% stake in SOTELGUI, the state telecommunications company. In the mobile sector, SOTELGUI competes against Spacetel (Israel) and Telecel (US-based).

Diamond mining in Guinea has recently attracted explorations by De Beers (South Africa), Hymex and Trivalence Mining Corporations (Canadian), and Aredor Holding Company (Australia). Aredor has a reputation for non-transparent operations in gold mining in Guinea, leaving a few government officials wealthy and the local population with only a degraded and polluted environment. Gold mining in Guinea, like diamond mining, has until recently been mainly traditional and informal (illegal), but the Ghanaian company, Ashanti Goldfields, has operations in Guinea.

In 1995, revisions to the investment code divided the country into four administrative zones to better service foreign investment projects. Significant foreign direct investment projects for 1997 to 1998 included a $200 million railway repair by Slovak Railways, a $45 million gold exploration by Ashanti Goldfields, a $24 million diamond exploration by Société Aurifere de Guinée and Hymex Diamant, a $20 million expansion and modernization project by the government of Iran, and an $8 million diamond operation by De Beers. Foreign direct investment (FDI) averaged $17.55 million in 1997–98. In May 1999, the government, with the support of OPIP and UNIDO, hosted an investors' forum to which 500 potential investors were invited and over 100 potential investment projects were presented. In 1999, FDI peaked at $63.4 million, whereas for 2000 and 2001, the average was $35.5 million

[39]ECONOMIC DEVELOPMENT

After independence, French-held financial, commercial, industrial, and distributive organizations were expropriated, and the national economy was divided into three sectors: a state sector, a mixed sector, and a sector for guaranteed private investment. By the mid-1970s, the private sector had become insignificant, and government policy increasingly leaned toward greater government control of the mixed enterprises and the state-sector companies. The 1987–91 recovery program called for $670 million in spending through 1989, with 42% for infrastructure and 24% for rural development. A major aim was to diversify the economy and reduce the heavy reliance on bauxite.

By 1990, the government had privatized the majority of its 180 public enterprises and closed over 300 state farms. From 1990 to 2000, the pace of structural reform slowed and debts increased as the economy failed to diversify. The Islamic Development Bank (IDB) granted two new loans to Guinea in 1997, and the Paris Club rescheduled a large portion of Guinea's bilateral debt, forgiving 50% of debt to France, and Russia forgave 70% of bilateral debt.

The government in recent years has taken steps to stimulate investment, encourage private-sector commercial activity, reduce the role of the state in the economy, and improve administrative and judicial frameworks. The government has also increased spending on education, health, infrastructure, banking, and justice sectors, and cut the government bureaucracy. Corruption and nepotism hamper economic development.

In 2000, Guinea was granted $800 million in debt relief under the International Monetary Fund (IMF)/World Bank Heavily Indebted Poor Countries (HIPC) initiative. In 2001, Guinea negotiated a three-year $81.3 million Poverty Reduction and Growth Facility (PRGF) Arrangement with the IMF, geared to support the country's efforts to stabilize the economy, promote growth, improve social services, and reduce poverty.

[40]SOCIAL DEVELOPMENT

There was a regression of social services during the Touré years. Although government sought to establish extensive social programs, they were badly organized and managed and, in the end, the treasury was empty. In 1994, social security legislation was updated, providing pensions at age 55 and cash sickness

benefits for employed persons. Maternity benefits were paid under the family allowance program and included 100% of earnings for up to 14 weeks. Agricultural workers and subsistence farmers are excluded from the program. Officially, free medical treatment is available, as well as free care for pregnant women and for infants. In reality, health service is poor, and life expectancy is among the lowest in the world.

Women traditionally play a subordinate role in family and public life. The law prohibits discrimination based on gender, but is not effectively enforced. Violence against women is common, but the courts rarely intervene in domestic disputes. Inheritance customs favor male children over female children. Women receive a far lower level of education on average than men. Female genital mutilation (FGM), a practice that is both painful and often life-threatening, continues to be practiced in all parts of the country. In 1997 the government launched a 20-year plan to eradicate FGM.

Human rights abuses include police abuse of prisoners, arbitrary detention, and torture. Some police officers have been arrested for the use of excessive force.

[41]HEALTH

As of 1999, there were an estimated 0.1 physicians and 0.6 hospital beds per 1,000 people. It is estimated that 80% of the population had access to health care services in 1990–95.

The Republic of Guinea lies along the "goiter belt" of the Atlantic coast from west to central Africa. Low iodine intake has led to goiter in predominantly rural areas. Malaria, yaws, leprosy (3,580 cases in 1995), and sleeping sickness (in the forest areas in the Guinea Highlands) have been the major tropical diseases; tuberculosis and venereal diseases are also prevalent. There were 255 cases of tuberculosis in 1999 per 100,000 people. In 1995 there were 1,085 reported cases of measles. Yellow fever and smallpox have been brought under control, but schistosomiasis remains widespread. In 2000, 48% of the population had access to safe drinking water and 58% had adequate sanitation. The most common diseases for children under five years old in 1994 were diarrhea, respiratory infections, helminthiasis, and malaria. In 1997, children up to one year old were vaccinated against tuberculosis, 69%; diphtheria, pertussis, and tetanus, 53%; polio, 53%; and measles, 56%. Total health care expenditures in 1999 were 3.8% of GDP.

In 2002 Guinea had an estimated birthrate of 39.5 per 1,000 people. In 2000 the total fertility rate was 5.2 births per woman. Only 2% of Guinean women used some form of contraception in 1991. Malnutrition affected 26% of all children under five years old as of 1999. Goiter was found in 62.6% of school-age children in 1996. Infant mortality in 2000 was 95 per 1,000 live births and the overall mortality rate was estimated at 17 per 1,000 people in 2002. Average estimated life expectancy was 46 years in 2000.

In 1999, the number of people living with HIV/AIDS was estimated at 55,000 and deaths from AIDS that year were estimated at 5,600. HIV prevalence was 1.54 per 100 adults.

Since 1986, Guinea has been revamping its health care system. Using the Bamako Initiative previously used by other sub-Saharan African nations, Guinea has set up several smaller health centers that offer immunization services, AIDS prevention and control, family planning, and tuberculosis control. In 1995, 105 health posts were functioning.

[42]HOUSING

The most common rural dwelling is round, windowless, and made of wattle and daub or sun-dried mud bricks, with a floor of packed earth and a conical thatched roof. Urban dwellings are usually one-story rectangular frame or mud-brick buildings, generally without electricity or indoor plumbing. Conakry has a serious housing shortage. According to the latest available information (1980–88), the housing stock numbered over one million units, with 5.4 people per dwelling. In 2000, 72% of urban and 36% of rural households had access to improved water sources. About 94% of urban and 41% of rural households had access to improved sanitation systems.

[43]EDUCATION

Before Guinea became independent, its educational system was patterned on that of France. All schools were nationalized in 1961. French remains the language of instruction, ostensibly as an interim measure. In 1968, a "cultural revolution," aimed at de-Westernizing Guinean life, was inaugurated; since then, eight vernaculars have been added to the school curriculum, and village-level programs have been set up to assist in the implementation of the plan. Although the French educational structure and its traditional degrees have been retained, African history and geography are now stressed. As of 1999, public expenditure on education was estimated at 1.8% of GDP.

Education is free and compulsory between the ages of 7 and 13. Children go through six years of primary and seven years of secondary school. In practice, however, few children complete their schooling. As of 1999, 49% of primary-school-age children were enrolled in school, while 12% of those eligible attended secondary school. Projected adult illiteracy rates for the year 2000 stand at 58.9% (males 44.9%; females, 73.0%).

In 1998 there were 674,732 primary-level pupils and 13,883 teachers in 3,723 primary schools, with a student-to-teacher ratio of 49 to 1. In 1997 there were 143,243 students enrolled at the secondary level, with 4,958 teachers. The pupil-teacher ratio at the primary level was 46 to 1 in 1999. The Gamal Abdel Nasser Polytechnic Institute was established at Conakry in 1963. The Valéry Giscard d'Estaing Institute of Agro-Zootechnical Sciences was founded in 1978 at Faranah. The University of Conakry was founded in 1984. In 1997, 8,151 students and 947 teachers were engaged in post-secondary education.

[44]LIBRARIES AND MUSEUMS

The chief book collection and main exhibition center are in the National Institute of Research and Documentation (67,000 volumes) at Conakry. The National Library (40,000 volumes) and the National Archives are also located in Conakry. There are also small university libraries in Kankan and Conakry.

The National Museum, at Conakry, has displays of the ethnography and prehistory of Guinea, as well as a collection of art, fetishes, and masks of the Sacred Forest. The capital also has two natural history museums, covering botany and geology. There are regional museums in Kissidougou, Nzérékoré, Youkounkoun, Beyla and Boké.

[45]MEDIA

Telephone, telegraph, and postal services are government-owned. Submarine cables connect Conakry with Dakar, Freetown, and Monrovia; telecommunication links by satellite are also available. As of 1998 there were 37,000 mainline telephones and 21,567 cellular phones in use.

Radiodiffusion-Télévision Guinéenne broadcasts in French, English, Portuguese, Arabic, Creole, and local languages, as does TV-Nationale, the one television station in Guinea. In 2001, there were 4 AM and 1 FM radio stations. In 2000 there were about 52 radios and 44 television sets for every 1,000 people. Internet access is limited, with four service providers serving about 8,000 people in 2000.

The government-owned *Horoya* is published weekly, with an estimated daily circulation of 20,000 in 2002. *Fonike* covers sports and general news topics. There are also a number of private press weeklies, including *La Lance, L'Oeil, Le Democrat, L'Independant, La Nouvelle Tribune, L'Observateur*, and the satirical newspaper *Le Lynx*.

The constitution provides freedom of the press, though in practice the government imposes broad control and censorship. All media are owned or controlled by the government.

[46]ORGANIZATIONS

Regional farm organizations are leagued in a national union of planters' cooperatives. Mass organizations associated with the RDA include the Youth of the Democratic African Revolution and the Revolutionary Union of Guinean Women. The Guinea Chamber of Commerce, Industry, and Agriculture has 70 affiliates. National women's organizations include the Association Guineenne des Femmes Diplomees des Universities and Commission Nationale des Femmes Travailleuses de Guinee. Scouting organizations are active for youth.

[47]TOURISM, TRAVEL, AND RECREATION

Visitors to Guinea must have a valid passport and a visa. Yellow fever immunization is required as is proof of smallpox and cholera vaccinations. Malaria suppressants are recommended. An annual cultural festival that includes theatrical and dance groups is held in October. In 2000, there were 32,598 tourist arrivals. The previous year, tourism receipts totaled $7 million.

In 2000, the US government estimated the cost of staying in Conakry at $166 per day depending on the choice of hotel. Daily expenses elsewhere may be as low as $60.

[48]FAMOUS GUINEANS

A revered figure of the 19th century is Samory Touré (1830?–1900), a Malinké born in Upper Guinea, who conquered large areas and resisted French military forces until 1898. The founder of modern Guinea was his alleged great-grandson Ahmed Sékou Touré (1922–84), a prominent labor leader and political figure who became Guinea's first president in 1958. Guinea's best-known writer, Camara Laye (1928–80), wrote the novel *The Dark Child* (1953). Col. Lansana Conté (b.1944) became president in 1984.

[49]DEPENDENCIES

Guinea has no territories or colonies.

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GUINEA-BISSAU

Republic of Guinea-Bissau
República da Guiné-Bissau

CAPITAL: Bissau

FLAG: The flag has equal horizontal stripes of yellow over green, with a red vertical stripe at the hoist bearing a black star.

ANTHEM: *Esta é a Nossa Pátria Bem Amada (This Is Our Well-Beloved Land).*

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr) replaced the Guinean peso (PG) as official currency in May 1997. The CFA franc, which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. The CFA france comes in coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs, and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: New Year's Day, 1 January; Death of Amilcar Cabral, 20 January; Labor Day, 1 May; Anniversary of the Killing of Pidjiguiti, 3 August; National Day, 24 September; Anniversary of the Movement of Readjustment, 14 November; Christmas Day, 25 December. Movable religious holidays include Korité (end of Ramadan) and Tabaski (Feast of the Sacrifice).

TIME: 11 AM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the west coast of Africa, Guinea-Bissau, formerly Portuguese Guinea, has a total area of 36,120 sq km (13,946 sq mi), about 10% of which is periodically submerged by tidal waters. Comparatively, the area occupied by Guinea-Bissau is slightly less than three times the size of the state of Connecticut. Besides its mainland territory, it includes the Bijagós Archipelago and various coastal islands—Jeta, Pecixe, Bolama, and Melo, among others. Extending 336 km (209 mi) N–S and 203 km (126 mi) E–W, Guinea-Bissau is bordered on the N by Senegal, on the E and SE by Guinea, and on the SW and W by the Atlantic Ocean, with a total boundary length of 1,074 km (667 mi).

Guinea-Bissau's capital city, Bissau, is located on the country's Atlantic coast.

[2]TOPOGRAPHY

The country is swampy at the coast and low-lying inland, except in the northeast. There are no significant mountains. The most important rivers include the Cacheu, Mansoa, Geba, and Corubal.

[3]CLIMATE

Guinea-Bissau has a hot, humid, typically tropical climate, with a rainy season that lasts from mid-May to mid-November and a cooler dry season occupying the rest of the year. The average temperature in the rainy season ranges from 26°C to 28°C (79–82°F). Rainfall generally exceeds 198 cm (78 in), but droughts occurred in 1977, 1979, 1980, and 1983. The rainiest months are July and August. During the dry season, when the harmattan (dust-laden wind) blows from the Sahara, average temperatures do not exceed 24°C (75°F). The coldest months are December and January.

[4]FLORA AND FAUNA

Guinea-Bissau has a variety of vegetation, with thick jungle in the interior plains, rice and mangrove fields along the coastal plains and swamps, and savanna in the north. Parts of Guinea-Bissau are rich in game, big and small. Several species of antelope, buffalo, monkeys, and snakes are found.

[5]ENVIRONMENT

One of the most significant environmental problems in Guinea-Bissau is fire, which destroys 40,000 ha of land per year and accelerates the loss of the nation's forests at a yearly rate of about 220 sq mi. In addition, Guinea-Bissau had lost over 75% of its original mangrove areas by the mid-1980s, with the remaining swamps covering 236,000 hectares. Only about 79% of city dwellers and 49% of the people living in rural areas have access to pure drinking water. The nation has 16 cu km of renewable water resources, with 36% used for farming activity. Only 46% of the population have adequate sanitation. Another environmental issue is soil damage, caused by drought and erosion, as well as acidification and salinization. The Ministry of Natural Resources, created in January 1979, is responsible for making and enforcing environmental policy. Of Guinea-Bissau's 108 species of mammals, 4 are endangered, as are 1 of 243 bird species and 3 types of reptiles. Threatened species include the Pygmy hippopotamus and the West African manatee.

[6]POPULATION

The population of Guinea-Bissau in 2003 was estimated by the United Nations at 493,000, which placed it as number 160 in population among the 193 nations of the world. In that year approximately 4% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 97 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.95%, with the projected population for the year 2015 at 2,104,000. The population density in 2002 was 35 per sq km (90 per sq mi).

It was estimated by the Population Reference Bureau that 24% of the population lived in urban areas in 2001. The majority of the population lives in small farming communities or fishing towns. The capital city, Bissau, had a population of 274,000 in

that year. According to the United Nations, the urban population growth rate for 2000–2005 was 4.0%.

[7]MIGRATION

Centuries ago, the largely Muslim pastoral tribesmen to the east tended to migrate toward coastal regions, but this movement was inhibited to some degree by Portuguese colonization. In 1975, after the settlement of the guerrilla war against the Portuguese colonial administration, approximately 100,000 refugees returned from neighboring Senegal and Guinea.

In 1998, a civil war erupted in Guinea-Bissau, prompting tens of thousands to flee the capital for the surrounding countryside and several thousands to cross into neighboring countries. By June, some 300,000 people in the capital had been displaced. In July, several thousand local inhabitants and other nationalities left the country. Most refugees fled to Senegal and Guinea; others went as far as the Gambia and Cape Verde.

In 2000, the net migration rate was -2.9 per 1,000 population. In that year there were 19,000 migrants in the country, including 7,600 refugees. The government views the immigration level as satisfactory, but the emigration level as too high.

[8]ETHNIC GROUPS

The principal African ethnic groups are the Balante (an estimated 30% of the African population), living mainly in the central region; the Fulani (20%), in the north; the Manjaca (14%); the Mandinga (13%); and the Pepel (7%), in the coastal areas. Other ethnic groups constitute the remaining 16% of the African population.

Of the nonindigenous people, the Cape Verdean mulatto community, which originated in the Cape Verde Islands, is the largest group, accounting for about 2% of the total population of Guinea-Bissau. Resentment over the disproportionate political and commercial influence held by this group played a role in the 1980 coup. There is also a small foreign community, consisting mainly of Portuguese and of Lebanese and Syrian merchants.

[9]LANGUAGES

Wide differences prevail in languages, since each tribe has its own vernacular, subdivided into numerous dialects. A Guinean "crioulo," or Africanized Portuguese patois, is the lingua franca, while Portuguese is the official language.

[10]RELIGIONS

About 50% of the population has retained traditional religious beliefs. As of 2002, an estimated 45% of the population adhered to the Islamic faith. The Fulani and Malinké ethic groups are Muslim for the most part. Only about 5% of the population are Christians with a majority being Roman Catholic.

[11]TRANSPORTATION

Transportation facilities remain undeveloped, a factor that has hampered economic development as a whole, especially the exploitation of mineral deposits in the interior. There is no rail line in Guinea-Bissau. In 2002, the country had an estimated 4,400 km (2,735 mi) of roads, of which 453 km (282 mi) were tarred. These, however, consisted mostly of military penetration roads unfit for regular passenger and commercial traffic.

Bissau is the main port; expansion and modernization projects costing at least $48 million were undertaken there in the early 1980s. Secondary ports and harbors include Buba, Cacheu, and Farim. Bissau is also the site of a modern international airport, while several aerodromes and landing strips serve the interior. In 2001 there were 28 airports, of which 3 had paved runways. Linhas Aéreas da Guiné-Bissau (LIA), the national airline, also has service to Dakar, Senegal. Transportes Aéreos Portugueses (TAP), Air Guinée, Aeroflot, Air Senegal, Cape Verde Airlines, and Air Algérie provide international service. In 1997, it carried 21,000 passengers on domestic and international flights.

[12]HISTORY

The earliest inhabitants, hunters and fishermen, were replaced by the Baga and other peoples who came from the east. The Portuguese explorer Nuno Tristão arrived in the region in June 1446 and established the first trading posts. The slave trade developed during the 17th century, centering around the port of Bissau, from which thousands of captive Africans were sent across the Atlantic to Latin America. Portugal retained at least nominal control of the area, and British claims to coastal regions were dismissed by arbitration in 1870. Nine years later, the area was made a separate Portuguese dependency, administratively subordinate to the Cape Verde Islands. Portuguese Guinea's boundaries with neighboring French possessions were delimited in an 1886 treaty, and formal borders were demarcated by a joint commission in 1905. The interior was not effectively occupied until about 1920, however, and Portuguese never settled in large numbers in the colony. In 1951, together with other Portuguese holdings in Africa, Guinea was made a Portuguese overseas province.

In September 1956, a group of dissatisfied Cape Verdeans founded an underground movement aimed at achieving independence from Portugal. It was named the African Party for the Independence of Guinea and Cape Verde (Partido Africano de Independência da Guiné e Cabo Verde—PAIGC), and Amilcar Cabral became its secretary-general. On 19 September 1959, after more than 50 Africans had been killed during a dock strike that erupted into a violent clash with police, Cabral called for an all-out struggle "by all possible means, including war." By 1963, large-scale guerrilla warfare had broken out in the territory.

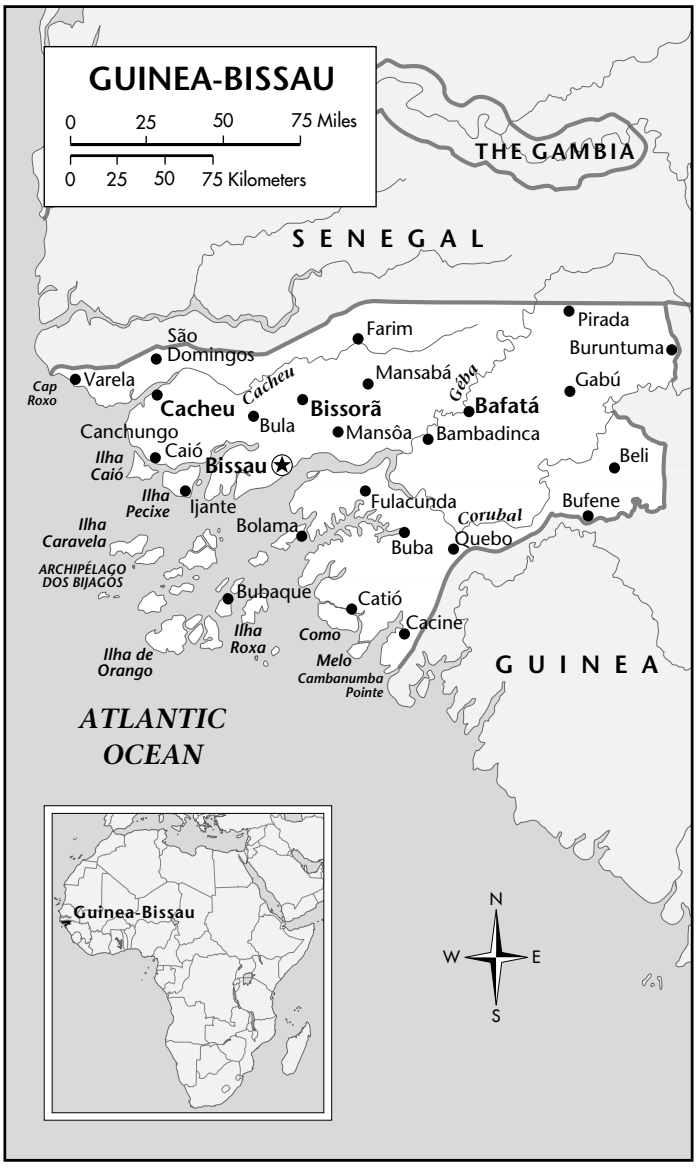
During the ensuing years, PAIGC guerrillas, fighting a Portuguese force of about 30,000, increased their hold on the countryside. When Cabral was assassinated on 20 January 1973, reportedly by a PAIGC naval officer, Aristides Pereira took over the leadership of the movement, which on 24 September 1973 unilaterally proclaimed the independence of the Republic of Guinea-Bissau.

Prospects for a PAIGC victory improved dramatically after 25 April 1974 when the Lisbon government was overthrown in a coup. The leader of the new regime, Gen. António de Spínola, was a former governor-general and military commander in Portuguese Guinea, and had become an advocate of peaceful settlement of the war. On 26 August 1974, the Portuguese government and the PAIGC signed an agreement in Algiers providing for the independence of Guinea-Bissau effective 10 September, removal of all Portuguese troops by 31 October, and a referendum to determine the future status of the Cape Verde Islands.

The new government, under President Luis de Almeida Cabral, brother to Amilcar Cabral, had to deal with extensive economic dislocations brought about by the war. On 27 September 1974, the government announced its intention to control all foreign trade, and in May 1975, the legislature approved a program to nationalize all land and to confiscate property belonging to persons who had "collaborated with the enemy" during the war.

In the first post-independence elections, held December 1976–January 1977, 80% of the population approved the PAIGC list of candidates for Regional Council membership. The 150-member National Assembly, selected by these representatives, convened on 13 March 1977. Luis Cabral was reelected president of Guinea-Bissau and of the 15-member Council of State, and Major João Bernardo Vieira was confirmed as the nation's vice president and as president of the National Assembly.

On 14 November 1980, President Cabral, a mestiço with close ties to Cape Verde, was overthrown by a group of Guinean blacks under Vieira's command. Severe food shortages and tensions in



LOCATION: 10°52′ to 12°42′ N; 13°38′ to 16°43′ W. BOUNDARY LENGTHS: Senegal, 338 kilometers (210 miles); Guinea, 386 kilometers (240 miles); Atlantic coastline, 398 kilometers (247 miles). TERRITORIAL SEA LIMIT: 12 miles.

the alliance between Guinea-Bissau and Cape Verde had precipitated the bloody military coup, which led to the dissolution of the National Assembly and Executive Council, suspension of the constitution, arrest of the president, and temporary abandonment of the goal of unification with Cape Verde. A Revolutionary Council composed of nine military officers and four civilian advisers was named on 19 November, and a provisional government was appointed the following day. Diplomatic relations with Cape Verde, suspended at the time of the coup, were resumed in June 1982.

The National People's Assembly, reestablished in April 1984, adopted a new constitution in May. It also elected a 15-member Council of State to serve as the nation's executive body. As president of this council, Vieira served as both head of state and head of government. In July 1986, following an abortive military coup in November 1985, six persons were executed and another five died during detention. After ruling Guinea-Bissau as a one-party state for ten years, Vieira denounced single-party rule as elitist, inherently undemocratic, and repressive. In April 1991, Guinea-Bissau formally embraced multipartyism and adopted a new constitution. Four major opposition parties formed the Democratic Forum in January 1992 and sought to unseat PAIGC.

Elections scheduled for November 1992 were postponed until March 1993, giving the 11 opposition parties time to campaign and the multiparty electoral commission time to work out electoral procedures. They were again postponed until March 1994. On 17 March 1993, João da Costa, the leader of the Party for Renovation and Development (PRD), was implicated in an attempted coup. On 4 February 1994, the supreme military court acquitted him.

In July 1994, Guinea-Bissau held its first multiparty legislative and presidential elections. João Bernardo Vieira was elected president, narrowly defeating Koumba Yala with 52% to 48% of the vote. The PAIGC led decisively in the Assembly elections with 46% of the vote. In October, Vieira appointed Manuel Saturnino da Costa Prime Minister. In 1995, a coalition of opposition parties reformed the Democratic Forum, appointing da Costa as its leader.

The PAIGC reelected Vieira as party leader in May 1998, but he was nearly overthrown in June when army mutineers staged an unsuccessful coup. The coup attempt triggered a brief but devastating civil war. Upon Vieira's request, Senegal and Guinea sent 3,000 troops to restore order. Bombardments destroyed the main hospital, damaged schools and markets, and displaced thousands. The World Food Program and the Red Cross provided emergency services to an estimated 130,000 of these victims. In November, the Abuja peace agreement was signed with the stipulation that presidential and legislative elections be held before March 1999.

In May 1999, following the dismissal of General Ansumane Mané, troops loyal to the general stormed the presidential palace. Some 70 people died in the assault. Vieira took refuge at the French Cultural Center, and later sought asylum at the Portuguese Embassy. He was allowed to leave for Lisbon after renouncing the presidency and promising to return for trial. Malam Bacai Sanha presided over the interim government, which ended the 11-month civil war.

In November 1999, National Assembly elections took place, and in January 2000, Sanha lost to Koumba Yala in presidential elections judged free and fair. On 24 January, President Yala appointed his close friend, Caetano N'tchama, prime minister. Despite the elections, the country had a parallel government in the form of the military junta. In November 2000, Mané revoked Yala's military appointments and fighting erupted between forces loyal to the government and supporters of the Junta. After regaining control, loyalist forces announced on 30 November that Mané had been killed.

Yet another crises ensued in January 2001 when the RGB/MB withdrew from the government, charging that it had not been consulted over a cabinet reshuffle and calling for N'tchama's dismissal. N'tchama was fired in March, leaving a number of issues for his successor including the detention of about 130 members of the military accused of supporting Mané, and the alleged involvement of Guinea-Bissau in the Casamance conflict. Health, education and other social sectors were seriously underfunded, and underpaid civil servants were demanding higher wages. In addition, thousands of weapons were in private hands, and newly graduated young people had few or no prospects of employment after leaving school. Yala announced in December 2001 that his government had foiled another coup attempt.

In November 2002, Yala dissolved the parliament and named Mario Pires prime minister. Yala arrested his defense minister on 30 April 2003 on charges of plotting a coup, and in June he held emergency talks with disgruntled military leaders and key ministers to prevent the collapse of his government. Under pressure from the UN Security Council to hold clean elections, Yala announced in June 2003 that parliamentary elections originally scheduled for 23 February and then pushed back to 20

April and then July 6 would be postponed yet again to August or September pending revision of the electoral roll. By July 2003, Yala's government owed six months in pay arrears to the army and civil service. In lieu of monetary remuneration, government workers were receiving payment in rice. In the words of the UN Secretary General Kofi Annan, the economy and government of Guinea-Bissau were on a precarious downward course.

Relations with Senegal have been strained over issues stemming from the Casamance conflict in Senegal, and over demarcation of the Bissauan-Senegalese border established by an agreement between Portugal and France in 1960. In 1992 and 1995, Senegalese warplanes bombed suspected rebel bases in Guinea-Bissau alleged to be safe havens for Casamance rebels. In March 1996, the two governments reached an initial accord, and in 1999 through the mediation of President Jammeh of the Gambia, leaders of the two sides concluded an agreement. However, skirmishes continued into 2001 necessitating the intervention of the UN Secretary General.

[13]GOVERNMENT

The 1973 constitution was suspended following the 1980 coup. A constitution was ratified on 16 May 1984 by the reestablished National People's Assembly. In April 1991 a new constitution, providing for a multipary system, was adopted.

The Assembly and the regional councils are the nation's representative bodies. The popularly elected councils elect the 150-member (now 100-member) Assembly from their own ranks, and the Assembly in turn elects a 15-member Council of State as the nation's executive body. The president of this council, whom the Assembly also elects, automatically becomes head of state, head of government, and commander in chief of the armed forces. Before multiple parties were authorized in 1991, all Assembly members had to be members of the ruling African Party for the Independence of Guinea and Cape Verde (PAIGC).

The President, Koumba Yala, was sworn in on 17 February 2000. The President appoints the prime minister, who presides over the Council of Ministers, last nominated in January 2000. In March 2000, President Yala decided to assign five cabinet portfolios to the military junta to diffuse tensions. He reshuffled and enlarged the cabinet in June 2003 ostensibly to broaden his political support. Next Assembly elections were scheduled for August-September 2003.

[14]POLITICAL PARTIES

Prior to 1991, the ruling African Party for the Independence of Guinea and Cape Verde (Partido Africano de Independência da Guiné e Cabo Verde—PAIGC) was the sole legal party in the Republic of Guinea-Bissau. During the presidency of Luis Cabral, several hundred political opponents of the regime were reportedly murdered and buried in mass graves.

The 1980 coup was condemned by Cape Verdean leaders of the PAIGC, and in January 1981 they broke with the Guinea-Bissau branch to form the African Party for the Independence of Cape Verde. The following November, Guinean party officials decided to retain the name PAIGC for their branch and to expel Cape Verdean founder-members from the party.

Opposition parties were legalized by a new constitution adopted in April 1991. A dozen parties were recognized. Among them were: the Party for Renewal and Development (PRD), which was composed of educated dissidents who quit the PAIGC because of its authoritarianism; the Social Democratic Front (FDS), led by one of the founders of the PAIGC, Raphael Barbosa; the Front for the Struggle for Guinea-Bissau's National Independence, which predates PAIGC and was led by Mindy Kankoila, an early independence leader who had been in exile for 40 years; the National Convention Party (mainly Muslims and FDS dissidents); and the League for the Protection of the Ecology (LPE). The most important opposition party was Bafata, the Guinea-Bissau Resistance-Bafata Movement. Many parties prior to the general elections of 1994 formed a coalition, including the PRD, the FDS, the LPE, the Movement for Unity and Democracy (MUD), and the Democratic Party for Progress (PDP).

Free and fair legislative elections on 3 July 1994 gave the PAIGC a majority of 62 seats. The Guinea-Bissau Resistance (RGB-MB) was second in balloting with 19 seats, 12 for the Social Renovation Party (PRS), 10 for the Front for the Liberation and Independence of Guinea-Bissau, and 6 for the Union for Change Coalition.

In the November 1999 Assembly elections, the Partido da Renovacao Social (PRS), won 38 seats, the Resistencia da Guine-Bissau-Movimento Ba-Fata (RGB-MB) 28 seats, and the PAIGC 24 seats. Five parties garnered the remaining 12 seats in this election, which were part of the second consecutive set of free and fair competitive elections in Guinea-Bissau. Despite Yala's promises to form a government of national unity, the PRS and its ally, RGB-MB dominated the cabinet.

[15]LOCAL GOVERNMENT

Guinea-Bissau has 8 regions, not including the capital, and 37 sectors. Each region has a regional council, as does the capital, with membership consisting of elected representatives from the various sectors.

[16]JUDICIAL SYSTEM

The civilian court system is essentially a continuation of the Portuguese colonial system. Nine Supreme Court judges are appointed by the president and serve at his pleasure. The Supreme Court has jurisdiction over serious crimes and serves as an appeals court for the regional military courts. State security cases are tried by civilian courts. Military courts try only cases involving armed personnel under the code of military justice. In rural areas, persons are often tried outside the formal system by traditional law. Dispute resolution before traditional counselors avoids the costs and congestion of the official courts.

The 1991 constitution guarantees many civil rights and fundamental freedoms, including freedom of speech and freedom of religion. The constitution provides for an independent judiciary, but its functioning is hampered by a lack of training, resources and by corruption.

The president has authority to grant pardons and reduce sentences.

[17]ARMED FORCES

In 2002 the armed forces numbered approximately 9,250 in all services including the 2,000-man gendarmerie. The army numbered 6,800 equipped with 10 main battle tanks. The 350 member navy operated three vessels, and the air force of 100 had three combat aircraft. The defense budget in 2001 was $5.6 million, or 2.8% of GDP.

[18]INTERNATIONAL COOPERATION

Guinea-Bissau was admitted to the UN on 17 February 1974 and is a member of ECA and all the non-regional specialized agencies except IAEA. The nation is a member of the WTO and a signatory to the Law of the Sea. It also participates in the African Development Bank, the franc zone of the West Africa Economic and Monetary Union (WAEMU/UEMOA), ECOWAS, G-77, and AU. In June 1982, Guinea-Bissau and Cape Verde resumed full diplomatic relations (severed after the November 1980 coup) and reaffirmed the goal of eventual reunification.

[19]ECONOMY

Guinea-Bissau is one of poorest countries in the world with 82% of the population relying on fishing and subsistence agriculture, and 88% of the population below the poverty line in 2002. The industrial sector is small, and mining is undeveloped. Offshore oil

reserves that have not been expoited may be a source of income in the long term. Although firmly committed to market-style economic policies after an initial decade of socialist central planning, the government is burdened by a heavy external debt. Under the World Bank/IMF Heavily Indebted Poor Countries (HIPC) initiative, the net present value of Guinea-Bissau's total debt was to be reduced by 80% by 2003. By 2013, the level of debt was to be 43% lower than it would have been without help under the HIPC.

Cashews are the biggest cash crop, bringing in 95% of export revenues. The country is now the world's sixth largest producer of cashews. Livestock produces adequate supplies of meat, and hides are among Bissau's exports. Fishing prospects are excellent, but illegal fishing prevents a fuller realization of potential in this sector. Production and trade in forest products have been halted while implementation of reforestation policies occurs. In 1998, fighting between the government and a military junta brought chaos to the economy and halted most production: that year, GDP fell by 28%. Although the civil war had ended by 1999, in 2001 a fall in cashew prices and a decline in foreign assistance exacerbated the ailing state of the economy.

[20] INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Guinea-Bissau's gross domestic product (GDP) was estimated at $1.2 billion. The per capita GDP was estimated at $900. The annual growth rate of GDP was estimated at 7.2%. The average inflation rate in 2001 was 5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 54% of GDP, industry 15%, and services 31%. Foreign aid receipts amounted to about $48 per capita and accounted for approximately 32% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $202. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 9%. The richest 10% of the population accounted for approximately 42.4% of household consumption and the poorest 10% approximately 0.5%.

[21] LABOR

The labor force numbered 480,000 in 2002. Approximately 82% of workers engaged in agricultural activity. Primarily this consists of subsistence farming.

The constitution grants workers the freedom to join and form trade unions, however this affects a very small percentage of the population. Few workers outside of the public sector are organized. There were 11 registered labor unions in 2002. Workers are allowed to strike provided that they have given notice of their intention to do so. Collective bargaining is permitted but in practice does not occur.

Minimum wages are established but are not regularly enforced. The lowest legal monthly wage in 2002 was $20, and this did not support a family. The minimum age for employment is 14 years but this is not enforced outside of the small formal economy. Many children work as street vendors or on farms in rural communities. Health and safety standards set by the government are not regularly enforced.

[22] AGRICULTURE

The agricultural sector employs 83% of the labor force and contributes 56% of the GDP. Only 12% of the total land area is under permanent or seasonal cultivation. The country is divided into three major regions according to the water requirements of the major crops. On the coast and in river estuaries is the palm-tree (coconut) zone; rice is the predominant crop of the intermediary marshy areas; and peanuts are grown in the sandy areas of the interior. Rice is the major staple crop; corn, millet, and sorghum are also produced and consumed very widely. In the 1950s, Guinea-Bissau exported about 40,000 tons of rice per year; since 1962, rice has been imported, as frequent droughts often cause crop failure. In 1999, Guinea-Bissau produced 130,000 tons of rice, 30,000 tons of millet, 18,000 tons of peanuts, 44,000 tons of coconuts, 38,000 tons of cashew nuts, and 8,000 tons of palm kernels. Palm kernels, cashew nuts, and peanuts are the most important export crops. The war which culminated with independence in 1974 left the economy in shambles, reducing crop output by over one-third. Public investment, financed heavily by external borrowing, neglected agriculture to focus on the manufacturing sector. Agricultural recovery was hampered by inappropriate pricing policies, an overvalued exchange rate, and an inefficient marketing system. This policy has now been changed through price liberalization, so that some important goods like rice are now traded informally with neighboring countries. In 2001, trade in agricultural products consisted of $37.8 in imports and $71.5 million in exports.

[23] ANIMAL HUSBANDRY

Despite the damage wrought by the tsetse fly, cattle raising occupies many Guineans, especially among the Balante in the interior. In 2001, there were an estimated 515,000 head of cattle and 350,000 hogs, as well as 285,000 sheep and 325,000 goats.

[24] FISHING

Fishing is slowly growing into a viable industry. Agreements allow the European Union countries to fish in national waters. Guinea-Bissau's own catch was an estimated 5,000 tons in 2000, with mullet accounting for 44%.

[25] FORESTRY

Guinean forests and savanna woodland, covering about 60% of the country, primarily supply wood and timber for domestic consumption and fuel and construction material. Roundwood production was about 592,000 cu m (21 million cu ft) in 2000, 72% used as fuel wood. Timber has become a leading export, accounting for $1 million in 2000.

[26] MINING

Mineral production was not significant in 2001, and mining activities were limited to small-scale production of clay, granite, limestone, and sand. Bauxite, diamonds, gold, and phosphate were economically promising minerals being explored; the Farim deposit had a phosphate resource of 166 million tons. Large deposits of bauxite, amounting to 200 million tons, were discovered in the Boé area in the late 1950s; lack of capital and transportation has hindered exploitation. The bauxite and phosphate resources were of low grade. Election of a new government in 2000 was seen as a step toward ending military conflicts that followed a 1998 military coup. The 1999 Mines and Minerals Act reformed mineral exploration and mine development and production, setting sizes and terms for exploration, mining, and prospecting leases.

[27] ENERGY AND POWER

Guinea-Bissau has great potential resources for hydroelectric power development for the domestic market and even for export. The potential production capacity of the Corubal and Geba rivers alone exceeds the country's estimated future need. Installed capacity in 2001 was 1,100 kW; 2000 production totaled 60 million kWh, of which 100% came from fossil fuels.

Consumption of electricity was 55.8 million kWh in the sme year. In 1991, production of crude oil totaled 4,000 barrels, down from 20,000 barrels in 1988. There was no crude oil production as of 1998.

[28]INDUSTRY

Industry constitutes a small part of Guinea-Bissau's economy, contributing approximately 15% a year to GDP. Industries include a sugar refinery and a rice and groundnut processing plant. Guinea-Bissau ranks sixth in the world in cashew production. Brewing and urban construction are also represented in the industrial sector.

In the late 1980s, Guinea-Bissau attempted to attract foreign interest in several enterprises—a fish-processing plant, a plywood and furniture factory, and a plastics factory. The government moved to raise producer prices and to partially privatize parastatal trading companies during the 1990s, but civil war in 1998 disturbed these plans. In 1999, production resumed with foreign aid.

Oil exploration began in the 1960s, and the oil industry presents hopeful prospects for the country. Guinea-Bissau is in the midst of a border dispute with Senegal over an offshore exploration area, and under a 1995 agreement, the area in dispute is jointly managed by the two countries. Proceeds from the area are divided between Senegal and Guinea-Bissau on an 85–15 ratio, and in the early 2000s, Guinea-Bissau was negotiating for better terms to the agreement.

[29]SCIENCE AND TECHNOLOGY

No information is available.

[30]DOMESTIC TRADE

Under Portuguese rule, commercial activities were significant only in the cities. The PAIGC introduced chains of all-purpose "people's stores," communally owned and managed; some of these were handed over to private traders beginning in 1985. Product distribution to inland areas is conducted by private carriers and by barge via the Geba River.

The military conflict of 1998-1999 caused a great deal of damage to the nation's land and infrastructure, which in turn had a severe effect on the agriculturally based economy. Normal business hours in the capital are 8 AM to 12 noon and 3 to 6 PM, Monday–Friday.

[31]FOREIGN TRADE

Cashew nuts account for 70% of exports in terms of revenue, followed by fish, peanuts, palm kernels, and sawed lumber. The lumber trade shrunk in the late 1990s due to deforestation, but the fish sector is expected to grow. Imports include industrial and commercial supplies, fuels and lubricants, and transport equipment. Imported foods, beverages, and tobacco often surpass in value that of all of Guinea-Bissau's exports. Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
India	48	1	47
Italy	6	2	4
Thailand	3	6	-3
Spain	2	11	-9
Portugal	2	19	-17
Japan	1	2	-1
Pakistan	1	5	-4
Netherlands	n.a.	6	n.a.
France	n.a.	4	n.a.
Senegal	n.a.	9	n.a.

[32]BALANCE OF PAYMENTS

Like Portuguese Guinea, Guinea-Bissau has had chronic balance-of-payments problems because of its huge annual trade deficit, which has persisted despite efforts to restructure trade by diversifying the range of commodities available for export and by establishing new trading partners and more favorable trade agreements. Foreign assistance is an essential element in meeting payments needs.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Guinea-Bissau's exports was $80 million while imports totaled $55.2 million resulting in a trade surplus of $24.8 million.

The International Monetary Fund (IMF) reports that in 1997 Guinea-Bissau had exports of goods totaling $49 million and imports totaling $62 million. The services credit totaled $8 million and debit $26 million. The following table summarizes Guinea-Bissau's balance of payments as reported by the IMF for 1997 in millions of US dollars.

Current Account	**-30**
Balance on goods	-14
Balance on services	-18
Balance on income	-14
Current transfers	16
Capital Account	**32**
Financial Account	**2**
Direct investment abroad	…
Direct investment in Guinea-Bissau	…
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	-6
Other investment liabilities	8
Net Errors and Omissions	**-19**
Reserves and Related Items	**15**

[33]BANKING AND SECURITIES

A savings and loan bank and a postal savings bank, both domestically owned, operate in Bissau. There are no securities exchanges in Guinea-Bissau. On 2 May 1997, the Guinea-Bissau escudo was replaced by the CFA franc. The exchange rate was set at CFA F1:P65, as the escudo was gradually phased out. A team of technical experts from the Banque central des états de l'Afrique de l'ouest (BCEAO, the regional central bank) trained senior officials from the Banco Central de Guiné-Bissau (BCGB) in the management and accounting methods required by UEMOA (the monetary union of the West African subregion of the Franc Zone).

The first investment bank in Guinea-Bissau, Banco Africano Ocidentale (BAO), was established in the first quarter of 1997 with joint Portuguese and Guinea-Bissau capital, and became the countries first commercial bank in 2001. In 1999, three executives at the BCGB were accused of embezzling $4.3 million since Guinea-Bissau joined the Franc Zone.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $81.2 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $82.3 million. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4.95%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

[34]INSURANCE

No recent information is available.

[35]PUBLIC FINANCE

The IMF-sponsored structural adjustment program in Bissau began in 1987 and projected the achievements of a 3.5% growth rate, reforms to the economy, and public administration. Petroleum subsidies were reduced in 1988. In January 1989, customs duties and taxes on imports were lowered to reduce

inflation. At the end of that year, the debt-service ratio stood at 43% of exports. The foreign debt was rescheduled by all major donors that fall. Early in the 1990s, failure to meet adjustment goals stopped payments, and progress in the mid-1990s brought the resumption of aid. Foreign aid literally supported the incumbent government of 1999. At the end of 2000, the country qualified for almost $800 million in debt relief. It will continue to receive assistance under the Heavily Indebted Poor Countries (HIPC) initiative.

The currency was devalued in May 1987. In January 1990, Guinea-Bissau agreed with Portugal to adopt the escudo. Reform of the national banking system was underway after 1989. In 1997, the escudo was replaced by the CFA franc. Bank officials siphoned off millions of dollars from reserves. External debt totaled $931 million.

[36]TAXATION

Current information is unavailable.

[37]CUSTOMS AND DUTIES

Import licenses are freely issued for most goods. Most imports are taxed, but luxury goods are more heavily taxed, while capital goods enjoy special treatment. Duties are applied ad valorem; some common ones are: rice (10%), gasoline (55%), diesel (15%), automobiles (40–95%), auto parts (36%), furniture (30%), and household appliances (25%).

[38]FOREIGN INVESTMENT

As of June 1990, the government of Guinea-Bissau took new steps to encourage additional domestic and foreign investment. While key telecommunications, electricity, and infrastructure sectors remained under state control, others were to be privatized, including the brewery, the fishing industry, and the "people's shops" for retail trade. Bilateral and multilateral investment programs continue in each of the key productive sectors.

Guinea-Bissau already low level of foreign direct investment (FDI) inflows ($11 million in 1997), fell further with outbreak of civil war in 1998. FDI inflows were $4.4 million in 1998 and $8.6 million in 1999. With the return of an elected government in 2000, FDI inflows improved to $23 million in 2000 and $30 million in 2001.

[39]ECONOMIC DEVELOPMENT

A main objective of the Guinea-Bissau government is the development of agriculture and infrastructure. Foreign aid averaged $64.3 million per year from 1982–85. Multilateral aid accounted for almost half this sum, chiefly from the IDA. The first development plan (1983–88) called for self-sufficiency in food supplies, with 25% of a $403.3 million investment going for construction and public works, 18% for rural development, and 14% for transport.

The second development plan (1988–91) was to be totally financed by foreign aid. Numerous countries and intergovernmental organizations have provided food aid, technical assistance, and balance-of-payments support.

In 1999, the prime minister toured Europe in search of aid. Portugal contributed $4 million, Sweden $2.3 million, and the total of the donor community's commitments reached over $200 million. Rebuilding of the capital city, replacement of one-quarter of a million refugees, investment in infrastructure, and financing of the external debt, were among the goals of foreign aid slated for economic development.

In 2000, Guinea-Bissau qualified for almost $800 million in debt service relief under the International Monetary Fund (IMF)/ World Bank Heavily Indebted Poor Countries (HIPC) initiative, geared toward reducing poverty and stimulating economic growth. That year, it negotiated a three-year $18 million Poverty Reduction and Growth Facility (PRGF) Arrangement with the IMF to support the government's 2000–03 economic reform program. Following approval of the assistance, the IMF stated the country had lost budgetary control, with large unauthorized expenditures, particularly on defense. A drop in world cashew prices and a loss of foreign program financing in 2001 resulted in a decrease in economic activity. The country in 2003 had yet to fully recover from the 1998–99 civil war.

[40]SOCIAL DEVELOPMENT

Provision of health services, including maternal and child care, nutrition programs, environmental sanitation, safe water distribution, and basic education, is a social goal of the Guinea-Bissau government. There is no formal social welfare system in place.

Although officially prohibited by law, discrimination against women persists. Women have little access to education, and are responsible for most of the work on subsistence farms. The illiteracy rate for women is 82 percent. Domestic abuse against women is not only widespread, but also socially acceptable. Among certain ethnic groups, women are prohibited from owning property. Female genital mutilation is a common practice.

Some cases of arbitrary detention and the use of excessive force were reported, and members of the security forces were not held accountable for abuses of detainees' rights.

[41]HEALTH

The health care system is inadequate. Aid from UNICEF and the World Health Organization has enabled Guinea-Bissau, one of the poorest countries in the world, to strengthen its health management and decentralize the health system in the country. The emphasis is on preventive medicine, with small mobile units serving the rural areas. Between 1990–94, children were vaccinated against tuberculosis, 95%; diphtheria, pertussis, and tetanus, 74%; polio, 68%; and measles, 65%. In 1990–95, only 53% of the population had access to safe water and only 21% had adequate sanitation. As of 1999, there were an estimated 0.2 physicians and 1.5 hospital beds per 1,000 people. The birthrate was an estimated 38.9 per 1,000 people as of 2002 and the general mortality rate was 15.1 per 1,000 people. Infant mortality was estimated at 126 deaths per 1,000 live births in 2000. Life expectancy was 48 years for males and 51.3 years for females in 1999. An estimated 20% of all births are low birth weight. The fertility rate was 5.8 children for each woman during her childbearing years (2000).

As of 1999, the number of people living with HIV/AIDS was estimated at 17,000 (including 2.8% of the adult population) and deaths from AIDS that year were estimated at 1,200. HIV prevalence was 2.5 per 100 adults. An estimated 1,500 children age 15 or younger were living with HIV/AIDS and about 4,300 children have been orphaned by the disease.

Malaria struck nearly 158,748 people in 1993. The total goiter rate was 32.3% of school-age children in 1996.

[42]HOUSING

Most traditional housing units are made of adobe, mud, and/or quirinton, a combination of woven branches and straw. Most of these units use petrol lamps for lighting; they do not have no sewage system or septic tank and water is usually available from wells or springs. Though most of the population lives in rural areas, recent migration to urban areas has accounted for urban housing shortages. In 1998, civil unrest in the capital forced about 300,000 residents out of there homes and about 5,000 homes were destroyed. As of the end of 1999, 50,000 of these people were still displaced. In 2001, there were about 7,000 refugees in the country as well, mostly from Senegal. Many of these have been placed in temporary camp shelters.

[43]EDUCATION

Education is compulsory between the ages of 7 and 13, but as of 1999 only about 54% of primary-school-age children (grades one through four) actually attended school, and only 26% of students at the complementary education level (grades five and six). Only 32% of girls attended school, compared with 58% of boys, and only 58% of girls finished the fourth grade. In 1995 there were 100,369 primary pupils. The pupil-teacher ratio at the primary level was 44 to 1 in 1999. Projected literacy rates for the year 2000 stand at 63.2% (males, 47.0%; females, 78.6%).

The 1998–99 civil war severely disrupted education, closing schools and keeping most of the country's children out of school for at least half a year. In 2000, UNICEF requested $5.22 million to rebuild and refurnish damaged primary schools, buy teaching materials and school supplies, train teachers, and provide other types of aid.

[44]LIBRARIES AND MUSEUMS

The National Institute of Studies and Research (Instituto Nacional de Estudos e Pesquisa—INEP) in Bissau maintains a collection of 40,000 volumes and includes archives and museum. In 1999, the National Institute was badly damaged and vandalized during the violent conflict between government forces and rebels. A restoration effort was underway with the support of international scholars in 2000. The Museum of Guinea-Bissau, also in Bissau, has a library of 14,000 volumes and maintains collections of interest in the fields of ethnography, history, natural science, and economics. There are municipal libraries in major cities. There are two museums in Bissau, the Museum of Portuguese Guinea and the National Ethnographic Museum.

[45]MEDIA

The two radio networks are the government's Radiodifusão Nacional de Guiné-Bissau and Radio Libertad, which resumed broadcasting in 1990 after a 16-year hiatus. Televisao Experimental has been on the air since 1989. In 2002, there were five radio stations. One national television station broadcasts from 7 p.m. to midnight on weekdays and 5 p.m. to midnight on weekends. In 2000, there were 44 radios for every 1,000 people. Statistics for the number of televisions in the country was unavailable. Both press and radio are government owned and controlled. In 2001, there were about 10,000 mainline telephones in use. Internet access was limited with two service providers serving about 1,500 people in 1999.

The government-owned daily, *Voz da Guine,* (in Portuguese) had an estimated circulation of 6,000 in 2002. Privately owned newspapers (published a once or a few times a week) include: *Diario de Bissau, Banobero, Gazeta de Noticias*, *Fraskera*, and *No Pintcha*. These newspapers often delay publications due to financial constraints and dependence on the state-owned printing house, which often lacks supplies.

The constitution provides for free speech and free press, though journalists are said to practice self-censorship to avoid government pressures.

[46]ORGANIZATIONS

The constitution of 1991 made freedom of association for non-government organizations legal for the first time. Since that time, several human rights organizations have formed, including the Center for Judicial Information and Orientation, the Guinean Association for Studies and Alternatives, and the Guinean League for Human Rights, which emphasizes women's rights. Youth organizations are coordinated by the umbrella organization of the National Network of Youth Organizations of Guinea Bissau. There are also scouting programs active in the country.

[47]TOURISM, TRAVEL, AND RECREATION

Game shooting, a major attraction for many travelers in Africa, is popular in Guinea-Bissau. Game is abundant in the open country, as well as in the more hazardous forest and jungle areas. The traditional practices of various ethnic groups also interest and attracts tourists. The island of Bubaque and the town of Bolama are cited for their charm and beauty. All visitors need a valid passport and a visa secured in advance.

In 1999, the UN estimated the cost of staying in Bissau at $76–134, depending upon the choice of hotel. Daily expenses are an estimated $44 in Bubaque and $68 in Bafata.

[48]FAMOUS GUINEANS

The best-known Guinean of recent years was Amilcar Cabral (1921–73), a founder of PAIGC, its first secretary-general, and a key figure in the war for independence until he was assassinated. Luis de Almeida Cabral (b. 1931), a cofounder of the liberation movement in September 1956, and the younger brother of Amilcar Cabral, subsequently became the first president of Guinea-Bissau; after release from detention by the Revolutionary Council in December 1981, he left the country. João Bernardo Vieira (b. 1939), leader of the Revolutionary Council, came to power in the 1980 coup.

[49]DEPENDENCIES

Guinea-Bissau has no territories or colonies.

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KENYA

Republic of Kenya
Jamhuri ya Kenya

CAPITAL: Nairobi

FLAG: The flag is a horizontal tricolor of black, red, and green stripes separated by narrow white bars. At the center is a red shield with black and white markings superimposed on two crossed white spears.

ANTHEM: *Wimbo Wa Taifa (National Anthem),* beginning "Ee Mungu nguvu yetu, ilete baraka Kwetu" ("O God of all creation, bless this our land and nation").

MONETARY UNIT: The Kenya shilling (SH) is a paper currency of 100 cents; the Kenya pound (K£) is a unit of account equivalent to 20 shillings. There are coins of 5, 10, and 50 cents, and 1 and 5 shillings; and notes of 5, 10, 20, 50, 100, and 200 shillings. SH1 = $0.01324 (OR $1 = SH75.5) as of May 2003.

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; Madaraka Day, 1 June; Kenyatta Day, 20 October; Uhuru (Independence) Day, 12 December; Christmas, 25 December; Boxing Day, 26 December. Movable holidays include Good Friday, Easter Monday, 'Id al-Fitr, and 'Id al-'Adha'.

TIME: 3 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the eastern coast of Africa, Kenya lies astride the equator. Its total area, including 11,230 sq km (4,336 sq mi) of water, is 582,650 sq km (224,962 sq mi), with a maximum length of 1,131 km (703 mi) SSE–NNW and a maximum width of 1,025 km (637 mi) ENE–WSW. Comparatively, the area occupied by Kenya is slightly more than twice the size of the state of Nevada. Kenya is bounded on the N by Sudan and Ethiopia, on the E by Somalia, on the SE by the Indian Ocean, on the S by Tanzania, and on the W by Lake Victoria and Uganda, with a total land boundary length of 3,477 km (2,161 mi) and a coastline of 536 km (333 mi).

Kenya's capital city, Nairobi, is located in the southcentral part of the country.

[2]TOPOGRAPHY

Kenya is notable for its topographical variety. The low-lying, fertile coastal region, fringed with coral reefs and islands, is backed by a gradually rising coastal plain, a dry region covered with savanna and thornbush. At an altitude of over 1,500 m (5,000 ft) and about 480 km (300 mi) inland, the plain gives way in the southwest to a high plateau, rising in parts to more than 3,050 m (10,000 ft), on which most of the population and the majority of economic activities are concentrated. The northern section of Kenya, forming three-fifths of the whole territory, is arid and of semidesert character, as is the bulk of the southeastern quarter. In the high plateau area, known as the Kenya Highlands, lie Mt. Kenya (5,199 m/17,057 ft), Mt. Elgon (4,310 m/14,140 ft), and the Aberdare Range (rising above 3,962 m/13,000 ft). The plateau is bisected from north to south by the Great Rift Valley, part of the geological fracture that can be traced from Syria through the Red Sea and East Africa to Mozambique. In the north of Kenya the valley is broad and shallow, embracing Lake Rudolf (Lake Turkana), which is about 207 km (155 mi) long; farther south the valley narrows and deepens and is walled by escarpments 600–900 m (2,000–3,000 ft) high. West of the Great Rift Valley, the plateau descends to the plains that border Lake Victoria. The principal rivers are the Tana and the Athi, both flowing southeastward to the Indian Ocean, and the Ewaso Ngiro, which flows in a northeasterly direction to the swamps of the Lorian Plain.

[3]CLIMATE

The climate of Kenya is as varied as its topography. Climatic conditions range from the tropical humidity of the coast through the dry heat of the hinterland and northern plains to the coolness of the plateau and mountains; despite Kenya's equatorial position, Mt. Kenya is perpetually snowcapped. The coastal temperature averages 27°C (81°F), and the temperature decreases by slightly less than 2°C degrees Celsius (3°F) with each 300-m (1,000-ft) increase in altitude. The capital, Nairobi, at 1,661 m (5,449 ft), has a mean annual temperature of 19°C (66°F); at 2,740 m (9,000 ft) the average is 13°C (55°F). The arid northern plains range from 21° to 27°C (70–81°F).

Seasonal variations are distinguished by duration of rainfall rather than by changes of temperature. Most regions of the country have two rainy seasons, the long rains falling between April and June and the short rains between October and December. Average annual rainfall varies from 13 cm (5 in) a year in the most arid regions of the northern plains to 193 cm (76 in) near Lake Victoria. The coast and highland areas receive an annual average of 102 cm (40 in).

[4]FLORA AND FAUNA

The vegetation and animal life of Kenya reflect the variety of its topography and climate. In the coastal region coconut trees flourish, with occasional mangrove swamps and rain forest. The vast plains of the hinterland and the northern regions are covered with grass, low bush, and scrub, giving way in the high-lying plains to typical savanna country of open grass dotted with thorn trees, and in the more arid regions to bare earth and stunted scrub. The highland areas are in parts densely forested with

bamboo and valuable timber, the predominant trees being African camphor, African olive, podo, and pencil cedar.

Wildlife of great variety is to be found in Kenya, both in the sparsely populated areas and in the national parks and reserves that have been created for its protection. Elephant, rhinoceros, lion, zebra, giraffe, buffalo, hippopotamus, wildebeest, and many kinds of buck are among the large mammals that abound on the plains and along the rivers. Kenya's diverse bird species include cranes, flamingos, ostriches, and vultures.

[5]ENVIRONMENT

Deforestation and soil erosion are attributable to growing population pressure, which creates increased demands for food production and firewood. Drought and desertification (to which 83% of Kenya's land area is vulnerable) also threaten potential productive agricultural lands. By the mid 1980s, Kenya had lost 70% of its original mangrove areas, with the remainder covering an estimated 53,000–62,000 hectares. Water pollution from urban and industrial wastes poses another environmental problem. Kenya has 20.2 cubic kilometers of renewable water resources with 76% used in farming activity and 4% used for industrial purposes. Only about 42% of the residents in rural areas and 88% of city dwellers have pure drinking water. In addition to pollutants from industry, the nation's cities produce about 1.1 million tons of solid wastes. In an effort to preserve wildlife, the government has set aside more than 3.5 million ha as national parks and game preserves. In 2001, 6% of Kenya's total land area was protected. Game hunting and trade in ivory and skins have been banned, but poaching threatens leopards, cheetahs, lions, elephants, rhinoceroses, and other species. It is illegal to kill an animal even if it attacks. As of 2001, 43 species of mammals and 24 bird species were endangered and 130 plant species were threatened with extinction. Endangered species include the Sokoke scops owl, Taita blue-banded papilio, Tana River mangabey, Tana River red colobus, green sea turtle, and hawksbill turtle. There are 18 extinct species, including the Kenyan rocky river frog and the Kenya oribi.

[6]POPULATION

The population of Kenya in 2003 was estimated by the United Nations at 31,987,000, which placed it as number 34 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.45%, with the projected population for the year 2015 at 36,864,000. The population density in 2002 was 54 per sq km (139 per sq mi). Kenya's population has increased with remarkable rapidity in recent decades. According to UN estimates, the national total rose by 28% from 6,416,000 in 1950 to 8,189,000 in 1960; by 37% to 11,253,000 in 1970; by 46% to 16,466,000 in 1980; by 36% to 22,400,000 in 1987; and by 24% to an estimated 27,885,000 in 1995. About 75% of the population lives on only 10% of the land.

It was estimated by the Population Reference Bureau that 33% of the population lived in urban areas in 2001. The capital city, Nairobi, had a population of 2,205,000 in that year. Mombasa, the chief seaport, had an estimated 465,000. Other large cities and their estimated populations were Kisumu, 185,100; Nakuru, 163,000; Machakos, 116,100; Meru, 78,100; Eldoret, 104,900; and Nyeri, 88,600. According to the United Nations, the urban population growth rate for 2000–2005 was 4.1%.

The prevalence of AIDS/HIV has had a significant impact on the population of Kenya. The United Nations estimated that 15% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Throughout Kenya there is a slow but steady movement of the rural population to the cities in search of employment. Some Kenyans have emigrated to Uganda, and ethnic Somalis are present in significant numbers in Kenya's North-Eastern Province.

Far-reaching migratory changes took place in the years immediately preceding and following independence. By 1961, the post-1945 trend of net European immigration was reversed, and in the three years that followed, approximately 29,000 Europeans left Kenya. Permanent emigration in 1964 reached 9,860, while permanent immigration totaled 5,406. In the first year of independence, some 6,000 Britons renounced their citizenship and applied for Kenyan citizenship; during the same period, approximately 70,000 persons living in Kenya—the majority of them Asians—were granted British passports. After the UK limited immigration by Asians in 1967, a crisis situation developed in Kenya. Work permits, without which Asians could not stay in the country beyond a limited period, were not issued, and the UK denied entry to Asians from Kenya who wanted to work in the UK. In 1973, the Kenya government served 1,500 notices of termination to Asian employees (there were 300 in 1972) and announced that by the end of 1974 it aimed to completely Kenyanize the country's retail and wholesale trade. In 1975, the Ministry of Commerce and Industry ordered the closing of 436 businesses, most of which belonged to Asians. Some 80,000 Asians were still living in Kenya at the time of the 1979 census, down from an estimated 180,000 in 1968.

Kenya's refugee population includes Somalis, Sudanese, Ethiopians, Ugandans, and a smaller group comprised of various other nationalities. The total number of refugees was reduced from 420,000 in 1992 to 187,000 in June 1998. The decrease is mainly attributable to the repatriation of more than 155,000 refugees to Somalia and 70,000 to Ethiopia. In 2001 Kenya was host to 220,000 refugees from neighboring countries. In 2000, the net migration rate was -0.01 migrants per 1,000 population. The government views the immigration level as too high.

[8]ETHNIC GROUPS

African peoples indigenous to Kenya, who now form 98% of the population, fall into three major cultural and linguistic groups: Bantu, Nilotic, and Cushitic. Although most of the land area is occupied by Cushitic and Nilotic peoples, over 70% of the population is Bantu. The Luo, a Nilotic people, live in an area adjacent to Lake Victoria. Other Nilotes—Turkana, Maasai, Pokot, Nandi, Kipsigis, and Tugen—occupy a broad area in the west from Lake Rudolf to the Tanzania border. Cushites such as the Galla and Somali live in the eastern and northeastern parts of the country. The Bantu reside mainly in the coastal areas and the southwestern uplands; the most significant Bantu peoples are the Kikuyu, Kamba, and Luhya. The Kikuyu, who constitute the largest single ethnic group in Kenya, live for the most part north of Nairobi and have played a major role in the nation's political and social development. The estimated proportions of the major groups are Kikuyu 22%, Luhya 14%, Luo 13%, Kalenjin 12%, Kamba 11%, Kisii 6%, and Meru 6%. Other Africans constitute 15% of the total population.

Non-Africans (Arabs, Asians, and Europeans) account for no more than 1% of the population. The Arab community is centered on the Indian Ocean coast. The Swahili, a group of mixed Arab-Africans with a cultural affinity to the Arabs, also live in the coastal region. Most Asians in Kenya have origins traceable to the Indian subcontinent; living primarily in urban centers, they consist of at least 31 culturally separate groups but

make up less than 0.4% of the nation's population. The European community, which has rebounded since the 1960s, is primarily of British origin. About 12% of the Europeans hold Kenyan citizenship. A 1984 law provides that people born in Kenya of non-Kenyan parents can no longer claim Kenyan citizenship.

[9]LANGUAGES

Although there are linguistic groupings of very similar dialects, nearly all the African ethnic groups have their own distinct languages. Swahili, however, increasingly has become an East African lingua franca, and in 1974 it became Kenya's official language, along with English. English remains in wide use in business and government, and parliamentary bills must be drafted and presented in that language. Both Gujarati and Punjabi are widely used among the Asian community.

[10]RELIGIONS

An estimated 66% of the population are Christians with about 28% belonging to the Roman Catholic church and 38% belonging to Protestant churches. About 10% to 20% are Muslim, with many living in the Northeast Province, the Coast Province, and the northern region of the Eastern Province. About 1% is Hindu and the remainder practice traditional religions or local branches of Christianity. As in other African states with complex religious histories and some renewal of cultural self-consciousness, it is likely that a majority of ethnic Kenyans also hold some traditional African beliefs.

[11]TRANSPORTATION

The Kenya Railways Corp. maintains 2,778 km (1,726 mi) of rail, of which over half make up the main line between the Ugandan border and Mombasa, the chief port.

A modern installation, the port at Mombasa serves Uganda, Tanzania, Rwanda, Burundi, the DROC, and the Sudan as well as Kenya. A national shipping line, 70% state owned, was created in 1987. There is steamer service on Lake Victoria. In 2002, the merchant marine had two ships (1,000 GRT or over), totaling 4,893 GRT.

As of 2002, the road system comprised an estimated 63,300 km (39,334 mi), of which about 8,940 km (5,555 mi) were paved. The major road from Nairobi to Mombasa is well paved, and the government has undertaken a campaign to widen and resurface secondary roads. All-weather roads linking Kenya with the Sudan and Ethiopia have been completed. Over 80% of Kenya's total passenger and freight traffic use road transport. In 2000, there were 288,500 motor vehicles, including 139,900 private passenger automobiles and 148,600 commercial vehicles.

In 2001, there were 231 airports in Kenya, only 19 of which had paved runways. There are major international airports at Nairobi (Jomo Kenyatta) and Mombasa (Moi International). The Nairobi air terminal, opened in 1958 and expanded in 1972 to receive jumbo jets, is a continental terminus for international services from Europe, Asia, and other parts of Africa. Air travel and air freight also are accommodated at Malindi, Kisumu, and numerous smaller airstrips. Kenya Airways flies to other nations of East Africa, the Middle East, Europe, and the Indian subcontinent. In 2001, 1,418,200 passengers were carried on scheduled domestic and international airline flights.

[12]HISTORY

Fossil remains show that humanlike creatures lived in the area of Lake Rudolf perhaps two million years ago. As early as the third millennium BC, cattle were being herded in what is now northern Kenya. Sometime in the first millennium BC, food-producing Cushitic-speaking peoples, possibly from the Ethiopian highlands, appeared in Kenya. During the Iron Age (c.AD 1000), the first Bantu speakers arrived, probably from points south and west, resulting in the retreat of Cushitic speakers. The Nilotic speakers entered at the end of the 16th century from the north or northwest, from southern Sudan, and perhaps from the western Ethiopian borderland.

After their arrival, most groups settled into a pattern of slow and gradual movement highlighted by spurts of expansionist activity. For example, the Eastern Bantu (Kikuyu, Meru, Kamba, Pokomo, Teita, and Bajuni), possibly after settling in the area between Lamu and the Juba River, dispersed throughout southern and coastal Kenya. By 1400, the Kikuyu had reached the area near Mt. Kenya; they were joined there by the Meru in the 1750s. The Western Bantu (Luhya and Gusii) developed from an influx of Kalenjin (1598–1625) and Bantu (1598–1733) migrants. Other peoples, including the Luo, developed a strong ethnic identity and protected themselves from intruders. But as their population increased between 1750 and 1800, conflict arose, clans broke down, and another wave of migration ensued.

The Cushitic and Nilotic peoples (represented by Kalenjin ancestors of the Pokot, Nandi, Kipsigis, Kony, and Tugen) and others (such as the Turkana, Teso, and Galla) participated in independent movements beginning in the 16th century and lasting into the 18th. By 1800, the Kamba, acting as the chief carriers and go-betweens, dominated an extensive intergroup long-distance trade network that linked the interior to the East African coast. The last migrants into the country were the Somali, who did not enter northeastern Kenya in great numbers until the late 19th and early 20th centuries.

Meanwhile, another set of migrants settled on the Indian Ocean coast. As in the interior, the newcomers replaced the original hunter-gatherer inhabitants. In the period prior to the birth of Christ, Egyptians, Phoenicians, Persians, and possibly even Indonesians visited the coast. By the 10th century the Bantu had settled the coastal region in what the Arabs called the Land of the Zenj (blacks). As the area flourished, a mixed population of Arabs and Africans combined in creating the Swahili culture, a culture marked by its own language, a devotion to Islam, and the development of numerous coastal trade centers. Swahili cities such as Kilwa, Mombasa, and Pate remained independent of one another and of foreign control and, although they had little contact with the interior, grew wealthy from their mercantile contacts with India and Arabia.

Throughout the 16th century, following Vasco da Gama's landing at Malindi in 1498, the coastal cities struggled to remain independent of the external threats posed first by the Portuguese and then by the Omani Arabs. Although the Portuguese established posts and gained a monopoly of the trade along the Kenya coast, the Arabs eventually succeeded in driving out the Portuguese and reestablishing Arab authority in 1740. Independent Arab settlements persisted for a century until, during the rule (1806–56) of Sayyid Sa'id, a kind of unity was established. Arab control even in the 19th century continued to be confined to the coastal belt, however. In 1840, Sayyid Sa'id moved the capital of his sultanate to Zanzibar.

Europeans began to assert their influence in East Africa. After jostling with the Germans and the Italians for Zanzibari favors, the British emerged with a concession for the Kenya coast in 1887. European penetration of the interior had begun decades earlier with the explorations of two German missionaries, Johannes Rebmann and Johann Ludwig Krapf, in 1847–49, and by the English explorer John Hanning Speke at Lake Victoria in 1858. In 1886, the UK and Germany reached agreement on their respective spheres of influence in East Africa, and the Imperial British East African Company, a private concern, began establishing its authority in the interior two years later. In 1890, a definitive Anglo-German agreement was signed, and arrangements were made with the sultan of Zanzibar for

LOCATION: 4°30′ N to 4°30′ S; 34° to 42°E. BOUNDARY LENGTHS: Sudan, 306 kilometers (190 miles); Ethiopia, 779 kilometers (484 miles); Somalia, 682 kilometers (424 miles); Indian Ocean, 523 kilometers (325 miles); Tanzania, 769 kilometers (478 miles); Lake Victoria, 138 kilometers (86 miles); Uganda, 772 kilometers (480 miles). TERRITORIAL SEA LIMIT: 12 miles.

protection to be extended to his mainland holdings. When the company failed in 1895, the UK assumed direct control over the "East African Protectorate". In December 1901, the railway linking Mombasa with Lake Victoria was completed, and in the following year the boundary between Kenya and Uganda was shifted some 320 km (200 mi) westward to its present position. European and Asian settlement followed the building of the railway, and by World War I the modern development of Kenya

was clearly evident. In 1920 the protectorate, with the exception of the coastal strip (later ceded by Zanzibar), was declared a crown colony.

In the interwar years, the major challenge to European political power came from Asians who wanted equality with Europeans in governmental representative institutions. This challenge was successfully resisted, but in the postwar period a more dynamic threat came from African nationalism.

The Struggle for Independence

Africans made use of both legal and nonlegal methods in their struggle for power with the Europeans. The first efforts ended in the eruption of the Mau Mau movement, and a state of emergency was declared in October 1952. Supported primarily by the Kikuyu, Embu, and Meru tribes of Central Province, Mau Mau was a secretive insurrectionary movement that rejected the European domination over Kenya. The emergency lasted until late 1959, and cost over UK£55 million. At one time, more than 79,000 Africans were detained, and about 13,000 civilians (almost all African) were killed.

During the initial period of the emergency in 1954, the "Lyttelton" multiracial constitution was imposed on Kenyan political groups unable to agree among themselves. It providing both for African and Asian participation in a council of ministers with Europeans and a system of communal representation for each racial group, with a formula of equality of representation in legislative and executive institutions between Europeans and non-Europeans. The introduction of direct elections for Africans to the Legislative Council in 1957 was their first outstanding political gain. With the 1960 "Macleod" constitution came an African-elected majority in the Legislative Council; this represented a decisive shift in the direction of an African-controlled state of Kenya. Rapid advancement toward self-government and independence under African leadership was delayed, however, because of conflicts between the two major African political parties over the future constitutional structure of the country. A constitutional conference in London in early 1962 produced a "framework" constitution, which included formation of a national government representing both political parties. Following new national elections under this constitution in May 1963, Kenya became self-governing on 1 June. On 12 December 1963, Kenya became independent. Exactly one year later it became a republic within the Commonwealth of Nations, with Jomo Kenyatta as the country's first president. His political party, the Kenya African National Union (KANU), dominated the government, and leaders of a rival party, banned in 1969, were detained. On the other hand, some electoral choice was permitted: although all parliamentary candidates in 1969, 1974, and 1979 were KANU members, more than half the incumbents were unseated in the balloting.

An East African Community united Kenya, Tanzania, and Uganda in a common market and customs union until it was dissolved in 1977. Kenya has maintained remarkable political stability, despite territorial disputes with the Somali Democratic Republic, which resulted in sporadic fighting (1963-1968); and with Uganda (1970s). Tanzania closed its borders with Kenya between 1978 and 1983 because Kenya allegedly harbored Idi Amin's supporters after his fall.

Kenyatta died on 22 August 1978 and was succeeded by his vice president, Daniel Arap Moi, who was elected president without opposition a month later. In June 1982, the National Assembly voted unanimously to make Kenya formally a one-party state. On 1 August 1982, a group of junior air force officers, supported by university students and urban workers, attempted a military coup. Looting in Nairobi, particularly of Asian-owned stores, continued for days. This resulted in more than 500 people reported killed, dissolution of the entire 2,100-member air force, closing of Nairobi University, jailing of almost 1,000 persons, conviction and sentencing to death of 12 conspirators in the following months, and their reported execution in 1985. President Moi ran unopposed in the elections of September 1983; in the National Assembly voting during the same month, five cabinet ministers and 40% of all incumbents went down to defeat.

In 1986, Moi declared that KANU was above government, the parliament and the judiciary. Critics of Moi, even within KANU, were expelled from the party and government repression widened. Many opposition leaders were detained in July 1990 and in 1991 (including former vice president, Oginga Odinga), and clashes between pro-democracy demonstrators and police left five dead.

The Advent of Multiparty Democracy

As pressures mounted for political reform, the United States and 11 other donor nations pressed Moi to reduce government corruption, to improve its poor human rights record, and to institute economic reforms. In 1991, these donors withheld more than $350 million in aid. In December 1991, Moi and his party legalized multiparty politics, but opposition to Moi and civil unrest continued. Ethnic violence from 1991 to 1994 in the Rift Valley left over 3,000 Kikuyu and Luo dead, allegedly the work of "trained warriors" from Moi's ethnic group. In 1993, Africa Watch, a US-based human rights group, reported that as many as 1,500 Kenyans have been killed and over 300,000 displaced as a result of ethnic violence instigated by Moi's regime in the Rift Valley. In the lead up to the 1997 general elections, ethnic fighting flared up in Mombassa, claiming over 42 lives. The death toll of these clashes pales in comparison to the Hutu-Tutsi genocide, but the social friction they have caused has provided Moi with what he terms "proof" that the country is too fractured along tribal lines to allow true multiparty democracy.

In Nairobi in January 1992, more than 100,000 attended the first legal antigovernment rally in 22 years. Through the years, the Forum for the Restoration of Democracy (FORD) had emerged as the main opposition. But a conflict between Kenneth Matiba and Odinga signaled ethnic divisions in the run-up to elections required by 21 March 1993. Moi, exploiting those weaknesses, delayed the elections until December. The opposition, divided into eight parties, saw its initial support fade away. Although the late December elections were generally peaceful, Matiba, Odinga, and Mwai Kibaki, of the Democratic Party of Kenya, refused to accept the results. Moi was reelected with 37% of the vote; Matiba had 26%, Kibaki 19%, and Odinga 17%. For the National Assembly, KANU won 100 of the 188 seats; FORD-Kenya, 31; FORD-Asili, 31; and DP, 23. However, many of Moi's cabinet ministers were defeated in their parliamentary contests.

Moi continued to demonstrate his authoritarianism in 1994 and 1995, as opposition groups struggled among themselves to present a united front. Moi's overtly heavy security apparatus stepped up internal oppression, leading the Kenyan Human Rights Commission to report that in the first nine months of 1995, security forces murdered 74 Kenyans in detention, 12 of whom were killed by torture. Violence conducted by unofficial Moi-supported gangs continued as well.

Despite this, opposition forces became vocal as the 1997 elections neared, demanding constitutional reform. Primary among the demands was a constitutional convention and at the very least parliamentary action limiting the powers of the president, and an electoral reform providing for a runoff election if no presidential candidate received more than 50% of the vote—a virtual certainty. Moi, elected with only 36% of the vote in 1992, publicly acknowledged the need for such reforms, but repeatedly postponed any action. This further inflamed opposition parties, and as protests grew more violent, Moi's repression followed suit. By September 9, 1997, over 70 people

had been killed in demonstrations, including 7 protestors killed by police in July in a massive Nairobi demonstration that saw police beating religious leaders inside the Kenya Presbyterian Church at midday. Images of bloodied clerics fleeing armed mobs in the international media outlets led to harsher criticism, further marginalization, escalating civil unrest and violence. Moi refused to concede to opposition demands, insisting that democratic reforms would lead to the splintering of the country.

On 29 and 30 December 1997, Kenyans went to the polls without constitutional or electoral reform. Again, early hopes of a united opposition victory were dashed as divisions reemerged. Over nine parties split the opposition vote. Moi was reelected with 40% of the vote; Mwai Kibaki of the Democratic Party (DP) had 31%; National Democratic Party's (RDP) Raila Odinga had 11%; FORD-Kenya's M.K Wamalwa had 8%; and Charity Kaluki Ngilu of the Social Democratic Party (SDP) had about 8%. Of the 210 seats of the National Assembly, KANU won 108; DP, 39; NDP, 21; FORD-Kenya, 17; SDP, 15; Safina and three other parties shared 7 seats.

Following the 1997 elections, civil unrest continued, crime and corruption increased, while the AIDS pandemic claimed at least 600 lives per day. In February 2000 the British Foreign Office minister in charge of Africa, Mr. Peter Hain, referred to corruption in Kenya as "the economic equivalent of AIDS". Still, Moi managed to survive a vote of no confidence moved by opposition MPs in October 1998. After 30 months of snubbing the IMF, the Kenyan Government finally resumed formal relations with the IMF and in mid-January 2000, the IMF Board voted to resume aid to Kenya. The reestablishment of the East African Common Market was expected to increase trade among the three sister countries.

The opposition and civil society coalesced over the issue of constitutional reform. Bowing to mounting pressure and civil unrest, Moi finally consented to a Constitutional Review Commission Amendment Act, which became effective on 29 January 1999. However, squabbling over who should lead the review process delayed action into 2003. Limits on presidential powers and the establishment of a post for prime minister were among the constitutional issues expected to be addressed at a national constitutional convention sometime in 2003.

Following much speculation, Moi went on record saying he would retire at the end of his term in 2002. Although it appeared in April 2002 that elections would be postponed for a year to allow for the drafting of the constitution, the polls were held on 27 December 2002. Mwai Kibaki's landslide victory with 62.2% of the vote over Moi's hand-picked candidate Uhuru Kenyatta with 31.3% ended 24 years of KANU rule under Moi. In the parliamentary vote, Mbaki's National Rainbow Coalition (NARC) won 125 directly elected and seven appointed seats for a total of 132 seats compared to 64 directly elected and 4 appointed seats for KANU. Overall the polls were judged peaceful, free and fair.

13 GOVERNMENT

According to the constitution of 1963, as subsequently amended, the government of Kenya is led by a president who is chief of state, head of government, and commander-in-chief of the armed forces. The president is elected to serve a five-year term; he may, however, dissolve the National Assembly during his term, or the National Assembly may dissolve itself by a vote of no confidence, in which case a new presidential election must also be held. The president appoints the members of the cabinet (the vice president and the heads of the various ministries) from among members of the Assembly. The Assembly is barred by edict of the speaker from debating the conduct of the president. The cabinet is carefully balanced to maintain a multi-ethnic image, and the allocation of assistant ministerships is part of the communally arranged patronage system.

The unicameral National Assembly—established when the Senate and House of Representatives were merged by constitutional amendment in 1967—consisted in November 1997 of 210 members elected for a maximum term of five years, plus 12 national members nominated by the president, and selected by parties in proportion to their parliamentary vote totals. In addition, the speaker of the Assembly and the attorney general are ex-officio members. Technically, MPs are allowed to introduce legislation, but in fact it is the attorney general who does so. Suffrage is universal at age 18.

The constitution recognizes the principle of maximum allocation of governmental powers to local authorities, and provision is made for the establishment of provincial assemblies with local administrative powers. The central government may abridge or extend the powers of local government in the national interest. The next elections are expected in early 2007.

14 POLITICAL PARTIES

Following a constitutional conference at Lancaster House in London in February 1960, two national African parties were formed, the Kenya African National Union (KANU) and the Kenya African Democratic Union (KADU). The fundamental difference between the two parties resided in the fact that KANU tended to represent those persons and tribes that were most closely associated with an urban-oriented nationalism and sought a highly centralized political system for Kenya, while KADU represented the more rural and pastoral tribes, who feared a concentration of power by any central government. The political conflicts between these two parties tended to become identified with tribalism, since each party had a core group of tribes committed to it. In the national elections of May 1963, KANU won a majority of seats in both houses of parliament, and its leader, Jomo Kenyatta, assumed power. KADU dissolved itself voluntarily in 1964 and joined KANU.

Since 1964, KANU has dominated Kenyan politics. In March 1966, 30 KANU members of the House announced that they had formed an opposition party, later named the Kenya People's Union (KPU), led by Oginga Odinga, a Luo, who had resigned his post as vice president. By-elections for the 30 seats, held in June 1966, resulted in the KPU's retention of only 9. In July 1969, Tom Mboya, the minister of economic planning, was assassinated. His death touched off old animosities between his tribe, the Luo, and the politically dominant Kikuyu, to which Kenyatta belonged. The government used the pretext of the assassination to ban the KPU and jail Odinga and other opposition leaders. In the 1969 elections, Kenyatta—who ran unopposed—and the KANU slate were returned to power. All parliamentary candidates also were KANU members in 1974 and 1979; however, there were many more candidates than constituencies, and in all three elections a majority of incumbents were unseated.

Following reports that Odinga, who had been freed in 1971, was planning to form a new, Socialist-oriented party, the National Assembly on 9 June 1982 declared Kenya a one-party state. In the wake of the attempted coup that August, Odinga was again detained, and treason charges were brought against his son, Raila Odinga, dean of the engineering school of the University of Nairobi. The treason charges were later dropped, but Oginga Odinga remained under house arrest from November 1982 to October 1983. By that time, presidential and parliamentary elections had been held, with some 900 KANU members vying for the 158 elective seats.

A clandestine dissident group known as Mwakenya was founded in 1981. In 1986, 44 persons were being held in connection with this group, 37 of whom were convicted of sedition. Other underground opposition groups emerged in the 1980s and in 1987 many joined to form the United Movement for Democracy (UMOJA, Swahili for unity).

In December 1991, the Moi government decided to end KANU's monopoly on legal political activity. A grand coalition known as the Forum for the Restoration of Democracy (FORD) was formed, but, before the December 1992 election, it fragmented into two factions—FORD-Kenya, headed by Oginga Odinga and FORD-Asili, led by Kenneth Matiba. The Democratic Party of Kenya (DP) was headed by Mwai Kibaki and the Kenya National Congress (KNC) by Chilube wa Tsuma. Three other parties were active, even in the face of persecution by Moi's police. In particular, government prevented opposition MPs, domestic and international human rights figures, and journalists from entering the security zones of the Rift Valley, where the government conducted a policy of ethnic cleansing against the area's non-Kalenjin population. In 1993 alone, the KANU-led government arrested 36 of the 85 opposition MPs.

In the run-up to the scheduled 1997 elections, opposition parties made a brief attempt at unity with the formation in 1995 of the united National Democratic Alliance. Factional bickering, however, rendered it stillborn. Also in 1995, the Safina Party was founded by Richard Leakey, the world-renowned paleoanthropologist and former head of the Kenya Wildlife Service, a post for which he was handpicked by President Moi. Leakey intended to organize an umbrella opposition party, but Moi promptly banned Safina. By 1996, however, several opposition parties had tentatively acknowledged their support of Safina. By March 1997 there were 26 registered political parties, but only 10 won parliamentary seats in the 1997 elections judged as fairly credible.

In the run-up to the 27 December 2002 elections, the opposition led by Mwai Kibaki organized a grand electoral alliance, the National Rainbow Coalition (NARC). The seats won by party were as follows: NARC 125, KANU 64, FORD-P 14, other 7; ex-officio 2; seats appointed by the president: NARC 7, KANU 4, FORD-P 1.

15 LOCAL GOVERNMENT

Kenya is divided into seven provinces: Coast, Northeastern, Eastern, Central, Rift Valley, Nyanza, and Western. (The Nairobi area is separate and has special status.) These are subdivided into 63 districts, each headed by a presidentially appointed commissioner; provincial administration is closely supervised by the central government. There are two types of upper local authorities (municipalities and county councils) and four types of lower authorities (urban councils, township authorities, area councils, and local councils). The Nairobi area, administered by a city council, is the direct responsibility of the central government. Many of the councils raise their own revenues by taxes, construct and maintain roads, carry out public health schemes, construct and improve housing, support education, and provide agricultural and social welfare services.

16 JUDICIAL SYSTEM

The legal system is based on the 1963 constitution, the Judicature Act of 1967, and common law court precedent. Kenya accepts compulsory ICJ jurisdiction with reservations. Customary law, to the extent it does not conflict with statutory law, is used as a guide in civil matters concerning persons of the same ethnic group.

The judicial system consists of the Court of Appeal, which has final appellate jurisdiction, and subordinate courts. The High Court, sitting continuously at Nairobi, Mombasa, Nakuru, and Kisumu, and periodically at Eldoret, Kakamega, Nyeri, Kitale, Kisii, and Meru, consists of a chief justice and 24 associate judges, who are appointed by the president of the republic. The High Court has both civil and criminal jurisdiction, serving as an appellate tribunal in some cases and as a court of first instance in others. Lower courts are presided over by resident magistrates and district magistrates. Questions of Islamic law are determined by qadis' courts. Military courts handle court-martials of military personnel.

Although the constitution provides for an independent judiciary, the president has considerable influence over the judiciary. The president appoints the High Court Judges with the advice of the Judicial Service Commission. The president also has authority to dismiss judges, the attorney general, and other officials upon recommendation of a tribunal appointed by the president.

17 ARMED FORCES

Until 1963, Kenya's defense was the responsibility of the UK. On 10 December 1963, the withdrawal of British armed forces from Kenya was completed.

In 2002 Kenyan armed forces had active personnel of 24,400. The army of 20,000 was equipped with 78 main battle tanks. The navy had 1,400 personnel with four patrol and coastal combatants. The air force had 3,000 personnel, 29 combat aircraft, and 34 armed helicopters. The 5,000-member national police has general service, air, and naval paramilitary units. Kenya contributes personnel to seven international peacekeeping missions, mainly in other African nations. In 2001, Kenya spent $179.2 million on defense or 1.8% of GDP.

18 INTERNATIONAL COOPERATION

On 16 December 1963, Kenya became a member of the UN; the nation participates in ECA and all the non-regional specialized agencies, and is a signatory to the Law of the Sea and a member of the WTO. Kenya is also a member of the African Development Bank, Commonwealth of Nations, G-77, and AU. President Daniel Arap Moi was OAU chairman during 1981/82 and 1982/83. In February 1975, Kenya signed the Lomé Convention, thereby acquiring preferential access to the EC for certain products. On 26 June 1980, Kenya signed an agreement with the United States allowing the latter access to air and naval facilities at Mombasa.

Since the US embassy bombings in August 1998, the World Trade Center attacks on September 11, 2001, and the November 2002 hotel bombing in Mombasa, the two nations have solidified their common front against international terrorism. The Bush administration designated Kenya a strategic regional pillar in the American national security strategy, and renewed airbase, port access, and overflight agreements with the Kenyan government. In December 2002, US Secretary of Defense, Donald Rumsfeld, travelled to the region. Kenya receives 75% ($15 million of $20 million) of the funding authorized by the US Congress for counterterrorism in Africa.

Nairobi has become increasingly important as a headquarters for international agencies (including the secretariat of the UN Environment Program) and as a convention center for world organizations.

19 ECONOMY

Kenya's is an agricultural economy supported by a manufacturing sector, much of which dates from the pre-independence period, and a tourism sector, which is an important foreign exchange earner. Kenya has few mineral resources. Although Kenya is one of the most industrialized countries in East Africa, industry only accounts for around 13% of GDP. Kenya has a drought-prone agricultural sector in which maize is a principal staple crop, along with tubers—cassava, potatoes, and sweet potatoes. There is a shortage of arable land—only 12% is first-quality farm land—and little irrigation. Nonetheless, the country exports tea, coffee, cut flowers, and vegetables. Tea exports provide the largest share of foreign exchange earnings, followed by tourism. Coffee exports were the third largest source of foreign exchange earnings in 2002, due to a decline in world coffee prices and a decline in production, which was caused in part by mismanagement.

Kenya had one of Africa's strongest economies in the 1980s, posting growth rates of 5% annually. In the early 1990s, however, political turmoil and poor harvests slowed growth. Disagreements over the direction of future investments led to a suspension of foreign aid in 1992 resulting in low growth and high inflation. Under a structural adjustment program supported by the World Bank and International Monetary Fund (IMF) in 1993, Kenya strengthened its free market by abolishing price controls, removing import licensing requirements, and floating the currency. The end of most financial controls occurred in 1995. These reforms, together with a strong harvest, helped the economy to expand by 3% in 1994, 5% in 1995, and 4% in 1996.

In 1997 a drought caused continuing power interruptions slowed business and manufacturing and cast doubts on the country's ability to sustain growth. Flooding during 1998 caused industry slowdowns. At the same time, government corruption was threatening $200 million in direct aid from the IMF and World Bank. The donor agencies' concern with official corruption was heightened in early 1996 when they learned that the government's request for a $50-million low interest loan coincided with its purchase of a $50-million private jet for the president. The purchase of the jet was a non-budgeted expenditure hidden from the World Bank auditors. In August 1997, the IMF and World Bank, tired of Kenya's failure to clamp down on graft, ended talks on resuming aid, a move that resulted in cuts in bilateral aid programs. The government initiated its own Economic Recovery Strategy in September 1999 to improve public sector management.

Another drought in 1999–2000 caused water and energy to be rationed and reduced agricultural output. The IMF again provided loans to guide Kenya through the drought, but suspended them in 2001 when the government failed to implement anti-corruption measures. Although ample rains returned in 2001, corruption—compounded with low investment and weak commodity prices—prevented any increase in economic growth. The new government installed after the elections of December 2002 committed itself to providing adequate education, a zero tolerance for corruption, and an economic environment conducive to domestic and foreign investment.

[20] INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Kenya's gross domestic product (GDP) was estimated at $31 billion. The per capita GDP was estimated at $1,000. The annual growth rate of GDP was estimated at 1%. The average inflation rate in 2001 was 3.3%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 24% of GDP, industry 13%, and services 63%. Foreign aid receipts amounted to about $15 per capita and accounted for approximately 4% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $215. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 6%. Approximately 31% of household consumption was spent on food, 21% on fuel, 2% on health care, and 8% on education. The richest 10% of the population accounted for approximately 36.1% of household consumption and the poorest 10% approximately 2.4%. It was estimated that in 2000 about 50% of the population had incomes below the poverty line.

[21] LABOR

In 2001, the labor force numbered an estimated 10 million. Agriculture accounted for up to 80% of the workforce in this impoverished country. The unemployment rate is estimated between 25–50%, which does not account for the majority of those who work for less than subsistence amounts.

The trade union movement is strong in Kenya and continues to pressure the government for better wages and improved living standards. However, union activity can result in dismissal or discrimination for employees. Complex rules severely limit the right to strike. The principal labor federation is the Central Organization of Trade Unions (COTU). Except for the 150,000–200,000 teachers believed to be members of Kenya National Union of Teachers and three other smaller unions, all unions are affiliated with the COTU. COTU, however, does little to pursue workers' rights. There were some 41 unions in Kenya with approximately 600,000 workers in 2001, or about 33% of the country's industrialized workforce.

The minimum legal working age is 16, however this does not apply to the agricultural segment which accounts for 80% of the labor force. The number of child laborers was estimated at five million in 2002. The minimum wage ranged between $25 and $42 per month in 2002, depending on location, age, and skill level.

[22] AGRICULTURE

Agriculture remains the most important economic activity in Kenya, although less than 8% of the land is used for crop and feed production. Less than 20% of the land is suitable for cultivation, of which only 12% is classified as high potential (adequate rainfall) agricultural land and about 8% is medium potential land. The rest of the land is arid or semiarid. About 80% of the work force engages in agriculture or food processing. Farming in Kenya is typically carried out by small producers who usually cultivate no more than two hectares (about five acres) using limited technology. These small farms, operated by about three million farming families, account for 75% of total production. Although there are still important European-owned coffee, tea, and sisal plantations, an increasing number of peasant farmers grow cash crops.

From independence in 1963 to the oil crisis in 1973, the agricultural sector expanded by undergoing two basic changes: first, widespread acceptance of private ownership (replacing tribal ownership) and cash crop farming; second, the success of intensive nationwide efforts to expand and upgrade the production of African smallholders. Before World War II (1939–45) ended, agricultural development occurred almost exclusively in the "White Highlands," an area of some 31,000 sq km (12,000 sq mi) allocated to immigrant white settlers and plantation companies. Since independence, as part of a land consolidation and resettlement policy, the Kenya government, with financial aid from theUnited Kingdom, has gradually transferred large areas to African ownership. European-owned agriculture remains generally large-scale and almost entirely commercial.

After the 1973 oil crisis, agricultural growth slowed as less untapped land became available. Government involvement in marketing coupled with inefficient trade and exchange rate policies discouraged production during the 1970s. Coffee production booms in the late 1970s and in 1986 have in the past temporarily helped the economy in its struggle away from deficit spending and monetary expansion. Although the expansion of agricultural export crops has been the most important factor in stimulating economic development, much agricultural activity is also directed toward providing food for domestic consumption. Kenya's agriculture is sufficiently diversified to produce nearly all of the nation's basic foodstuffs. To some extent, Kenya also helps feed neighboring countries.

Kenya is Africa's leading tea producer, and was fourth in the world in 1999, behind India, China, and Sri Lanka. Black tea is Kenya's leading agricultural foreign exchange earner. Production in 1999 reached 220,000 tons. Tea exports were valued at $404.1 million in 2001, or nearly 18% of total exports. The tea industry is divided between small farms and large estates. The small-scale sector, with more than 260,000 farmers, is controlled by the parastatal Kenya Tea Development Authority. The estates, consisting of 60–75 private companies, operate on their own.

Coffee is Kenya's third leading foreign exchange earner, after tourism and tea. In 2001, coffee earnings totaled $91.8 million. Production in 2001/02 amounted to 52,140 tons. Similar to the tea sector, coffee is produced on many small farms and a few large estates. All coffee is marketed through the parastatal Coffee Board of Kenya. The suspension of the economic provisions of the International Coffee Agreement in July 1989 disrupted markets temporarily, driving coffee prices to historical lows.

Kenyan horticulture has become prominent in recent years, and is now the third leading agricultural export, following tea and coffee. Fresh produce accounted for about 30% of horticultural exports, and included green beans, onions, cabbages, snow peas, avocados, mangoes, and passion fruit. Flowers exported include roses, carnations, statice, astromeria, and lilies.

Kenya is the world's largest producer and exporter of pyrethrum, a flower that contains a substance used in pesticides. The pyrethrum extract, known as pyrethrin, is derived from the flower's petals. A drop in production during the mid-1990s was due to increasing production costs, disease damage, and slow payment by the parastatal Pyrethrum Board of Kenya. The growing demand for "organic" and "natural" pesticides has increased international demand for pyrethrin, despite the existence of synthetic chemical substitutes. Kenya also produces sisal, tobacco, and bixa annatto (a natural food coloring agent) for export.

Other important crops in 1999 were sugarcane, 5,200,000 tons; corn, 2,110,000 tons; wheat, 135,000 tons; rice, 40,000 tons; and cotton, 5,000 tons. Smallholders grow most of the corn and also produce significant quantities of potatoes, beans, peas, sorghum, sweet potatoes, cassava, bananas, and oilseeds.

[23]ANIMAL HUSBANDRY

In 2001 there were an estimated 13.5 million head of cattle, 8 million sheep, and nine million goats. The number of chickens was estimated at 32 million. Kenya is self-sufficient in red meat production. Most of the beef comes from culling the dairy cattle, and from zebu breeds used by pastoralists moving their herds around Kenya's vast arid and semiarid areas. Total meat production in 2001 was 459,000 tons, with beef accounting for 65%.

Milk production is adequate for domestic needs; in 2001, fresh whole cow milk production amounted to 2,639,000 tons. Milk production is concentrated in the Rift Valley and Central Provinces. Together, these two provinces contain about 80% of Kenya's dairy cattle population. Dairy production accounts for 12% of the total value of agricultural output. About 300,000 small dairy farmers produce 80% of the milk.

[24]FISHING

Commercial fishing takes place on the coast of the Indian Ocean and on the shores of lakes Baringo, Naivasha, Rudolf, and Victoria. In the Victoria region, commercial companies process and package filleted and frozen lake fish, which are sold throughout East Africa. Fish farms have been established in various parts of Kenya. Sportsmen who fish in the highland lakes and streams provide a small amount of government revenue in the form of licenses and fees. The total fish catch for 2000 was 215,106 tons. Freshwater fish, particularly from Lake Victoria, predominated; the inland catch was 210,343 tons. Exports of fish products were valued at $38.9 million in 2000.

[25]FORESTRY

Both hardwoods and softwoods are produced in Kenya. The chief hardwoods are musheragi, muiri, mukeo, camphor, and musaise. The chief softwoods are podo, cedar, and cypress. The supply of softwoods is adequate for local needs, both for building and other purposes. Wattle, grown mainly on small African plantations, provides the base of an important industry. Kenya maintains some 2,320,000 ha (5,733,000 acres) in indigenous forests, mangroves, and forest plantations, about 4% of the total land area. Total forest and woodland coverage is about 30%. The timber cut in 2000 was nearly 21.6 billion cu m (762 billion cu ft) of roundwood, of which 95% went for fuel. Production that year included 185,000 cu m (6.5 million cu ft) of sawn wood and 66,000 cu m (2.3 million cu ft) of wood pulp. In 1975, production of the first Kenya-made paper began at the Pan-African Paper Mills in Webuye.

[26]MINING

Mining and quarrying accounted for less than 1% of Kenya's GDP in 2000, having declined steadily since the end of World War II. Kenya was chiefly known for its production of fluorspar, limestone, gemstones, salt, soapstone, and soda ash. Cement was a leading industry and export commodity in 2002; production fell by half from 1996 to 2000 because of economic difficulties and decreasing export demand. A soda works at Magadi produced 246,000 tons in 2000, and Magadi Soda Ash Co. Ltd., the sole soda ash producer, extracted salt from the production of soda ash and was the largest salt producer. Lake Magadi had substantial resources of salt, trona (12.6 million tons), and soda ash (7 million tons). National output of crude salt was 44,900 tons in 2000, 21,742 in 1998, 6,280 in 1997, and 41,000 in 1996. Fluorspar (acid-grade) production, in the Keiro Valley, was 90,000 tons; exports increased to 83,658 tons at a value of $7.5 million in 1999, from 56,202 tons at a value of $4.7 million in 1995. In 2000, 690,000 tons of limestone was produced for cement, and 31,500 tons was produced for dimension stone. A limestone deposit near Bamburi and Mombasa had resources of 50 million tons, a travertine resource from the Umani Crater had 35–60 million tons, and marble resources at Mutini totaled 23 million tons.

In 2000, Kenya also produced secondary aluminum, anhydrite, barite, natural carbon dioxide gas, hydraulic cement, diatomite (near Gilgil, in the Rift Valley), feldspar, precious and semiprecious gemstones (amethyst, aquamarine, Iolite cordierite, green garnet, ruby, sapphire, and tourmaline), gold, gypsum, kaolin (total resources, from the Nyeri district, of 15–20 million tons), refined secondary lead, lime, petroleum refinery products, crude steel, coral, granite, marble, industrial sand (glass), shale, sulfuric acid, and vermiculite. The country also may have produced brick clays, coal, gravel, iron ore, kyanite, meerschaum, mica, murram (laterite), crushed rock, construction sand, and silica sand (from Kaloleni). Kenya's only lead mine stopped production in 1996. There were several gold deposits in the country—the Migori deposit contained 1.6 million tons at a grade of 4.3 grams per ton of gold. There were four substantial deposits of mineral sands in southeastern Kenya that contained ilmenite, rutile, titanium dioxide, and zircon—the combined resources of the Kilifi, Mambrui, Vipingo, and Kwale deposits were 3,100 million tons. Tiomin Resources Inc. was to exploit the mines sequentially, starting in 2003 at Kwale, because of its higher grades of economically recoverable minerals, and expected an annual output during the first six years of 300,000 tons of ilmenite, 75,000 tons of rutile, and 37,000 tons of zircon.

[27]ENERGY AND POWER

In the years immediately following World War II (1939–45), Kenya met the increased demand for electricity mainly through the use of fuel oil to provide thermal power. Since 1950, hydroelectric capacity has been dramatically increased, and new hydroelectric schemes have been developed. Kenya's geothermal resources along the Great Rift Valley have been tapped by a plant near Lake Naivasha. National generation of electricity in 2000 totaled 3.7 million kWh, of which 21.6% was from fossil fuels, 70.4% from hydropower, and the remainder from other renewable sources. Installed capacity in 2001was 934 MW, of which about 75% was hydroelectric. Demand for electricity grew by 5% annually between 1995 and 2000 and is expected to continue rising at the same rate in the near future. Consumption of electricity in 2000 was 4.4 billion kWh. The 140 MW Kiambere Dam on the Tana River was completed in 1987. A hydroelectric plant has been proposed for the Talal River, and a 75 MW diesel plant was planned for a site near Mombasa.

All of Kenya's crude petroleum is imported; petroleum products are refined at Mombasa both for export and for domestic use. Oil prospecting continues along the Indian Ocean coast and offshore, but prospects of a commercially viable strike seem remote after roughly 40 years of exploration.

[28]INDUSTRY

Industry accounted for 13% of GDP in 2000. Although Kenya's manufacturing industries are small, they are the most sophisticated in East Africa. The manufacturing sector has been growing since the late 1990s and into the new century. The manufactures Kenya produces are relatively diverse. The transformation of agricultural raw materials, particularly of coffee and tea, remains the principal industrial activity. Meat and fruit canning, wheat flour and cornmeal milling, and sugar refining are also important. Electronics production, vehicle assembly, publishing, and soda ash processing are all significant parts of the sector. Assembly of computer components began in 1987. Kenya also manufactures chemicals, textiles, ceramics, shoes, beer and soft drinks, cigarettes, soap, machinery, metal products, batteries, plastics, cement, aluminum, steel, glass, rubber, wood, cork, furniture, and leather goods. It also produces a small number of trucks and automobiles. One quarter of Kenya's industrial sector is owned by UK investors; American investors are the next largest group.

Kenya has no known oil or natural gas reserves, although the government had spent $1.6 million on oil exploration by 2000. The oil refinery in Mombasa, built in 1959 and half-owned by the government, and major oil companies, typically operates at around 65% of its total capacity (averaging 95,000 barrels per day) and is supposed to serve Kenya, Tanzania, Uganda, the DRC, Rwanda, Burundi, and offshore islands. Kenya deregulated its oil industry in 1994. Refinery products include gasoline, jet/turbo fuel, light diesel oil and fuel oil. The refinery's future is an important domestic issue in Kenya, and management is considering upgrading the facility rather than allowing the refinery to close.

[29]SCIENCE AND TECHNOLOGY

Notable scientific institutions in Kenya include the UNESCO Regional Office for Science and Technology for Africa, in Nairobi; coffee and tea research foundations; grasslands and plant-breeding research stations; and numerous centers for medical, agricultural, and veterinary research. Medical research focuses on the study of leprosy and tuberculosis. The National Council for Science and Technology advises the government on scientific matters, and the Kenya National Academy of Sciences promotes advancement of learning and research; both organizations were founded in Nairobi in 1977. The University of Nairobi, founded in 1956, has colleges of agriculture and veterinary sciences, health sciences, architecture and engineering, and biological and physical sciences. Kenyatta University, founded in 1939 at Nairobi, has faculties of science and environmental education. Moi University, founded in 1984 in Eldoret, has faculties of forest resources and wildlife administration, science, technology, information sciences, environmental studies, health sciences, and agriculture. Edgerton University, founded in 1939 at Njoro, has faculties of agriculture and science. Other higher-education institutions include Jomo Kenyatta University College of Agriculture and Technology, Kenya Medical Training College, and Kenya Polytechnic, all in Nairobi, and five other institutes of science and technology elsewhere in the country. In 1987–97, science and engineering students accounted for 19% of college and university enrollments.

[30]DOMESTIC TRADE

Mombasa and Nairobi, the two principal distribution centers for imported goods, are linked by rail or highway to the towns in their immediate areas. The head offices of all the leading import and export firms, mining companies, and banks, not only for Kenya but also for East Africa as a whole, are in one or the other of these two cities. Warehousing facilities are extensive in both cities. Retail outlets are generally small and are often owned and operated by a wholesaler.

Office and shop hours are generally from 8 AM to 5 PM, Monday–Friday, with lunchtime closing from 1 to 2 PM. Normal banking hours are 9 AM to 3PM, Monday–Friday. The languages of business correspondence are English, Gujarati, and Swahili.

There are a number of advertising firms. Newspapers and trade magazines are the principal advertising media, but radio and cinema advertising are increasingly used. The annual, six-day long Nairobi International Trade Fair is sponsored by the Agricultural Society of Kenya for the exhibition and promotion of products from all aspects of the agricultural, food processing, and construction industries.

[31]FOREIGN TRADE

Kenya's most sought-after commodity export is tea (28%), which accounts for 17% of the world's tea export market. Coffee follows closely (10%). Other exports include refined petroleum products (7.9%), vegetables (6.5%), fruit (2.9%), and iron plating and sheeting (1.4%). Tourism is also an important source of revenues from foreigners. In 2000 Kenya's imports were distributed among the following categories:

Consumer goods	8.2%
Food	11.2%
Fuels	22.0%
Industrial supplies	29.9%
Machinery	17.8%
Transportation	10.4%
Other	0.5%

Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
United Kingdom	244	316	-72
Uganda	226	n.a.	n.a.
Pakistan	131	n.a.	n.a.
Netherlands	96	112	-16
Germany	73	112	-39
United States	36	127	-91
United Arab Emirates	34	406	-372
Japan	19	164	-145
India	17	132	-115
South Africa	n.a.	217	n.a.

32 BALANCE OF PAYMENTS

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Kenya's exports was $1.8 billion while imports totaled $3.1 billion resulting in a trade deficit of $1.3 billion.

The International Monetary Fund (IMF) reports that in 2001 Kenya had exports of goods totaling $1.89 billion and imports totaling $3.18 billion. The services credit totaled $1.09 billion and debit $826 million. The following table summarizes Kenya's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-318**
Balance on goods	-1,282
Balance on services	262
Balance on income	-148
Current transfers	850
Capital Account	**69**
Financial Account	**84**
Direct investment abroad	…
Direct investment in Kenya	5
Portfolio investment assets	-7
Portfolio investment liabilities	6
Other investment assets	-86
Other investment liabilities	167
Net Errors and Omissions	**117**
Reserves and Related Items	**48**

33 BANKING AND SECURITIES

Kenya acquired its first separate currency on 14 September 1966, when the initial par value for the Kenya shilling was announced by the IMF. The new coin replaced, at par value, the East African shilling, previously issued for Kenya, Tanzania, and Uganda by the East African Currency Board, whose assets were divided by those nations following a June 1965 agreement.

The Central Bank of Kenya (CBK) was established in May 1966, taking over the administration of exchange control. Because the Kenya shilling soon became the strongest currency in East Africa, a black market for it developed. A complete ban on the export or import, or destruction of hard Kenyan currency was imposed in 1971 to discourage speculation.

The powers of the CBK were greatly reduced in the early 1990s with the liberalization of the financial sector. The commercial banks are free to set their own interest and exchange rates. The shilling has effectively been a convertible currency since the government signed Article VIII of the IMF Articles of Agreement in June 1994, and thereby pledged not to permit any restrictions on current international transactions. Foreign exchange is bought and sold in the interbank market in which the CBK is merely one player, although it intervened frequently with several large transaction in late 1994 and again in mid-1995, first to halt the appreciation of the shilling and then to stem its fall. The CBK retains responsibility for issuing treasury bills and bonds to cover the government deficit.

Of the 29 commercial banks operating in Kenya in 1985, several folded during a banking crisis in 1986. In 1992, there were 15 commercial banks operating in Kenya, and in 2002, there were 48 domestic and foreign commercial banks, 6 building societies, 37 insurance companies, 7 development finance companies, over 1,500 credit unions, and the Post Office Savings Bank. The financial sector is dominated by two multinational banks-the Standard Chartered Bank and Barclays Bank of Kenya; and the parastatal banks-Kenya Commercial Bank and National Bank of Kenya. They have branches in Nairobi and Mombasa and at least 25 other locales throughout the country. Other commercial banks include Citibank N.A., Euro Bank, and First American Bank.

Although they depend largely on the commercial sector for credit outlay, banks have started to turn to agriculture as an outlet. Land and agricultural banks provide financial assistance to farmers in the form of long-term loans for the discharge of onerous mortgages and the purchase of livestock, implements, fertilizer, and so forth. Short-term loans are granted for seasonal expenses.

The reputation of the banking sector has suffered from a series of scandals. The largest financial scandal in Kenyan history broke in 1993 when the CBK closed down Exchange Bank and a related company, Goldenberg International, a gold and jewelry firm. Exchange Bank has been accused of failing to honor foreign exchange contracts and Goldenberg of securing privileged access to the now-scrapped export compensation scheme. The auditor-general has questioned billions of shillings of payments to Goldenberg under the scheme for gold exports that have not been proven.

In 1997, the total assets of Kenya's four largest banks was $2.8 billion, representing half of the total assets of all commercial banks. Banking sector fragility in 1999 resulted from poor management, and worsening economic conditions. In 1998, several major Kenyan banks collapsed, including Trust Bank, Reliance Bank, Prudential Bank, Bullion Bank; and the giant National Bank almost folded. In 1999, Richard Leaky was named director of the Central Bank of Kenya under pressure from the World Bank in order to stem corruption in the banking system.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $1.6 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $4.5 billion. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 16.81%.

The Nairobi Stock Exchange was founded in 1965 with six members. It was one of the largest stock markets in the sub-Saharan Africa (with South Africa, Nigeria, and Zimbabwe), with market capitalization of $1.05 billion and 57 listed companies in 2001. The market received a small boost from the decision of the government to allow direct foreign investment in January 1995, but the limit on foreign ownership was 40%. The NSE index fell from 1,913.4 in 2000 to 1,355.1at the end of 2001.

34 INSURANCE

Insurance companies must be registered and licensed. Categories of compulsory insurance include motor third-party liability for bodily injuries and cargo insurance for imports. The insurance regulatory body is the Ministry of Finance and Planning. There were 37 insurance companies operating in Kenya in 1999. By 2001, there was $90 million spent on life insurance premiums.

35 PUBLIC FINANCE

The fiscal year extends from 1 July to 30 June. Due to recent mismanagement of public funds, government expenditures are closely watched. Nevertheless, government spending has remained around 30% of GDP since 1995. While in the past decade Kenya has had some problems meeting loan obligations with the IMF and the World Bank, the country was set to receive over $300 million in aid from those organizations in 2000. However, problems with internal reform forced the IMF and the World Bank to suspend those programs, and as of mid-2002 they have not been reinstated.

The US Central Intelligence Agency (CIA) estimates that in 2000 Kenya's central government took in revenues of approximately $2.9 billion and had expenditures of $3 billion. Overall, the government registered a deficit of approximately $60 million. External debt totaled $8 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary

Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	2,910
Tax revenue	79.9%	2,324
Non-tax revenue	17.3%	502
Grants	2.9%	84
EXPENDITURES	100.0%	2,972
General public services	13.0%	385
Defense	5.6%	168
Public order and safety	6.5%	193
Education	25.6%	762
Health	7.0%	208
Social security	2.7%	79
Housing and community amenities	3.0%	88
Recreation, cultural, and religious affairs	0.4%	11
Economic affairs and services	14.2%	420
Interest payments	22.2%	659

[36]TAXATION

The resident corporate income tax rate tax in 2002 was 30%, reduced from 32.5% in 1998, and the rate for branches of foreign companies was 37.5%, down from 40%. The withholding tax on dividends payable to residents was 5%, down from 7.5%. On dividend income and interest income (except on bearer instruments) that is payable to non-residents, the withholding tax rates were 10% and 15%, respectively. These rates may be reduced or eliminated by the terms double tax treaties, which Kenya has with the United Kingdom, Germany, Denmark, Norway, and Sweden, Canada, India and Zambia. In 2002 the capital gains tax had been suspended but there was a compensating tax on companies which paid dividends out of untaxed profits. Various tax incentives are offered to companies which develop and/or operate in export processing zones (EPZs).

Income tax rates on individuals are graduated, rising to a top marginal rate of 30%, down from 35% in 1996. There is also a hospital insurance tax.

Since 1990, a value-added tax (VAT) has been applied to most goods and services. The standard rate was reduced from 16% to 15% as of June 1999, and the reduced rate 13% eliminated except for restaurants and hotel accommodations. Some domestic supplies of power are exempt from VAT. There are also local authority service taxes, and a hospital insurance tax.

[37]CUSTOMS AND DUTIES

Most import license controls were dismantled in 1993. In 1997, an ad valorem import duty of 70% was imposed on rice, sugar and milk. Priority items such as raw materials, spare parts, agricultural equipment, and medicines had an import tariff of only 5% in 1999. Most capital goods were imported at a tax rate of 15%. Other goods received specific allocations on the international harmonized system of product classification. The maximum tariff rate was 35%. Imports were also subject to a 16% value-added tax and there were excise-taxes on alcohol and tobacco. There were few export duties. In 1999, Kenya, Uganda, and Tanzania signed the East African Community (EAC) treaty providing for the removal of trade barriers by 2003.

Kenya operates six export processing zones, where manufacturers gain a 10-year corporate tax holiday (25% thereafter), a 10-year withholding tax holiday on dividend remittance, duty and VAT exemption on all imports except motor vehicles, and exemption from most other regulatory schemes. The Manufacturing Under Bond (MUB) program gives similar incentives to companies not located in the export processing zones.

[38]FOREIGN INVESTMENT

In 1964, in the wake of independence, foreign investment in Kenya went down considerably. In a move to reverse this trend, the government issued a white paper in 1965 welcoming foreign investment and encouraging joint ventures. Foreign investments in 1965 totaled $30 million, rising to $52 million in 1971. The pace of investment accelerated during the 1970s, and by 1984 it was estimated that US investment alone had a value of $350 million. In 1987, tax treaties with the United Kingdom, Germany, Zambia, Denmark, Norway, and Sweden were in force, but private foreign investment stagnated.

In the early 1990s, the government moved to encourage investment by liberalizing trade policies and removing impediments to the development of a free market. It was estimated in 1994 that foreign direct investment totaled more than $1 billion. The majority of foreign direct investment comes from the United Kingdom, Germany, and the United States. Regardless of the government's intentions to attract investment, as of 1999 power interruptions, poor roads, political turmoil, and rampant government corruption dissuaded most serious foreign investment.

[39]ECONOMIC DEVELOPMENT

Central to Kenyan government planning is a continuing expansion of the level of exports and diversification of products. Moreover, Kenya has sought the orderly introduction of large numbers of African farmers into former European agricultural areas. With the goal of full economic independence, the government continues to pursue Africanization of the private sector, particularly in commerce.

Kenya continues to assist private industry by tariff structures that permit the import of raw materials duty-free or at low rates; allow rebates or suspension of customs duties under certain conditions; and establish protective customs barriers. The 1979-83 development plan, Kenya's fourth, had as its main objective the alleviation of rural poverty. The 1984–88 development plan also emphasized the rural sector in calling for an annual real GDP growth of 4.9%.

Kenya has long depended on external assistance for development financing, but the extent of that dependence has varied with domestic conditions. Whereas in the mid-1960s Kenya depended on external sources for 82% of its total development resources, by the early 1970s the proportion had fallen to only 45%. The late 1970s and 1980s brought renewed reliance on external loans, as the proportion of foreign financing needed to cover the annual government budget deficit rose from 28% in 1978–79 to 67% in 1981–82 and an estimated 89% in 1985–86.

Development in Kenya now depends on the private sector and on foreign and domestic investment as the parastatal sector is dismantled. Foreign exchange earnings were key to the sixth development plan (1989–93). Because of government mismanagement of funds during the period between 1996 and 1999, most development agencies (including the IMF and World Bank) refused to extend loans and gave up on structural reform programs. The government initiated its own Economic Recovery Strategy in 1999, to increase public sector management reliability, but there were doubts as to the effectiveness of the plan.

In 2000, the IMF renewed lending, in the amount of a three-year $193 million Poverty Reduction and Growth Facility (PRGF) Arrangement, which was further augmented due to the impact of severe drought conditions. An anti-corruption authority set up by the government was declared unconstitutional in December 2000, and other Kenyan reforms stalled. The IMF and World Bank once again suspended their programs. In July 2003, the IMF indicated it would resume lending to Kenya, as the

Fund was encouraged by the country's efforts to fight corruption and promote good governance.

[40]SOCIAL DEVELOPMENT

The National Social Security Fund operates a limited pension fund for employed persons. Retirees (age 55) are entitled to a lump sum equal to total contributions plus accrued interest. Disability and survivor benefits are also paid. Medical coverage for employees includes hospital benefits only. Employers are also obligated to obtain private worker's injury insurance.

Facilities for social welfare have been largely in the hands of private and voluntary organizations. The government assists many of the voluntary organizations financially. The private and voluntary agencies are highly developed. There are societies that care for the blind, the deaf and mute, and the physically disabled, and voluntary organizations that care for the poor and destitute. Homes and hostels have been established throughout the country for the care of orphans, young offenders, and juvenile prostitutes.

Women in Kenya are traditionally responsible for planting, harvesting, and weeding food crops, and for this purpose children are viewed as an economic asset. Women also lack the legal rights provided to men. Women must obtain written permission from their husbands or fathers in order to obtain a passport. In practice, permission is also required for women applying for credit. Although the Law of Succession stipulates that sons and daughters should receive equal inheritances, traditional custom continues to benefit male children. In 1997 the constitution was amended to prohibit discrimination based on gender. Domestic violence against women is widespread, and it is viewed as a family issue not a criminal matter. Female genital mutilation is widely practiced, especially among certain ethnic groups.

Ethnic tensions between Kenyan tribal groups are pronounced. Tribal violence has occurred in the Rift Valley, as well as ethnically motivated fighting between Nubian and Luo populations erupted in Nairobi. Although most ethnic groups are represented in the government, Kikuyus sometimes face discrimination and harassment by government officials. Kenya's human rights record remains poor. There are many reports of extrajudicial killings, the use of excessive force, and arbitrary arrest. Prison conditions are poor, and there are lengthy pretrial detentions.

[41]HEALTH

The National Hospital Insurance Fund is the most important health insurance program in Kenya. Membership is compulsory for all civil servants. As of 1990, contribution levels proved insufficient to meet hospital costs and the government was planning to broker private health insurance policies. The government is continually improving and upgrading existing health facilities and opening new ones. Kenya produces cotton wadding domestically, but all other medical equipment and supplies are imported. High-quality private practitioners require sophisticated medical equipment, but the public sector acquires less expensive equipment. Private health institutions account for 60% of total medical equipment and supplies (import value). Kenya also has a well-developed pharmaceutical industry that can produce most medications recommended by the World Health Organization.

The government is attempting to reduce malnutrition and combat deficiency diseases. Among Kenya's major health problems are tuberculosis and protein deficiency, the latter especially among young children. In 1999, there were approximately 417 reported cases of tuberculosis per 100,000 people. Although the incidence of malaria has been reduced, it still is endemic in some parts of Kenya and is responsible for anemia in children. Water supply, sanitation, bilharzia, and sleeping sickness also pose major problems. Schistosomiasis is endemic to some areas. In 2000, 49% of the population had access to safe drinking water and 86% had adequate sanitation. In 1991 and 1992, there were about 1,000 war-related deaths due to ethnic violence.

As of 2002, the crude birth rate and overall mortality rate were estimated at 27.6 and 14.7 per 1,000 people respectively. As of 2000, 39% of married women (ages 15 to 49) were using contraception. Average life expectancy was 47 years in 2000 and infant mortality was 78 per 1,000 live births. The fertility rate was 4.4 children per childbearing years of a Kenyan woman as of 2000. Immunization rates for 1997 for children up to one year old were fairly low: tuberculosis, 42%; diphtheria, pertussis, and tetanus, 36%; polio, 36%; and measles, 32%. Malnutrition affected an estimated 33% of children under five as of 2000.

As of 1999, there were an estimated 0.1 physicians and 1.6 hospital beds per 1,000 people. Each government hospital has an independent budget. As of 1999 total health care expenditure was estimated at 7.8% of GDP. The government is also encouraging the development of the private health care sector through tax incentives as well as other plans.

There has been a rapid spread of AIDS since the 1980s. At the end of 2001, the number of people living with HIV/AIDS was estimated at 2.3 million (including 15% of the adult population) and deaths from AIDS that year were estimated at 190,000. HIV prevalence in 1999 was 13.95 per 100 adults.

[42]HOUSING

Housing in rural areas is privately owned. Most of these homes, built with traditional materials, deteriorate in a relatively short time; an increasing number of people now build their homes with more permanent materials. The central government is responsible for all housing projects and works closely with local authorities. Many new housing projects have been undertaken with financial aid from the National Housing Corp. According to the latest information available, total housing stock in the 1980s stood at 3,470,000, with 6.1 people per dwelling.

[43]EDUCATION

Primary education is free and compulsory for eight years. Children start school at the age of five or six and spend eight years at primary school; four years at secondary school; and a further four years at the university. In 1995, there were 5,544,998 primary students and 181,975 teachers, with a student-to-teacher ratio of 30 to 1. In general secondary schools, there were 632,388 and 41,484 teachers. The pupil-teacher ratio at the primary level was 29 to 1 in 1999. Projected adult illiteracy rates for the year 2000 stand at 17.5% (males, 11.0%; females, 24.0%). As of 1999, public expenditure on education was estimated at 6.6% of GDP.

There are four main universities in Kenya. Kenyatta University was founded in 1972 and is located in Nairobi. The University of Nairobi was founded in 1956 as the Royal Technical College of East Africa. The Moi University was founded in 1984 at Eldoret. The Egerton University, located at Njoro, was founded in 1939. The language of instruction in all the universities is English. There were 4,392 teaching staff and 35,421 students at universities and equivalent institutions in 1991.

[44]LIBRARIES AND MUSEUMS

The Kenya National Library Service, founded in 1967 and located in Nairobi, maintains 15 branches and has 650,000 volumes. The largest public library is the McMillan Memorial Library, formerly a private institution, which was taken over by the Nairobi City Council in 1962; it contained 275,000 volumes in 2002, including a collection of Africana, and had two branches. The libraries of the University of Nairobi, with 500,000 volumes, are the best supported in Kenya. Kenyatta

University in Nairobi has 166,000 volumes. The British Council maintains three branch libraries, and the National Archives in Nairobi holds 40,000 volumes.

The National Museum in Nairobi and the Ft. Jesus Museum in Mombasa are the largest in Kenya. There are numerous local museums, including the Kiriandusi Prehistoric Site in Gilgil, founded in 1928, the Gedi Ruins Museum south of Malindi, and museums in Kabarnet, Lamu, Meru, Narak, and Olergesailie. The Kapenguria Museum, opened in 1993, details Kenya's political development and struggle for independence.

[45]MEDIA

The Ministry of Transport and Communications is responsible for telecommunications. There were 310,000 mainline telephones and 540,000 cellular phones in use in 2001. The Voice of Kenya, broadcasting in English, Swahili, and local languages, operates one radio station and one television channel. In 1990, Channel 62, an independently owned television station, made its debut. As of 2001, there were 24 AM and 18 FM radio stations. There were 8 television stations in 2002. In 2000 Kenya had 223 radios and 25 television sets for every 1,000 people. In 2001, there were five Internet service providers serving 250,000 subscribers.

In 2002, there were five major daily newspapers, all published in Nairobi. *The Daily Nation*, an independent paper founded in 1960, had a daily circulation of 170,000. The *Standard* (circulation 70,000) has ties to the KANU party. The other dailies include: *Taifa Leo*, a Swahili newspaper, circulation 57,000; the *Kenya Times,* associated with KANU, 52,000; and the *Kenya Leo,* (in Swahili, 40,000 in 1995). While there is no formal censorship, the press is sometimes subject to harassment from public officials who have been treated unfavorably.

[46]ORGANIZATIONS

Voluntary societies are numerous. Some are affiliated with parent bodies in the United Kingdom; a few, such as the Rotary Club, the Round Table, Kiwanis, and the Lions Club, are affiliated internationally. The Red Cross is also active. African women's clubs, called Maendeleo ya Wanawake, have been organized throughout Kenya. Some are members of the umbrella organization of National Council of Women of Kenya. National youth organizations include the Kenya Scouts Association, YMCA/YWCA, Kenya United Nations Youth and Student Association, and 4-K Clubs (a branch of 4-H Clubs).

National organizations promoting arts and science include the Kenya National Academy of Sciences (est. 1983), the Kenya Medical Association, and the multinational African Academy of Sciences (est. 1985).

The Kenya National Chamber of Commerce and Industry, founded in 1965, had 46 local branches in 1993; its headquarters are in Nairobi. The Kenya Consumer's Organisation is also active.

[47]TOURISM, TRAVEL, AND RECREATION

Since Kenya attained independence, tourism has become the leading source of foreign exchange revenue. In 2000, 1,036,628 tourists visited Kenya and tourism receipts amounted to $257 million. There were 34,211 hotel beds with a 44% occupancy rate in 1995.

Accommodation in the form of lodges and campsites is available in the more remote areas. Photo safaris to the 19 national parks and game preserves are the chief attraction. The largest game preserve is Tsavo National Park, home of the world's greatest concentration of elephants; covering an area of about 21,343 sq km (8,241 sq mi), it is one of the world's largest wildlife sanctuaries. Nairobi has a professional repertory theater and a National Theater; the capital hosts a Festival of African music in July. Other attractions include the mosques of Mombasa, the spectacular scenery of the Great Rift Valley, the coffee plantations at Thika, the world-renowned Tree Hotels, and the view of snowcapped Mt. Kilimanjaro, across the border in Tanzania.

Tourists from most countries must have both a passport and a visa. Precautions against malaria and yellow fever are advisable.

In 2000, the US government estimated the cost of staying in Nairobi at $202 per day. Costs of staying in Mombasa, however, are estimated at $94 to $144 per day, depending on the time of year.

[48]FAMOUS KENYANS

The leading African figure in the modern history of Kenya was Jomo Kenyatta (1893?–1978). From the 1920s to the 1970s he was in the forefront of African nationalism. Imprisoned and restricted during the Mau Mau revolt for his alleged role in its organization, he was released in August 1961 and was president of independent Kenya from 1964 until his death. Another dominant African personality was Tom Mboya (1930–69), who commanded an international reputation as a political and labor leader. Oginga Odinga (1911–94), usually at odds with the ruling establishment, was vice-president from 1964 to 1966. Daniel arap Moi (b. 1924), a son of poor farmers, was vice-president for 11 years before succeeding Kenyatta as president in 1978.

Sir Michael Blundell (1907–93), a leader of the European community after World War II, came to be identified with those who sought to create a nonracial political society; he was a director of Barclays Bank of Kenya from 1968 to 1981. Richard Leakey (b. 1944) is a leading paleoanthropologist.

[49]DEPENDENCIES

Kenya has no territories or colonies.

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LESOTHO

Kingdom of Lesotho
Muso oa Lesotho

CAPITAL: Maseru

FLAG: The flag is divided diagonally from the lower hoist side corner; the upper half is white bearing the brown silhouette of a large shield with crossed spear and club; the lower half is a diagonal blue band with a green triangle in the corner.

ANTHEM: *Lesotho Fatse La Bo-nata Rona (Lesotho, the Country of Our Fathers).*

MONETARY UNIT: Lesotho is part of the South African monetary area; the maloti of 100 lisente, introduced in 1980, is on a par with the South African rand (R), which also is legal tender. There are coins of 1, 2, 5, 10, 25, and 50 lisente, and notes of 2, 5, 10, 20, and 50 maloti (M). M1 = $0.1329 (or $1 = M7.52) as of May 2003.

WEIGHTS AND MEASURES: British and metric weights and measures are in general use.

HOLIDAYS: New Year's Day, 1 January; Moshoeshoe's Day, 12 March; Family Day, 1st Monday in July; King's Birthday, 17 July; Independence Day, 4 October; National Sports Day, 6 October; Christmas, 25 December; Boxing Day, 26 December. Movable Christian holidays include Good Friday, Easter Monday, and Ascension.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Lesotho is an enclave within the Republic of South Africa, with an area of 30,355 sq km (11,720 sq mi), extending 248 km (154 mi) NNE–SSW and 181 km (112 mi) ESE–WNW. Comparatively, the area occupied by Lesotho is slightly smaller than the state of Maryland.

It is bordered on the E by the South African province of Natal, on the S by Cape Province, and on the W and N by the Orange Free State, with a total boundary length of 909 km (565 mi). Lesotho claims that Basotho lands now part of South Africa were unjustly taken by force in the 19th century.

Lesotho's capital city, Maseru, is located on the country's northwest border.

[2]TOPOGRAPHY

Three distinct geographical regions, demarcated by ascending altitude, extend approximately north-south across Lesotho. The western quarter of the country is a plateau averaging 1,500 to 1,850 m (4,900–6,100 ft). The soil of this zone is derived from sandstone and, particularly in the westernmost region, is poor and badly eroded. The remainder of the country is highland. A zone of rolling foothills, ranging from 1,800 to 2,200 m (5,900–7,200 ft), forms the border between the lowlands and the mountains in the east.

The Drakensberg Range forms the entire eastern and southeastern border. A spur of this range, the Maluti Mountains, runs north and south. Where it joins the Drakensberg Range there is a high plateau between 2,700 and 3,200 m (8,900–10,500 ft) in elevation. The highest point is Thabana Ntlenyana, 3,482 m (11,425 ft), in the east. The rich volcanic soils of the foothills and mountains are some of the best in the country.

The sources of two of the principal rivers of South Africa, the Orange and the Tugela, are in these mountains. Tributaries of the Caledon River, which forms the country's western border, also rise here. The Orange and Caledon rivers, together with their tributaries, drain more than 90% of the country.

[3]CLIMATE

Temperatures vary widely from one geographical zone to another, and frequently within zones, depending on the altitude. In the lowlands, temperatures reach 32°C (90°F) or more in the summer and rarely fall below -7°C (19°F) in the winter. The range in the highlands is greater; temperatures sometimes fall below -18°C (0°F), and frost and hail are frequent hazards. Rainfall, which is mostly concentrated in the months from October to April, averages 71 cm (28 in) annually, varying from 191 cm (75 in) in parts of the mountains to as little as 60 cm (24 in) in the lowlands. Most of the rainwater is lost through runoff, and droughts are common.

[4]FLORA AND FAUNA

Grass is the natural vegetation in this virtually treeless country. The high plateau is covered with montane or subalpine grassland. Red oat grass forms a dry carpet in much of the Drakensberg foothill region. The country's small size, high elevation, and limited range of habitats restrict the variety of fauna. The African lammergeier, a bird common in the mountains of Ethiopia but nowhere else in Africa, and the bald ibis, both of which are near extinction, are found in small numbers in the Drakensberg Range.

[5]ENVIRONMENT

Much of the country has become denuded of its natural grass cover through uncontrolled grazing and rushing surface water. Related problems are severe soil erosion, soil exhaustion, and desertification. In response to these problems, the Highlands Water Project has the goals of controlling, storing, and redirecting water to South Africa. More than 3.5 million trees, mostly eucalyptus, have been planted as part of a gully control program, and for production of fuel and poles. Pure drinking water is available to 78% of the population in both urban and rural areas.

Unlike neighboring South Africa, Lesotho is not rich in game and other wildlife. The famous Basuto pony, of almost pure

Arabian stock, reached its peak of quality and quantity around the turn of the century. After suffering a decline because of ruinous trading practices, overstocking, overgrazing, disease, and drought, the pony has begun to make a comeback through a selective breeding program and improved feeding methods. Other vanishing species, like the wildebeest and blesbok, have been reintroduced in areas where they formerly were numerous. Among the agencies with environmental responsibility is the National Environmental Secretariat of the Prime Minister's Office.

[6]POPULATION

The population of Lesotho in 2003 was estimated by the United Nations at 1,802,000, which placed it as number 143 in population among the 193 nations of the world. In that year approximately 5% of the population was over 65 years of age, with another 40% of the population under 15 years of age. There were 87 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 0.14%, with the projected population for the year 2015 at 1,713,000. The population density in 2002 was 73 per sq km (188 per sq mi).

Some 70% of the total population lives in the fertile lowlands, where the land can be most readily cultivated; the rest is scattered in the foothills and the mountains. It was estimated by the Population Reference Bureau that 28% of the population lived in urban areas in 2001. The capital city, Maseru, had a population of 373,000 in that year. Other large towns are Leribe, Berea, and Mafeteng. According to the United Nations, the urban population growth rate for 2000–2005 was 4.6%.

The prevalence of AIDS/HIV has had a significant impact on the population of Lesotho. The United Nations estimated that 30.1% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

In 1996, around 60% of active male wage earners in Lesotho worked in South Africa. There were 6,000 migrants living in Lesotho in 2000, and virtually no refugees. In that year, the net migration rate was -3.4 per 1,000 population. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

Lesotho is ethnically homogeneous. At least 99.7% of the people are Sotho. In 1998 there were about 1,600 Europeans and 800 Asians in the country.

[9]LANGUAGES

The Sesotho (southern Sotho) language is spoken by virtually all the indigenous population. English shares with Sesotho the position of official language. Zulu and Xhosa are also spoken.

[10]RELIGIONS

Christian missions have long been active in Lesotho. As a result, according to 2002 estimates, about 90% of the population are Christian, with about 70% being Roman Catholic. Muslims, members of other non-Christian religions, and atheists make up the remaining 10%. The indigenous population, including many of its Christian members, follow African traditional religions. Some of the Catholic churches in the country incorporate traditional customs into worship, including traditional music, language, and dress. Christians are found throughout the country, while Muslims tend to be concentrated in the northeastern part of the country. Many of the Muslims are of Asian descent, while most of the Christians are indigenous Basotho.

[11]TRANSPORTATION

In 2002 there were 4,995 km (3,104 mi) of roadway in Lesotho, 887 km (551 mi) of which were paved. A 2.6-km (1.6-mi) South African railway connects Maseru's industrial park to the Bloemfontein-Natal line, providing a valuable freight link to South Africa.

In 2001, there were 28 airports, of which only 4 had paved runways. Lesotho Airways and South African Airways maintain scheduled passenger service between Johannesburg and Moshoeshoe International, the new international airport 19 km (12 mi) outside of Maseru. Lesotho Airways also has regular service to Swaziland, Zimbabwe, and Mozambique, and to 28 domestic airstrips. In 1997, 29,000 passengers were carried on scheduled domestic and international airline flights. Air taxis and chartered planes serve airstrips at Maseru and other centers.

[12]HISTORY

What is now Lesotho was inhabited by hunter-gatherers, called the San Bushmen by the whites, until about 1600, when refugees from Bantu tribal wars began arriving. In 1818, Moshoeshoe, a minor chief of a northern tribe in what was to become Basutoland, brought together the survivors of the devastating Zulu and Matabele raids and founded the Basotho nation. During the early days of its existence, the Basotho also had to contend with incursions by Boers from the Orange Free State. Moshoeshoe sought UK protection, but not before much land had been lost to white settlers. His urgent appeals for assistance went unheeded until 1868, when Basutoland became a crown protectorate. Moshoeshoe died in 1870. The following year, Basutoland was annexed to the Cape Colony, over the protests of both Basotho and Boer leaders. In 1880, the so-called Gun War broke out between the Basotho and the Boers over the attempt to disarm the Basotho in accordance with the provisions of the Cape Peace Preservation Act of 1878. A high point in Basotho history was the successful resistance waged against the Cape's forces.

In 1884, Basutoland was returned to UK administration under a policy of indirect rule. Local government was introduced in 1910 with the creation of the Basutoland Council, an advisory body composed of the British resident commissioner, the paramount chief, and 99 appointed Basotho members. In effect, for the next 50 years the chiefs were allowed to govern. Under a new constitution that became effective in 1960, an indirectly elected legislative body, the Basutoland National Council, was created.

A constitutional conference held in London in 1964 approved the recommendations for a preindependence constitution that had been made by a constitutional commission. The new constitution went into effect on 30 April 1965, following the general election. The resident commissioner became the British government representative, retaining powers for defense, external affairs, internal security, and the public service.

In April 1966, a conflict arose in parliament between the government and the opposition over Prime Minister Leabua Jonathan's motion requesting that Britain set a date for independence. To forestall passage of the motion, Paramount Chief Moshoeshoe II replaced 5 of his 11 senatorial appointees with 5 opponents of the government. The High Court subsequently invalidated that action, declaring that his right to appoint 11 senators did not entail the right of dismissal. The Senate and National Assembly eventually passed the independence motion, the latter by a vote of 32 to 28, but the dispute foreshadowed a constitutional crisis that was not conclusively resolved at independence. The final independence conference was held in June 1966. Charging that the United Kingdom was granting independence to a minority government, and demanding a more significant role for the paramount chief,

delegates representing the opposition withdrew. Moshoeshoe II himself declined to sign the final accord.

Independence

The United Kingdom granted independence to the newly named Kingdom of Lesotho on 4 October 1966; Moshoeshoe II was proclaimed king on that date. The first general election following the attainment of independence was held in January 1970. When it appeared that the ruling party, the Basotho National Party (BNP), would be defeated, Prime Minister Jonathan, its leader, declared a state of emergency and suspended the constitution. The Basotho Congress Party (BCP), led by Ntsu Mokhehle, claimed that it had won 33 seats to the BNP's 23. Leabua Jonathan admitted he had lost the election but nevertheless arrested the opposition leaders. The unrest, he said, was due to Communist influence, and since the majority of the people were behind him he would suspend the constitution and hold new elections later. King Moshoeshoe II was placed under house arrest, and in April 1970 the Netherlands gave him asylum. He was permitted to return in December.

Scattered attacks on police posts occurred in January 1974 in an alleged attempt by supporters of the BCP to overthrow the government of the ruling BNP. The abortive coup d'etat resulted in the arrest, killing, imprisonment, or exile of many people. In March 1975, 15 BCP followers were found guilty of high treason. The struggle against the Jonathan government continued through the late 1970s and early 1980s, with the Lesotho Liberation Army (LLA), the military arm of the BCP in exile, claiming responsibility for periodic bombings in Maseru, ambushes of government officials, and attacks on police stations. The Lesotho government charged that South Africa was allowing the LLA to use its territory as a base of operations.

Relations with South Africa deteriorated after that nation granted independence in 1976 to the Bantu homeland of Transkei, on Lesotho's southeastern border. When Lesotho (like all other nations except South Africa) declined to recognize Transkei, the Transkeian authorities closed the border with Lesotho, which also angered South Africa by harboring members of the banned African National Congress (ANC), an exiled South African insurgent group. On 9 December 1982, South African troops raided private residences of alleged ANC members in Maseru; 42 persons were killed, including at least 12 Lesotho citizens. In the early 1980s, South Africa used economic pressures against Lesotho.

Parliamentary elections scheduled for August 1985 by the Jonathan government were called off because all five opposition parties refused to take part, charging that the voters' roll was fraudulent. Later that year, South Africa stepped up its destabilization activities, conducting a commando raid and aiding antigovernment elements. On 1 January 1986, South Africa imposed a near-total blockade of Lesotho that resulted in severe shortages of food and essential supplies. On 20 January, a military coup led by Maj. Gen. Justin Metsing Lekhanya overthrew the government. All executive and legislative powers were vested in the king, acting on the advice of a six-man military council. On 25 January, a number of ANC members and sympathizers were flown from Lesotho to Zambia, whereupon South Africa ended its blockade of the country. All political activity was banned on 27 March.

There was widespread skepticism about the military government and its links to Pretoria, and agitation to return to civilian rule. In 1990, Lekhanya had Moshoeshoe II exiled (for a second time) after the king refused to agree to the dismissal of several senior officers. In November 1990, a new law was announced providing for a constitutional monarchy but barring Moshoeshoe from the throne. Later that month, Moshoeshoe's son (King Letsie III), was elected king by an assembly of chiefs.

LOCATION: 28°35′ to 30°40′ S; 27° to 29°30′ E.

In April 1991, rebel army officers staged a bloodless coup, forcing Lekhanya to resign. He was succeeded by Colonel Elias Ramaema as leader of a military junta. In July 1992, the king was allowed to return to a hero's welcome.

Multiparty elections were scheduled for 28 November 1992, but they were postponed until 1993 because of delays in delimiting parliamentary constituencies. Finally, on 27 March 1993, in the first democratic elections in 23 years, the Basotho Congress Party, the major opposition party, won all 65 seats in the Assembly. The BCP formed a government under Prime Minister Dr. Ntsu Mokhehle. The BCP offered to nominate four BNP members but only one opposition politician accepted. Several cabinet members were appointed from opposition ranks.

On 25 January 1994, army troops mutinied in Maseru after the government refused their demands for a 100% pay increase. Prime Minister Mokhehle requested military assistance from South Africa, but that request was denied. After three weeks of sporadic fighting, the two factions within the military agreed to a Commonwealth-brokered deal for negotiations with the government.

In August 1994, Lesotho's first democratically elected government faced another challenge when King Letsie III suspended Parliament and imposed a "Ruling Council." The king had been angered by the Mokhehle government's creation of a board of inquiry to investigate the dethroning of his father. Although Letsie had the support of the security forces, his royal coup was condemned internally and internationally, and the United States cut off aid. On 14 September the crisis was resolved when the king agreed to return the throne to his father. However, two years later King Moshoeshoe was killed in a car crash, and his son reclaimed the throne—much to the consternation of pro-democracy groups and Lesotho's neighbors.

Although the government increased military salaries in line with other government workers in 1995, an uprising three years later by a disgruntled faction of the Lesotho Defense Forces necessitated Botswana and South Africa military intervention. Over 50 soldiers were taken into custody and charged with mutiny in September 1998 on the heels of rioting and looting that destroyed parts of the capital following the March elections. The violence cost Lesotho untold millions as it sent the economy into a tailspin. Peacekeepers remained in the country as 1999 came to a close, prompting demands from the opposition alliance that the UN remove all foreign troops from Lesotho.

Lesotho remains among the poorest countries in Africa with the majority of the population living below the poverty line on less than $1 a day. In June 2003, Lesotho had an HIV/AIDS prevalence rate of 31% among the adult population, and unemployment stood at 51%. Poverty, lack of jobs and food shortages in the sub-region were driving rural to urban migration, and increasing the likelihood that young women and women heads of household would engage in commercial and risky sex to provide for their families.

13 GOVERNMENT

According to the 1993 constitution, the Kingdom of Lesotho is a monarchy with a bicameral parliament consisting of a National Assembly of 120 members—80 elected by direct popular vote and 40 by proportional vote—for five-year terms, and a Senate consisting of 33 members—22 chiefs and 11 others appointed by the ruling party.

Until 1993 the king was official chief of state (motlotlehi), and was designated by the College of Chiefs, according to Basotho custom. The prime minister (head of government) was appointed by the king and was a member of the majority party in the National Assembly. The cabinet was also appointed by the king, in accordance with advice of the prime minister, from among members of both houses of parliament.

Under the 1993 constitution the monarch has become a figurehead, a "living symbol of national unity" with no executive or legislative powers. He still is selected by traditional law and the College of Chiefs, which holds the power to determine who is next in the line of succession, and who shall serve as regent in the event that the successor is a minor. The College also may depose the monarch.

The leader of the majority party in the Assembly automatically becomes prime minister. Since 1998, the prime minister has been Pakalitha Mosisili, the leader of the Lesotho Congress for Democracy (LCD).

14 POLITICAL PARTIES

The Basotho National Party (BNP), formerly the Basutoland National Party, was founded in 1959 and was in the forefront of Lesotho's independence drive. The BNP long stood for maintaining diplomatic relations with South Africa and for a cautious approach to cooperation with other African states, in an attitude of "choose our friends but live with our neighbors." However, in the 1970s and early 1980s, the BNP played a more active role in opposing apartheid. By 1998, BNP had become the leading opposition party, as the Lesotho Congress for Democracy (LCD) took power.

The Basotho Congress Party (BCP), founded in 1952 and formerly known as the Basutoland African Congress, is an outspoken Pan-Africanist party. The first party to demand independence, it subsequently opposed the "premature" granting of independence to a minority government. The third major party is the Marematlou Freedom Party (MFP). This party was formed in 1965 by the merger of two parties that had supported the chieftaincy.

In the general election held on 29 April 1965, the BNP won 31 seats, the BCP 25 seats, and the MFP 4 seats in the National Assembly. Chief Jonathan was himself defeated in the election, and Sekhonyana Maseribane was appointed prime minister. Chief Jonathan won a by-election on 1 June and assumed the office of prime minister. The two opposition parties, which together had polled 56.2% of the vote to 41.6% for the BNP (with 2.2% of the vote going to others), in an election in which only 62% of those eligible had voted, joined forces to protest Britain's granting of independence to a minority government. They also called for a more even distribution of executive power between the prime minister and the chief of state, and appealed to the UN, the Commonwealth, and the OAU in an unsuccessful bid to have the independence agreement rescinded.

The BCP claimed it had won 33 seats in the 60-seat National Assembly in the January 1970 general elections; the BNP won 23 seats, and the ballots for 4 seats had not been counted. Confusion over the outcome of the 1970 election (in which the United Democratic Party and the Communist Party participated but won no seats) resulted in suspension of the constitution by Prime Minister Jonathan, and political activities of opposition parties were subsequently restricted. Prime Minister Jonathan appointed two members of opposition parties to his cabinet in November 1975. The BCP then split into two factions: members of one accepted government posts, while leaders of the other organized an armed insurgency in exile.

The March 1993 election was contested by more than a dozen parties, but the chief vote getters were the BCP, still headed by Dr. Mokhehle, and the BNP, led by Evaristus Sekhonyana. Among the others are the MFP, the United Democratic Party (UDP), and the Communist Party of Lesotho (CPL). The BCP held all elected seats in the National Assembly, despite having won just over half the vote.

Since 1998, the dominant political party has been the ruling Lesotho Congress for Democracy or LCD under the leadership of Dr. Pakalitha Mosisili. LCD won just over 60% of the votes in the May 1998 parliamentary elections. The major opposition parties included: the Basotho National Party (BNP); the Basotholand Congress Party (BCP) led by Molapo Qhobela (24% of the 1998 vote); the Lesotho Labor Party/United Democratic Party Alliance (LLP/UDP) led by Charles Mofeli and Mamolefi Ranthimo; the Marematlou Freedom Party or MFP; the National Progressive Party or NPP; and the Sefate Democratic Union (SDU).

In the 25 May 2002 parliamentary election, the LCD garnered 54% of the vote, the BNP 21%, the LPC 7%, and other parties took 18%. With the number of seats expanded from 80 to 120, the breakdown by party was: LCD 76, BNP 21, LPC 5, and other parties 18. Although opposition parties objected to the results, independent observers described the elections as free, fair, peaceful, lawful and transparent—a model for Southern Africa. Next elections were due in 2007.

15 LOCAL GOVERNMENT

There are 10 districts, each headed by a centrally appointed district administrator. District councils, established in 1944, were abolished in 1966. Each district is subdivided into wards, most of them presided over by hereditary chiefs allied to the royal family.

During the period of military rule, each district was headed by a district secretary and a district military officer appointed by the central government and the defense force, respectively.

[16]JUDICIAL SYSTEM

The legal system is based on English common law and Roman-Dutch law with judicial review of legislative acts in High Court and Court of Appeal. Lesotho has not accepted compulsory ICJ jurisdiction.

The judicial system consists of the High Court, the Court of Appeal, subordinate courts, and the Judicial Service Commission (JSC). The members of the High Court are the chief justice, who is appointed by the chief of state, acting on the advice of the prime minister, and an unspecified number of puisne judges appointed by the chief of state, acting on the advice of the JSC. The Court of Appeal, which meets semiannually, is headed by a president, appointed by the chief of state, acting on the advice of the prime minister, and includes an unspecified number of justices of appeal, appointed by the chief of state, acting on the advice of the JSC. Parliament has the power of establishing subordinate courts and courts-martial. The High Court has unlimited original jurisdiction over civil and criminal matters, as well as appellate jurisdiction from subordinate courts.

Subordinate courts, comprising resident magistrate's courts, judicial commissioner's courts, and central and local courts, administer statute laws, while chiefs administer customary and tribal laws. There is no trial by jury. Military courts have jurisdiction only over military cases and their decisions are final.

[17]ARMED FORCES

An estimated 2000-member army has ground troops and an air wing. The security forces also consist of a mounted police. A 1998 mutiny was quelled with the aid of troops from South Africa and Botswana; they were withdrawn the following year. The defense budget in 1999 was $34 million.

[18]INTERNATIONAL COOPERATION

Lesotho became a UN member on 17 October 1966 and participates in ECA and all the non-regional specialized agencies except IAEA and IMO. A Commonwealth member, Lesotho also takes part in the African Development Bank, G-77, and AU. The nation is a member of the WTO, as well as a signatory to the Law of the Sea. . The country's close relationship with South Africa is a major factor in its economic survival. Lesotho belongs to a customs union with South Africa, Botswana, Swaziland, and Namibia. Lesotho is a signatory to the Lomé Convention and a member of the nine-nation Southern African Development Community (SADC).

[19]ECONOMY

Lesotho is an agricultural country, with modest industrial, tourism and labor-remittance incomes. Its economic policy is closely tied to that of South Africa and the South African Rand is accepted as legal tender. Remittances from miners employed in South Africa plunged by half between 1990 and 1996. As 35% of male wage earners are employed in South Africa, 54% of households in Lesotho are headed by women. There is an illicit but thriving trade in marijuana grown in Lesotho for sale in South Africa. Land is controlled by the Chiefs of the Kingdom and cannot be privately owned. Textile/garment and agro-industrial enterprises dominate the industrial sector and tend to be state-owned, although privatization has increased. Manufacturing and construction businesses, however, are mostly privately owned.

Future economic growth is tied to the massive Lesotho Highlands Water Project (LHWP) completed in 1998. The project captures, stores, and transfers the headwaters of the Orange River system to industry clustered around Johannesburg, South Africa. Ancillary dams provide electricity.

Civil unrest in 1998 destroyed 80% of the commercial infrastructure in Maseru and two other towns. GDP was down by 3.6% in 1998, but was up to 2.6% in 2001. Lesotho has a large trade deficit, and is a recipient of aid from the World Bank and Western countries. In 2001, the IMF approved a $32-million Poverty Reduction and Growth Facility program for Lesotho.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Lesotho's gross domestic product (GDP) was estimated at $5.3 billion. The per capita GDP was estimated at $2,450. The annual growth rate of GDP was estimated at 2.6%. The average inflation rate in 2001 was 6.9%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 18% of GDP, industry 38%, and services 44%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $1.38 million. Worker remittances in 2001 totaled $1.3 million. Foreign aid receipts amounted to about $26 per capita and accounted for approximately 6% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $502. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 2%. The richest 10% of the population accounted for approximately 43.4% of household consumption and the poorest 10% approximately 0.9%. It was estimated that in 1999 about 49% of the population had incomes below the poverty line.

[21]LABOR

The economically active population was estimated at 700,000 in 2002. Approximately 86% of the resident population engages in subsistence farming, and as many as 35% of male wage-earners work in South Africa. In 2000, the official unemployment rate was 45%.

With the exception of civil servants, workers have the right to unionize, but only about 10% of the workforce are union members. While strikes are technically legal, no legally sanctioned strikes have occurred since independence in 1966. The rights to bargain collectively and organize, while technically legal, are often restricted by the government. There are three small trade union federations: the Lesotho Trade Union Congress and the Lesotho Federation of Democratic Unions, and the Congress of Lesotho Trade Unions, and these three organizations seldom cooperate with each other.

While there are restrictions on working hours and practices for children under 14, in practice, enforcement of these restrictions is ineffectual. The minimum wage is set by the government and varies from sector to sector. The minimum wage for unskilled labor was $73 per month in 2002. The law requires a maximum 45-hour workweek with 12 days of paid leave and paid holidays. Minimum occupational safety standards exist but are not effectively enforced.

[22]AGRICULTURE

In 2001, 16% of GDP came from agriculture. Crop production in Lesotho is a high-risk, low-yield activity due to poor soil quality and a harsh climate. All land is held in trust for the Basotho nation by the king and may not be alienated. The local chiefs allocate farmland to individuals, and user rights are generally available to married males; nevertheless, one out of seven

households is landless. A 1979 act increases security of tenure by recording rights of inheritance and allowing mortgaging and subletting of land. The average landholding per family head is 1.9 ha (4.7 acres).

Only 10.7% of Lesotho's land area is arable, but less than 1% has high potential. Most cultivated land is in the western lowlands. The principal food crop is corn. Main agricultural production in 1999 included (in tons) corn, 125,000; sorghum, 33,000; wheat, 15,000; dry beans, 9,000; and dry peas, 3,000. The country suffered from recurrent drought conditions in the 1980s and early 1990s. Lesotho is a large importer of grains and other foodstuffs.

Lesotho has one of the most advanced soil conservation programs in Africa. Terracing, grass stripping, and the construction of dams and irrigation canals are widely employed to cope with the severe erosion problems.

[23]ANIMAL HUSBANDRY

The raising of livestock is the principal economic undertaking in Lesotho. Grazing rights on all noncultivated land are communal, and no limits are placed on the number of livestock permitted to graze an area. Lesotho's main exports are wool and mohair; in general, however, the quality of the livestock is poor and yields are low. In 2001 there were an estimated 850,000 sheep, 650,000 goats, 540,000 head of cattle, 154,000 asses, 100,000 horses, 65,000 hogs, and 1.8 million chickens.

A number of livestock improvement centers have been established, and Merino rams and Angora bucks have been imported from South Africa for breeding purposes. Cattle, sheep, and goats are exported on the hoof. Hides and skins, usually from animals that have died of starvation or disease or have been slaughtered for human consumption, are also exported.

[24]FISHING

Fishing has not yet been popularized, although the Malutsenyane River is one of the best natural trout-fishing grounds in Africa. There is virtually no commercial fishing. In 2000, the total catch was 32 tons, including 20 tons of carp.

[25]FORESTRY

Lesotho is almost devoid of natural woodland. Trees have been planted in conjunction with soil conservation programs. Roundwood production in 2000 was estimated at 2,022,000 cu m, all nonconiferous logs for fuel.

[26]MINING

Lesotho has long been known as a source of diamonds, mostly from alluvial deposits, and was seeing a revival of its diamond mining industry. Geological surveys have revealed a limited variety of other exploitable mineral resources. Mineral production contributed 3% of GDP between 1995 and 2001. In 2001, 1,140 carats of diamond were produced, extracted mostly through rudimentary methods, down from 1,500 in 2000 and 9,660 in 1998. Artisanal miners also produced small amounts of fire clay, gravel, dimension stone, and crushed rock for domestic consumption. Construction was a top industry in 2002. Commercial interest in the mineral resources of Lesotho was limited to diamonds. The Lesotho Geological Survey has identified 33 kimberlite pipes and 140 dikes, of which 24 were diamondiferous.

MineGem Inc., a Canadian firm formerly known as Messina Diamond Corp., operated two locally incorporated companies involved in diamond exploration and development, and held licenses that covered two mineralized zones within the Liqhobong kimberlite area, in the northern highlands. A feasibility study completed in 2000 on Liqhobong's Satellite Pipe project showed an indicated resource of 1.4 million tons of ore at a grade of 69 carats per 100 tons; MineGem was negotiating to obtain financing for a mining operation that could yield 290,000 carats per year. Some alluvial diamonds have been found north of Mokhotlong, where individual and syndicate concession holders were prospecting. In 1977, De Beers Consolidated Mines Ltd. opened the Lets'eng-la-Terae diamond mine, in the Leribe District, which produced 53,714 carats in 1980 and 289,000 carats between 1977 and 1982, when the mine was closed. In 2000, the government, together with Letseng Diamonds (Pty.) Ltd. and its partner, New Mining Corporation of South Africa, a black empowerment group spun off during the unbundling of JCI Ltd., announced plans to reopen mining of the Lets'eng-la-Terae kimberlite pipes; remaining resources included 12 million tons at the satellite pit, 50 million tons of ore in the old main pipe, and 5 million tons of low-grade stockpiled ore left by De Beers. The mine was expected to produce 50,000 carats per year during its 20-year life, with 15% of the diamonds to be mined expected to be larger than 10 carats, and 1.5% larger than 100 carats. In 2002, Consolidated African Mines Limited announced its plans to merge with JCI Gold, and acquired a 40% interest in Letseng Investment Holdings, the holding company of Letseng Diamonds.

The economy of landlocked Lesotho was based on subsistence agriculture, livestock, and remittances from Basotho miners employed in South African gold mines. However, the restructuring of the South African mining industry and the decline in gold prices have decreased the number of Basotho miners in South Africa from 96,900 in 2001 to 59,900 in 1997, leading to a decline in remittances from $264.2 million to $149.5 million. The revival of the diamond industry in Lesotho showed hope for some new opportunities for Basotho mineworkers and for replacing related lost government revenues. Exploration for iron, coal, and uranium continued.

[27]ENERGY AND POWER

All of Lesotho's power is imported, mostly from South Africa. On 24 October 1986, an agreement was signed with South Africa to undertake the jointly financed Lesotho Highlands Water Project. The project called for two 34-km (21-mi) tunnels to transport water from Lesotho's rivers to South Africa, with the first delivery in 1996 and maximum operation by 2020. Plans involved construction of seven dams, as well as a hydroelectric plant that could meet almost all of Lesotho's power needs. In 1999, the first phase of this plant, the 80 MW Muela hydroelectric facility, came online. However, as of 2001 there was no data for electricity production in Lesotho. Lesotho produces no petroleum and imports virtually all petroleum products from South Africa.

[28]INDUSTRY

Lesotho has a wide variety of light industries, which include, among others, tire retreading, tapestry weaving, diamond processing, and production of textiles, shoes, electric lighting, candles, ceramics, explosives, furniture, and fertilizers. The apparel-assembly sector is growing rapidly. Manufacturing depends largely on agricultural inputs to support milling, canning, leather, and jute industries. In the 1980s, the Lesotho National Development Corporation promoted industrial development in the production of fruits and vegetables, tires, beer and soft drinks, parachutes, steel, and wire. In 1991, Lesotho inaugurated a television assembly plant.

In the early 2000s, there was growth in the manufacturing sector of the economy. Industry held a strong average annual growth of 10% between 1988 and 1998, and accounted for 38% of GDP in 2001. The major industrial contributor in 2000 was the Highlands Water Project. Lesotho has no known oil or natural gas reserves. Oil exploration took place in the 1970s, but those efforts were unsuccessful and exploration ceased.

29 SCIENCE AND TECHNOLOGY

The Ministry of Agriculture, Cooperatives, and Marketing maintains a research station at Maseru, along with several experimental stations in the field. Lesotho's Geological Survey Department is headquartered in Maseru. The National University of Lesotho, founded in 1966 at Roma, has faculties of science and agriculture. Lesotho Agricultural College, founded in 1955, is located in Maseru. In 1987–97, science and engineering students accounted for 19% of college and university enrollments.

30 DOMESTIC TRADE

Except for the northern regions, where Indians monopolized trading activities, domestic trade was handled by Europeans before independence. The Taiwanese also played a role. Nevertheless, more and more Basotho are currently take out trading licenses. Traders play a central role in wool and mohair marketing, often acting as wool classers as well. The expertise of the traders varies widely. Some have regular suppliers and customers and maintain high quality, while others are prone to careless handling practices, lowering the market value of wool.

As of 2002, nearly 85% of the workforce was employed in some level of subsistence agriculture. About 35% of male wage earners had jobs in South Africa.

Normal business hours in urban areas are from 8 AM to 1 PM and from 2 to 4:30 PM, Monday through Friday, and from 8 AM to 1 PM on Saturday. Banks are open from 8:30 AM to 1 PM Monday–Friday, and 9:30 to 11 AM on Saturday.

31 FOREIGN TRADE

Lesotho's chief exports are clothing, shoes, and road vehicles. Manufacturing accounted for 65% of exports in 1996. Other exports include wool and mohair, and food and live animals (7% each). The main imports are food, building materials, vehicles, machinery, medicines, and petroleum products.

Exports grew an average of 18.1% from 1993 through 1996, but declined slightly in 1998. Merchandise imports grew by 16.2% in 1992, but then declined by 6.9% in 1993 and fell 7.4% in 1994. Imports picked up again between 1995 and 1997, but declined in 1998.

In 1996, 66% of exports went to the South African Customs Union, 26% to North America, and 4% to the EU. Increasingly, the US has become a favorite destination for Lesotho's exports. The South African Customs Union provided 90% of Lesotho's imports, Asia 6%, and the EU 2%.

32 BALANCE OF PAYMENTS

Lesotho's chronic balance-of-payments deficit was partially offset by the flow of cash and material goods from Basotho workers in South Africa, but the end of this system in 1999 caused a higher total debt than usual. Revenues from the highlands water project may offset losses.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Lesotho's exports was $250 million while imports totaled $720 million resulting in a trade deficit of $470 million.

The International Monetary Fund (IMF) reports that in 2001 Lesotho had exports of goods totaling $279 million and imports totaling $679 million. The services credit totaled $41 million and debit $49 million. The following table summarizes Lesotho's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-95**
Balance on goods	-400
Balance on services	-8
Balance on income	179
Current transfers	135
Capital Account	**17**
Financial Account	**89**
Direct investment abroad	…
Direct investment in Lesotho	117
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	-20
Other investment liabilities	-8
Net Errors and Omissions	**155**
Reserves and Related Items	**-166**

33 BANKING AND SECURITIES

Lesotho is a member of the Common Monetary Area. The 1974 agreement, which was revised in 1986, provided access to the South African capital market for the Lesotho banking system. Lesotho is responsible for its own monetary policy and controls its own financial institutions, but management of the rand currency and the gold and foreign exchange reserves of the rand area remains the sole responsibility of South Africa. In 1980, the Lesotho Monetary Authority (now the Central Bank of Lesotho) began issuing loti as the national currency, but the South African rand remained legal tender and the loti was pegged at par with the rand.

Demand for credit in the private sector was strong during the 1990s in response to growth in the manufacturing, services and construction sectors. In contrast, claims on central government were reduced as a result of the IMF-supported Structural Adjustment Program; in fact, the government was a net saver with the domestic banking system in 1992. In the 1990s, interest rates remained positive in real terms and generally slightly higher than in South Africa due to higher margins.

The commercial bank sector is dominated by the government-owned Lesotho Bank and the South African-owned Stambic Bank which acquired Barclays Bank's interest in Lesotho. Lesotho Bank was privatized in 1999. The Lesotho Building Finance Corporation merged with Lesotho Bank in April 1993 to facilitate an increase in the scale of domestic mortgage lending. The Lesotho Agricultural Development Bank (LADB) had served to mobilize rural savings and provide agricultural credit, but it was liquidated in 2000.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $150.1 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $231.5 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 13%.

No securities exchange was in operation in Lesotho as of 2003.

34 INSURANCE

In 1995, there were at least three insurance companies operating in Lesotho. During the 1998 destruction of commercial life, most firms were not covered by insurance, lengthening the rebuilding process.

35 PUBLIC FINANCE

Proceeds from membership in a common customs union with South Africa form the majority of government revenue. Lesotho receives aid from myriad sources, including the US, World Bank, United Kingdom, EU, and Germany.

The US Central Intelligence Agency (CIA) estimates that in 2000 Lesotho's central government took in revenues of approximately $76 million and had expenditures of $80 million including capital expenditures of $15 million. Overall, the government registered a deficit of approximately $4 million. External debt totaled $715 million.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary

Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	76
Tax revenue	74.0%	56
Non-tax revenue	20.8%	16
Grants	5.2%	4
EXPENDITURES	100.0%	80
General public services	17.5%	14
Defense	6.3%	5
Public order and safety	10.0%	8
Education	26.3%	21
Health	8.8%	7
Social security	...	...
Housing and community amenities	...	...
Recreation, cultural, and religious affairs	...	...
Economic affairs and services	21.3%	17
Other expenditures	3.8%	3
Interest payments	3.8%	3

[36]TAXATION

In 1960, a review of the tax structure was undertaken with a view toward ending the dual tax system, which made a distinction between Basotho and non-Basotho. It was decided that a basic tax, previously paid only by Basotho, would be paid by all male residents. A graded tax and a scaled income tax, both payable by all persons irrespective of race or sex, were subsequently imposed. The maximum tax rate for individuals is 35%, and corporations are taxed at a flat rate of 35%. There was a sales tax of 15% in 1993, subsequently reduced to 10%. After delays of over a year, in July 2003 Lesotho replaced its sales tax with a value-added tax (VAT) system with a standard rate of 14%.

[37]CUSTOMS AND DUTIES

Customs and duties constitute the predominant source of ordinary revenue. Lesotho, together with Swaziland, Botswana, and Namibia, is a member of a customs union with South Africa; consequently, no tariffs exist on most goods moving among them. South Africa levies and collects the bulk of the customs, sales, and excise duties for the five countries, paying a share determined by an established formula of total customs collections to the other four. Imports from outside the customs union, regardless of ultimate destination, are subject to the same tariff rates.

[38]FOREIGN INVESTMENT

The government actively encourages foreign investment, particularly investment in manufacturing plants and agricultural projects. The Lesotho National Development Corp. promotes industrial estates, with such attractions as a 15-year discretionary tax holiday or accelerated depreciation allowances, plus LNDC capital participation of up to 25%.

Annual foreign direct investment (FDI) inflow into Lesotho was $269 million in 1997, but declined steadily for the rest of the decade, amounting to $119 million in 2000. For the period 1997 to 2000, net FDI equaled over one-fifth (21.8%) of its GDP, the highest such ratio in the world. Most FDI is concentrated in textiles, garments, and light manufacture.

[39]ECONOMIC DEVELOPMENT

The Lesotho government's development objectives are based on a food-security policy approach, built around small-scale irrigated agriculture projects and improved rural water supplies. Donors supported the fourth five-year plan (1988–91) with pledges of $390 million. Lesotho receives development assistance from the United States, United Kingdom, Germany, South Africa, Canada, Taiwan, the European Union, the World Bank, and various United Nations agencies.

In 2001, Lesotho negotiated a three-year $35 million Poverty Reduction and Growth Facility (PRGF) Arrangement with the International Monetary Fund (IMF). Unemployment, poverty, and the HIV/AIDS pandemic are challenges facing further economic development. The sale of the state telecommunications company in 2001 stood as evidence of Lesotho's continuing privatization program. The government in 2003 was committed to public sector reform and market-friendly policies, as illustrated by its support for the Lesotho Public Sector Improvement and Reform Project.

[40]SOCIAL DEVELOPMENT

In the past, many social welfare programs were organized on the local level or by missions. But the need for concerted action to alleviate hardships brought about by the severe droughts led to the creation in 1965 of a Social Welfare Department under the Ministry of Health (later the Ministry of Health and Social Welfare). Community development teams stimulate local initiative by conducting courses and forming voluntary community development committees. The Homemakers' Association, an organization long active in social welfare, has given family-management courses in remote areas under a grant from the Oxford Committee for Famine Relief (Oxfam).

The roles of women are limited by law and by tradition. Married women are considered legal minors under customary law. They are unable to sign any contract and have no legal standing in a court of law. Domestic violence is also a widespread problem although it is considered unacceptable behavior. The government has pledged to improve the rights of women.

Some human rights violations were reported, including excessive use of force by police, long pretrial delays, and poor prison conditions. Crime is a serious problem in Lesotho.

[41]HEALTH

Lesotho's major health problems, such as pellagra and kwashiorkor, stem from poor nutrition and inadequate hygiene. As of 2000, 44% of children under five years of age were considered malnourished. Famines have resulted from periodic droughts. In 2000, 91% of the population had access to safe drinking water and 92% had adequate sanitation.

Tuberculosis and venereal diseases are also serious problems. There were an estimated 542 cases of tuberculosis per 100,000 people in 1999. In 1994, children up to one year old were vaccinated at the following rates: tuberculosis, 55%; diphtheria, pertussis, and tetanus, 58%; polio, 66%; and measles, 82%. In 1999 rates for DPT and measles were, respectively, 85% and 77%. About 43% of children suffered from goiter in 1996.

The government of Lesotho is working to rehabilitate two hospitals and is making an overall effort to strengthen health care services. In 1990, there were 74 doctors, 60 pharmacists, and 874 nurses. In the same year, there were 1.4 hospital beds per 1,000 inhabitants. As of 1999, there were an estimated 0.1 physicians per 1,000 people. Approximately 80% of the population had access to health care services in 1995.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 30.7 and 16.8 per 1,000 people. The infant mortality rate per 1,000 live births was 91 in 2000. The total fertility rate has steadily declined to 4.4 children per woman in 2000. Of married women aged 15–49, contraceptives were used by 23% as of 2000. Estimated life expectancy in 2000 was 44 years.

The AIDS crisis in Lesotho is severe. At the end of 2001, the number of people living with HIV/AIDS was estimated at 360,000 (including 18% of the adult population) and deaths from AIDS that year were estimated at 25,000. HIV prevalence in 1999 was 23.57 per 100 adults. By 2003, the HIV/AIDS prevalence rate was estimated at 31%.

[42]HOUSING

The Lesotho Housing Corp. builds new housing for sale and rent, and a government-supported development program is building low-cost housing. The government has also begun to encourage private investment and ownership of housing through privitisation of banking and legal reforms, the latter of which include the Law Reform Commission and the Land Policy Review Commission, which have been working on legislation to allow woman equal rights in access to credit and land ownership.

[43]EDUCATION

A byproduct of the long history of missionary activity in Lesotho was the relatively comprehensive development of education. In 1996, Lesotho had 1,249 primary schools with 374,628 primary school pupils taught by 7,898 teachers, with a student-to-teacher ratio of 47 to 1. In that same year, 68,132 secondary school students were taught by 2,878 teachers. As of 1999, 59 % of primary-school-age children were enrolled in school, while 20% of those eligible attended secondary school.Education is compulsory between the ages of 6 and 13.

The languages of instruction are Sesotho and English. From the fifth year of primary school onwards, all instruction is conducted in English. Projected adult illiteracy rates for the year 2000 stand at 16.1% (males, 26.4%, females, 6.4%).

The University of Lesotho, Botswana, and Swaziland (formerly known as Pius XII College), founded in 1964 at Roma, was unilaterally dissolved in October 1975 by Prime Minister Leabua Jonathan, who then renamed it the National University of Lesotho. Lesotho Agricultural College, at Maseru, was founded in 1955. In 1997, all higher level institutions had 4,614 pupils and 574 teaching staff.

[44]LIBRARIES AND MUSEUMS

The Government Archive in Maseru has records dating from 1869. The Lesotho National Library, also in the capital, holds 88,000 volumes. The library at the National University of Lesotho in Roma has more than 175,000 volumes. The British Council maintains a library in Maseru, with 6,270 volumes and there is a library of 10,000 volumes at the Lesotho Agricultural College. The Lesotho National Museum, at Maseru, has collections on archaeology, ethnography, and geology. The Morija Museum has collections in the same fields.

[45]MEDIA

The government operates postal and telephone services; the exchange at Maseru has been automatic since 1963. An earth-satellite station was opened in 1986. There were 22,200 mainline telephones and 21,600 cellular phones in 2000.

Government-owned Radio Lesotho broadcasts in English and Sesotho. There is no local television station. As of 2001 there were four radio stations. In 2000, there were 53 radios and 16 television sets for every 1,000 people. Internet access is limited, with only one service provider serving 4,000 subscribers in 2000.

Mphatlalatsane is a daily Sesotho newspaper published in Maseru, with a 2002 circulation of 4,000. The *Moeletsi oa Basotho* is a weekly published by the Roman Catholic Church with a circulation of 20,000. The Lesotho Evangelical Church also publishes a newspaper, *Leselinyana le Lesotho* (*The Light of Lesotho*), which comes out every other week with a circulation of 15,000. Other newspapers, with their 2002 circulations, include *Lentsoe la Basotho* (14,000) and *Lesotho Today* (7,000), both weeklies published by the Department of Information; *Mohlanka* (6,000) *; Moafrika* (3,500); *Makatolle* (2,000); and the English weekly, *The Mirror* (4,000).

The Constitution provides freedom of speech and the press, and the government is said to respect these rights in practice.

[46]ORGANIZATIONS

National youth organizations include the Association of Youth Cultural Clubs, Lesotho Scouts Association, Lesotho Work Camps Association, Lesotho Youth Federation, and the Student Representative Council of Lesotho. The Lesotho National Council of Women offers programs and activities to support and promote the development of women. Cooperative unions that are partly government-financed and government-sponsored, consumer cooperatives, artisan cooperatives, and the Progressive Farmers play an important part in economic and social development. There are also more than 100 active agricultural marketing and credit societies. The Red Cross is active in the country.

[47]TOURISM, TRAVEL, AND RECREATION

The Lesotho National Tourist Board promotes tourism, which is increasing but still underdeveloped. In 1998 there were 289,819 foreign visitors. The country had 1,027 hotel rooms with 1,922 beds and a 21% occupancy rate in 1997. Tourism receipts totaled US$24 million in 1998.

Visas are not required for stays of under 30 days. Permanent tourist camps are established in remote scenic areas for pony-trekking parties. The first such camp, consisting of bath- and kitchen-equipped grass huts, was built at Marakabeis, near the end of the Mountain Road. Although lacking in game, Lesotho has spectacular natural attractions in its mountains and in Malutsenyane Falls, as well as excellent trout-fishing grounds. The rock paintings near Teyateyaneng are also a potentially important tourist site. The country's first national park, Sehlabathebe Mountain National Park, was established in 1970 in the Qacha's Nek District. There is a gambling casino in Maseru.

The average daily cost of staying in Maseru is $98 per day, according to 2003 US government estimates. Elsewhere in Lesotho, daily travel expenses are approximately $40 to 60 per day.

[48]FAMOUS BASOTHO

Moshoeshoe (or Moshesh, 1786–1870), a chief of the Bakoena tribe in what was then northern Basutoland, is acclaimed as the founder of the Basotho nation. Moshoeshoe II (1938–96) served as king of Lesotho from October 1966 until January 1996, when he was killed in an automobile accident. Crown Prince Letsie David Mohato (b. 1964), who had served as king during his father's 1989–94 exile, returned to the throne in February 1996 as King Letsie III. Chief Leabua Jonathan (1914–87), prime minister of Lesotho from its inception until 1986, was a leader in the drive for independence.

[49]DEPENDENCIES

Lesotho has no territories or colonies.

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LIBERIA

Republic of Liberia

CAPITAL: Monrovia

FLAG: The national flag, dating from 1847, consists of 11 horizontal stripes, alternately red (6) and white (5), with a single five-pointed white star on a square blue field 5 stripes deep in the upper left corner.

ANTHEM: *All Hail, Liberia, Hail.*

MONETARY UNIT: The Liberian dollar (L$) of 100 cents was linked to the US dollar until January 1998, when it switched to a floating market determined rate. There are no Liberian notes. US notes in the denominations of 5, 10, 20, 50, and 100 dollars are in circulation and are legal tender. Both US and Liberian coins of 1, 5, 10, 25, and 50 cents, and 1 dollar are in circulation; in 1982, a $5 Liberian coin was issued. L1 = $0.0222 (or $1 = L45).

WEIGHTS AND MEASURES: US and UK weights and measures are used.

HOLIDAYS: New Year's Day, 1 January; Armed Forces Day, 11 February; Decoration Day, 2d Wednesday in March; Birthday of J. J. Roberts (first president), 15 March; Fast and Prayer Day, 2d Friday in April; National Redemption Day, 12 April; Unification Day, 14 May; Independence Day, 26 July; Flag Day, 24 August; Thanksgiving Day, 1st Thursday in November; Anniversary of 1985 Coup Attempt, 12 November; President Tubman's Birthday, 29 November; Christmas, 25 December. Good Friday and Easter Monday are movable religious holidays.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Located on the west coast of Africa, Liberia has an area of about 111,370 sq km (43,000 sq mi), with a length of 548 km (341 mi) ESE–WNW and a width of 274 km (170 mi) NNE–SSW. Comparatively, the area occupied by Liberia is slightly larger than the state of Tennessee. On the N it is bounded by Guinea, on the E by Côte d'Ivoire, on the S and SW by the Atlantic Ocean, and on the NW by Sierra Leone, with a total land boundary length of 1,585 km (985 mi) and a coastline of 579 km (360 mi).

Liberia's capital city, Monrovia, is located on the Atlantic coast.

[2]TOPOGRAPHY

There are three distinct belts lying parallel to the coast. The low coastal belt is about 40 km (25 mi) wide, with tidal creeks, shallow lagoons, and mangrove marshes. The land then rises to rolling hills, with elevations of 60–150 m (200–500 ft). The third belt, comprising the bulk of Liberia, is marked by abrupt changes of elevation in a series of low mountains and plateaus, less densely forested than the hilly region. The Nimba Mountains are near the Guinea frontier. The Wologizi Mountains reach a maximum of about 1,380 m (4,528 ft) with Mt. Wutuvi, the nation's highest point. Of the six principal rivers, all of which are at right angles to the coast and flow into the Atlantic Ocean, only the Farmington is of much commercial importance. Sandbars obstruct the mouths of all rivers, making entrance hazardous, and upstream there are rocky rapids.

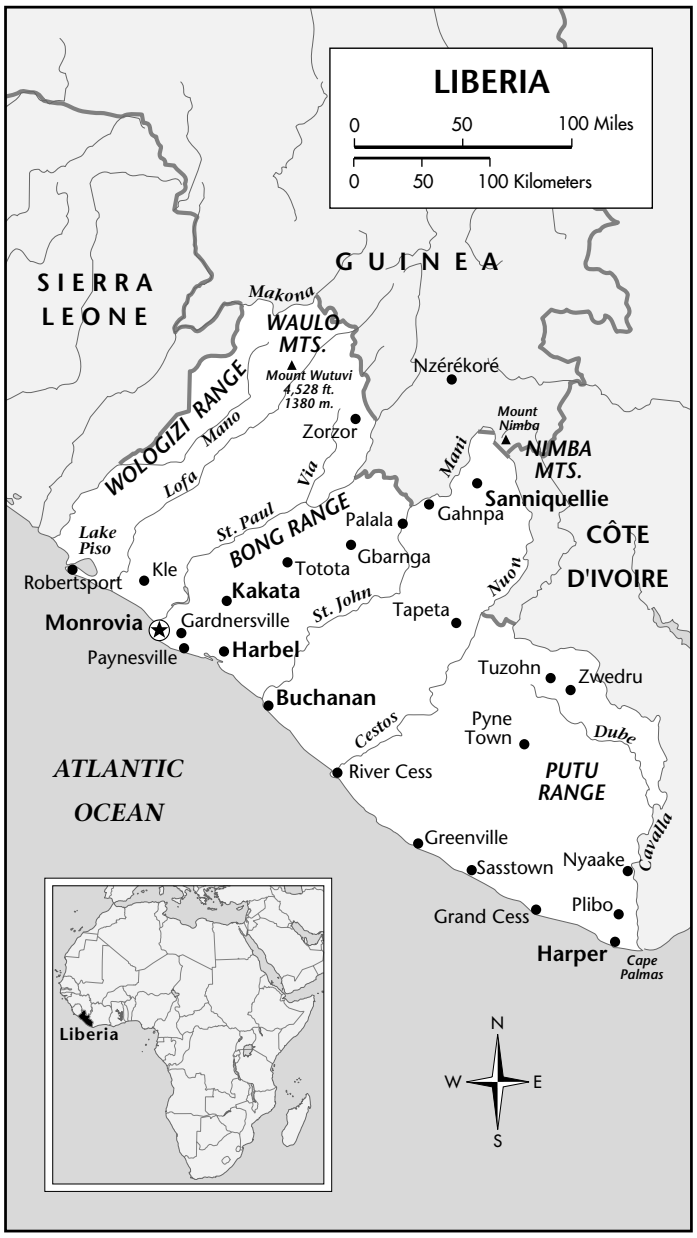
[3]CLIMATE

The climate is tropical and humid, with little change in temperature throughout the year. The mean is 27°C (81°F), with temperatures rarely exceeding 36°C (97°F) or falling below 20°C (68°F). On the coast the heat is tempered by an almost constant breeze. Yearly rainfall is as high as 510 cm (200 in) on the coast, decreasing to about 200 cm (80 in) in areas farthest inland. There are distinct wet and dry seasons, most of the rainfall occurring between late April and mid-November. Average relative humidity in the coastal area is about 82% during the rainy season and 78% in the dry, but it may drop to 50% or lower between December and March, when the dust-laden harmattan blows from the Sahara.

[4]FLORA AND FAUNA

Liberia, together with adjoining Sierra Leone and Côte d'Ivoire, includes the greatest of Africa's evergreen forests. There are about 235 species of trees; 90 varieties are present in potentially marketable quantities, including mahogany and ironwood. The bombex (cotton tree), the oil palm, and the kola tree are common. The wild rubber tree (*Funtumia elastica*) is indigenous, but the cultivated *Hevea brasiliensis* is the source of Liberia's commercial rubber. A variety of coffee peculiar to Liberia, *Coffea liberica*, was formerly common but has given way to the preferred *Coffea robusta*. Fruit trees include citrus varieties, the alligator apple, papaya, mango, and avocado. Pineapples grow wild. Among the cultivated plants are cassava, cotton, cacao, indigo, and upland rice.

Elephant and buffalo, once common in Liberia, have largely disappeared, but several species of antelope are found in the interior; two of these, the white-shouldered duiker and the zebra antelope, are peculiar to Liberia. A lemur called Bosman's potto and several species of monkey, including the long-haired and the Diana, are found in the forests. Wild pigs and porcupines exist in sparsely settled areas, and several members of the leopard group are also found. Most of the 15 species of snakes are venomous. Termites build lofty nests throughout the country. In some areas the tsetse fly is found, and driver ants and mosquitoes are common. Several varieties of snail act as hosts in the propagation of certain enteric diseases. Among the birds are the hornbill, wild guinea fowl, cattle egret (cowbird), flamingo, woodpecker, and weaver.



LOCATION: 4°20′ to 8°33′ N; 7°22′ to 11°30′ W. BOUNDARY LENGTHS: Guinea, 563 kilometers (350 miles); Côte d'Ivoire, 716 kilometers (445 miles); Atlantic coastline, 538 kilometers (334 miles); Sierra Leone, 306 kilometers (190 miles). TERRITORIAL SEA LIMIT: 200 miles.

[5]ENVIRONMENT

The nation lacks regulatory agencies to supervise the preservation of the environment. As the 1980s began, Liberia was one of the last West African countries with significant primary forest reserves, but recent estimates suggest that some 42,000 ha (104,000 acres) of primary forest are converted annually to degraded forest or transformed into bushland by shifting cultivation. Commercial logging, firewood cutting, and a government land-clearing program also threaten primary forestland. Between 1983 and 1993, Liberia lost 13.2% of its forest and woodland area. Forests currently account for less than 40% of Liberia's land. By the mid-1980s, the country had lost over 70% of its mangrove swamps. Hunting and loss of habitat have decimated wildlife along the coastal plain, and there are no longer any large herds of big game in the interior.

The water supply is usually limited to open sources such as streams, swamps, and shallow, uncovered wells; the result, especially during the rainy season, is that insects and parasites thrive, creating a major health hazard. Safe drinking water is available to 79% of Liberia's urban dwellers and 13% of its rural population. Liberia cities produce about 2 million tons of solid waste per year. The Mano and St. John rivers are becoming increasingly polluted from the dumping of iron ore tailings, and the coastal waters from oil residue and the dumping of untreated sewage and waste water.

Eleven of the nation's mammal species and 13 of its bird species are endangered. One of its plant species is threatened with extinction. The Jentink's duiker and Liberian mongoose are endangered species in Liberia.

[6]POPULATION

The population of Liberia in 2003 was estimated by the United Nations at 3,367,000, which placed it as number 127 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 43% of the population under 15 years of age. There were an equal number of males and females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 4.05%, with the projected population for the year 2015 at 4,713,000. The population density in 2002 was 29 per sq km (76 per sq mi). The population consists of indigenous Africans and descendants of American black settlers (also known as Liberico-Americans or Amerafricans), in the ratio of at least 30 to 1.

It was estimated by the Population Reference Bureau that 45% of the population lived in urban areas in 2001. The capital city, Monrovia, had a population of 479,000 in that year. More than one-third of the population lives within an 80-km (50-mi) radius of Monrovia. After Monrovia, Buchanan, Harper, and Greenville are the largest port cities; Gbarnga, Kakata, Sanniquellie, Zorzor, and Ghanpa are major interior towns. According to the United Nations, the urban population growth rate for 2000–2005 was 4.9%.

The prevalence of AIDS/HIV has had a significant impact on the population of Liberia. The United Nations estimated that 6.5% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

The Liberian civil war caused a great amount of migration in the early 1990s. In May 1997, there were still 210,000 refugees in Côte d'Ivoire, 420,000 in Guinea, 17,000 in Ghana, 14,000 in Sierra Leone, and 6,000 in Nigeria. Since the beginning of 1997, the situation in Liberia has improved as the warring factions have been disarmed. Repatriation is difficult until after the rainy season ends in October when the roads become passable again; however, between 1997 and 1999, as many as 120,000 refugees were repatriated back to Liberia. Insurgencies that struck Lofa County in April and August 1999 caused major setbacks for UNHCR programs, as Lofa has been the single-largest county of return for Liberian refugees, mainly from Guinea. As of 1999, Liberia was host to 90,000 refugees from Sierra Leone. In that year all Liberian refugees who had fled were presumed to have returned to their homeland.

In 2000, the net migration rate was 36.5 migrants per 1,000 population. This was a significant change from 1990, when the net migration rate stood at -27.0 per 1,000 population. In 2000 there were 160,000 migrants living in Liberia including the 69,300 remaining refugees.

[8]ETHNIC GROUPS

Indigenous African tribes constitute 95% of the population. Besides the descendants of the early settlers, Liberia is peopled by about 28 ethnic groups, each with its own language. They are believed to have migrated from the north and east between the 12th and 16th centuries AD, bringing with them elements of Egyptian and Arabian culture, such as the spinning and weaving of cotton and the smelting of iron. Linguistically, the tribes may be divided into three main groups: the Mande people in the north and far west, the Kru tribes (including the Krahn) in the east and southeast, and the Mel in the northwest. The largest groups are the Kpellé, Bassa, Gio, Kru, Grebo, Mano, Krahn, Gola, Gbandi, Loma, Kissi, Vai, and Bella. About 2.5% of the population is Americo-Liberian, descendants of immigrants from the US who had been slaves. There are also two tribes not strictly Liberian: the Mandingo, who are itinerant Muslim traders, and the Fanti fishermen, who come from Ghana and stay a few years at a time in Liberia.

Because of intermarriage and an aggressive national unification program, tribal divisions are rapidly becoming less distinct, especially around the capital. Nevertheless, there is a strong tendency among the indigenous people to preserve their tribal identities.

Of the non-African resident population, the biggest component consists of Lebanese and Syrians.

[9]LANGUAGES

English is the official language, but only a minority of the people (about 20%) can speak or write it. The tribal people use their own languages, of which there are about 20. Of these, Vai, Bassa, and Loma can be written and are being used in correspondence by these tribes. The international phonetic alphabet, introduced by missionaries, has facilitated the use of many of the other tribal languages for correspondence and publication of local newsletters.

[10]RELIGIONS

The early settlers, freed American slaves, brought with them the culture and religion of the US deep South of the slavery era. Their descendants are adherents of the principal Protestant denominations, of which the largest is the Methodist Church. In 2002, it was estimated that about 40% of the population practice Christianity or elements of both Christianity and traditional indigenous religions. Christian denominations include Lutheran, Baptist, Episcopalian, Presbyterian, Roman Catholic, United Methodist, African Methodist Episcopal (AME), AME Zionists, and several Pentecostal churches. About 20% of the population practice Islam. Mandingo traders, who live mainly in the northern and eastern counties, have made many Muslim converts and Egyptian and Pakistani Muslim missionaries have been active since 1956. About 40% of the population practice traditional indigenous religions exclusively. Veneration of ancestors forms the core of most Liberian traditional religion. There is also a small Baha'i community.

Though the law prohibits religious discrimination, there have been reports of violence and discrimination against Muslims and Islamic leaders complain of both social and political discrimination.

[11]TRANSPORTATION

In 2002 there were an estimated 10,600 km (6,586 mi) of public roads, of which only about 657 km (408 mi) were paved. Private roads built by rubber and lumber companies were mostly laterite-surfaced roads. Important paved roads connect Monrovia to the interior as far as the Guinea, Sierra Leone, and Côte d'Ivoire borders. There is major deterioration reported on all highways due to lack of maintenance since the civil war began. In 2000, there were 17,100 registered passenger autos, and 12,800 commercial vehicles. Except for short-line buses, virtually all of Liberia's common carriers are taxicabs.

Railway lines in the country cover 490 km (2304 mi). Liberia's railways in 2002 were all owned by foreign steel and financial interests in conjunction with the Liberian Government and used for transportation of iron ore from mines to the ports of Buchanan and Monrovia. One of these, the Lamco Railroad, closed in 1989 after iron ore production ceased; the other two were shut down by the civil war. Large sections of the rail lines have been dismantled, and an estimated 60 km (37 mi) was exported for scrap.

The Free Port of Monrovia, opened in 1948, underwent substantial improvements during the late 1960s, so that ships with a draft up to 14 m (45 ft) can now be handled. A port used primarily for iron ore export was opened at Buchanan in 1963. These two deepwater ports handle over 98% of all cargo. Smaller ports, located at Greenville and Harper, handle mainly log exports. Many foreign-owned ships are registered in Liberia because of low fees and lenient labor laws. Liberia's registered merchant fleet in 2002 totaled 1,513 vessels (1,000 GRT or over) with 51,912,244 GRT.

Robertsfield, 58 km (36 mi) from Monrovia, is the site of the sole international airport. In 2001, there were 47 airports, of which only 2 had paved runways. Medium-sized jets and small aircraft, including those of Air Liberia, provide service from Spriggs Payne Airport on the outskirts of Monrovia to destinations within Liberia.

[12]HISTORY

It is believed that many of the peoples of Liberia migrated there from the north and east between the 12th and 16th centuries AD Portuguese explorers first visited the coast in 1461, and Europeans traded with coastal tribes during the next three centuries. Modern Liberia was founded in 1822 by freed slaves from the United Staets. They were sent to Africa under the auspices of the American Colonization Society, a private organization whose purpose was "to promote and execute a plan for colonizing in Africa, with their own consent, the free people of color residing in the US." The first settlement was on Providence Island near where the present capital city, Monrovia, is located. Although the Society, with the help of the United States government under President James Monroe (after whom Monrovia is named), had arranged with local chiefs for a settlement, the colonists were attacked by indigenous peoples, disease, and barely maintained their foothold.

The first governors of the settlement were agents appointed by the Colonization Society, but in 1847 Americo-Liberians established the Republic of Liberia under a constitution modeled after that of the US. The state seal shows a ship at anchor in a tropical harbor, and bears the inscription, "The Love of Liberty Brought Us Here." Thus began over a 130 years of Americo-Liberian domination over the 16 indigenous ethnic groups within Liberia's borders.

Emigration to Liberia continued until the close of the US Civil War, during which about 14,000 settlers went to Liberia under the auspices of the Society, and some 5,700 captives, liberated from slave ships on the high seas by the US Navy, were sent by the US government.

Although the United States refused to extend diplomatic recognition to independent Liberia until the civil war, several European governments did, including Britain and France. However, as the scramble for Africa reached its feverish pitch, Liberia's "century of survival" began. Neighboring British and French colonial powers, on one pretext or another, and by force of arms, encroached upon the infant republic. During the last quarter of the 19th century, Liberia lost considerable resource-

rich territory to adjoining British and French colonies. Pressure on Liberia's borders continued well into the 20th century.

Added to these dangers was Liberia's precarious economic position. In the 1870s, Liberia contracted for a $500,000 loan from European sources. Because of increasing world competition from Brazilian coffee, European sugar beets, and steamers, Liberia was unable to generate sufficient export revenue, and defaulted on this loan. Recession forced Liberia into a series of ever larger loans. Liberians were further compelled to allow collection of customs revenues by Europeans and Americans. Eventually, Liberia was able to secure a $5-million loan from a US firm, the Firestone Tire and Rubber Co., which set up rubber plantations in the country in 1926. The depression of the 1930s brought Liberia to the verge of bankruptcy, and government revenues fell in 1933 to a low of $321,000.

In the early 1930s, Liberia's political sovereignty was also severely threatened. Accusations had begun to circulate internationally that Liberian laborers, with the complicity of high government officials, were being recruited for shipment to the Spanish island of Fernando Póo (now Bioko, in Equatorial Guinea) under conditions that resembled slave trading. A commission of inquiry, set up by the League of Nations at the request of Liberia's President Charles D. B. King, found some basis for the charges and implicated the vice president, who was forced to resign. President King also resigned.

Exportation of rubber from the new Firestone plantations began in 1934. The establishment of a US air base in Liberia during World War II and the building of an artificial harbor at Monrovia further stimulated the country's development. William V. S. Tubman, elected president in 1944 and reelected for five additional terms, sought to unify the country by attempting to bridge the wide economic, political, and social gaps between the descendants of the original American ex-slaves and the tribal peoples of the interior. President Tubman, affectionately called "Uncle Shad," died at the age of 74, after 27 years in office. He was known as the "Maker of Modern Liberia" for his open door policy of unrestricted foreign investment and his Unification Policy.

Upon his death in 1971, Vice-President William R. Tolbert, Jr. assumed the reigns of power. Tolbert was nominated by the True Whigs, Liberia's only legal political party, and, having been elected without opposition in October 1975, was inaugurated for an eight-year term in January 1976. Unfortunately, Tolbert's term coincided with a deep economic depression, which sparked Liberia's colonial revolution. The Progressive Alliance of Liberia (PAL) organized a protest against proposed increases in the price of rice. The meeting turned violent resulting in looting. Tolbert was forced to subsidize rice to restore order, a sign that the True Whig government was coming to an end.

Doe Takes Power

On 12 April 1980 army enlisted men staged a coup. Tolbert and at least 26 supporters were killed in the fighting. Thirteen officials were publicly executed 10 days later. The People's Redemption Council (PRC) led by Sgt. Samuel K. Doe, a Krahn tribesman, became head of state. Doe suspended the constitution, but a return to civilian rule was promised for 1985. Despite two coups attempts in 1981, the government declared an amnesty for all political prisoners and exiles. Forty political prisoners were released in September of that year, and another 20 were released in December. A draft constitution providing for a multiparty republic was issued in 1983 and approved by referendum in 1984.

In the elections of 15 October 1985, nine political parties sought to challenge Doe's National Democratic Party of Liberia (NDPL), but only three were allowed to take part. Doe was elected with 51% of the vote, and the NDPL won 21 of the 26 Senate seats and 51 of the 64 seats in the House of Representatives. Foreign observers declared the elections fraudulent, and most of the elected opposition candidates refused to take their seats.

In November 1985, military leader Thomas Quiwonkpa and an estimated 500 to 600 people died in an unsuccessful coup attempt—the seventh since Doe took power. Krahn troops retaliated, killing thousands of Gio, considered supporters of the coup leaders. In late December 1989, a small group of insurgents calling themselves the National Patriotic Front of Liberia (NPFL) led by Charles Taylor invaded Liberia. The rebel invasion soon pitted ethnic Krahn sympathetic to the regime against those victimized by it, Gio and Mano. Thousands of civilians were massacred on both sides. Hundreds of thousands fled their homes.

By June 1990, Taylor's forces laid siege to Monrovia. A third force led by Prince Yormie Johnson, split from the NPFL. Johnson quickly controlled parts of Monrovia prompting evacuation of foreign nationals and diplomats by the US Navy in August.

With military discipline absent and bloodshed throughout the capital region, members of the Economic Community of West Africa (ECOWAS) created the Economic Community Monitoring Group (ECOMOG) to restore order. The force comprised some 4,000 troops from Nigeria, Ghana, Sierra Leone, the Gambia and Guinea. ECOMOG succeeded in bringing Doe and Johnson to agree to its intervention, but Taylor's forces engaged it in the port area of Monrovia.

ECOWAS invited the principal Liberian players to meet in Banjul, Gambia to form a government of national unity. Exiled members of Liberia's leading political parties and associations elected Dr. Amos Sawyer, leader of the LPP to head an interim government of national unity (IGNU). Bishop Ronald Diggs of the Liberian Council of Churches became vice president. However, Taylor's NPFL refused to attend the conference, and the AFL, which formerly supported Doe, and the INPFL allied themselves against Taylor. Within days clashes erupted.

On 9 September 1990, Johnson's forces captured Doe at the port. His torture and execution were videotaped by his captors. ECOMOG was reinforced in order to protect the interim government headed by Dr. Sawyer. Sawyer was able to establish his authority over most of Monrovia, but the rest of Liberia was in the hands of various factions of the NPFL or of local gangs.

Repeated attempts to get Taylor and Johnson to cooperate with Sawyer proved fruitless. The war spilled into Sierra Leone, further complicating peacemaking and peacekeeping efforts. In April 1996, violence escalated in Monrovia, essentially destroying the city. Roving gangs of heavily armed, leaderless teenagers recklessly sprayed the city with machine-gun fire and grenade launchers. More than 3,000 people were killed in the next two months and nearly every building in the capital suffered damage. Looters targeted international relief organizations for their radios, medicines, and cars.

On 8 May 1996, after more than 150,000 deaths and 13 peace accords, Liberia's four principal militias approved a peace plan that required an immediate halt to fighting, the removal of weapons and ammunition from the capital city of Monrovia, and the return of about $20 million worth of vehicles and equipment stolen from international relief organizations. Additional troops from Ghana, Mali, Côte d'Ivoire, Niger, Burkina Faso, and Benin were brought in to enforce the peace accords, bringing the total number of foreign peacekeeping troops to 13,000. Meanwhile, it was apparent that disagreements over establishing an electoral commission and other difficulties in preparations would delay the proposed elections.

On 19 July 1997 some 500 international observers, including former US president Jimmy Carter, monitored the elections. They reported peaceful, mostly free and fair elections, although runners-up Johnson-Sirleaf and Kromah complained of

irregularities. The official results gave Taylor the victory with 75.3% of the vote, while Johnson-Sirleaf obtained 9.6%. Taylor's National Patriotic Party (NPP) took 49 House seats and 21 seats in the Senate (out of 64 and 26 total seats respectively). On 2 August Taylor was inaugurated. He appointed a cabinet with some members of the transitional administration, and he established a nine-member national security council to maintain civil order.

Although insecurity prevailed in parts of Liberia, especially Lofa County, the last ECOMOG troops began leaving the country in October 1999. In July 1999, Taylor presided over the burning of a huge stockpile of weapons. By May 2000, much of Liberia was still in ruins, but international donors had made some progress in restoring agricultural production, reintegrating ex-combatants, and helping refugees and internally displaced persons resettle in their home areas.

Unfortunately, the peace was ephemeral. Fighting broke out again in 2000, leading to a declaration of a state of emergency on 8 February 2002. Taylor lifted the emergency in September 2002, but by February-March 2003, the Liberians United for Reconciliation and Democracy (LURD) had made gains deep into territory previously held by government troops. Under ECOWAS supervision, the two sides met in Bamako in March 2003, the first such official encounter, and peace talks were scheduled to continue in Accra. However, with rebel forces having entered parts of Monrovia in June, French commandos evacuated more than 500 foreigners—many of them relief workers, leaving Liberians to deal with scarcity of fuel, skyrocketing food costs, and wounded bodies filling the main hospital in the capital. On 17 June, the two sides signed a cease-fire, committing to discussions within 30 days, leading to a transition government excluding Taylor. But by 20 June 2003, Taylor had renounced his pledge to cede power, and declared that he would serve out his term to January 2004 with the possibility of seeking re-election.

[13]GOVERNMENT

The Liberian republic is modeled after the United States. Its constitution approved on 3 July 1984 and effective January 1986, provides for a president and vice president elected jointly by universal suffrage (at age 18) for a six-year term with a limit of two consecutive terms. Candidacy is again allowed after the lapse of at least one term. The president nominates judges from a list submitted by a commission, serves as commander-in-chief of the armed forces, and has the right to veto legislation. Vetoes can be overridden by a two-thirds vote of both legislative houses. The legislature is divided into a Senate, its 26 members elected by counties for nine years, and a House of Representatives, its 64 members elected by equally apportioned constituencies for six years.

The constitution proscribes the one-party state and guarantees fundamental rights, such as free speech, press, and assembly. The president has the right to suspend certain rights by declaring a state of emergency in cases of war or serious civil unrest. A state of emergency, which must be confirmed by a two-thirds vote of both legislative houses, does not empower the president to suspend or abrogate the constitution, dissolve the legislature, suspend or dismiss the judiciary, or suspend the right of habeas corpus. The constitution guarantees fundamental freedoms to all persons irrespective of ethnic background, but stipulates that "only persons who are Negro or of Negro descent shall qualify by birth or by naturalization to be citizens of Liberia." Only citizens may own land.

[14]POLITICAL PARTIES

The president and all members of the legislature were formerly members of the True Whig Party, which was organized in 1860 and held power continuously from 1878 to 1980. The Progressive People's Party (PPP), formed in 1979, claimed to represent the interests of Liberia's indigenous peoples, in contrast to the Americo-Liberian stance of the True Whigs.

In March 1980, several PPP members were arrested, a move that may have triggered the April coup. Although all political activity was banned, many True Whig members retained their government posts.

The National Democratic Party of Liberia (NDPL), established by former president Samuel K. Doe, was victorious in the 1985 elections. The newly formed Unity Party, Liberian Action Party, and Liberian Unification Party were allowed to take part in these elections. The United People's Party (UPP), probably the largest opposition grouping, was founded by Gabriel Baccus Matthews, formerly head of the PPP. The UPP was not allowed to field candidates in 1985 but was legalized in 1986.

In May 2000, the opposition led by Dr. Togba-Nah Tipoteh, formed a loose coalition of eleven entities called the Collaborating Political Parties (CPP), which aimed to present a common candidate in 2003. In mid-2001, several key opposition leaders including Ellen Johnson-Sirleaf met in Abuja, Nigeria to discuss political strategies. The opposition made a number of demands, which it advanced as pre-conditions before going to elections. Among these were the restructuring the armed forces as stipulated by the Abuja Accords, holding elections for chiefs and mayors, conducting a census, dissolving NPP party cells in the civil service, stopping 'illegal' funding of the NPP, guaranteeing opposition parties equal air time and reconstituting the elections commission (ECOM). Opposition political activity upcountry has been virtually non-existant because of extreme insecurity.

In June 2003, Charles Taylor's NPP, held 49 of 64 House seats, and 21 of 26 Senate seats. The Unity Party held 7 House seats and 3 Senate seats. The All Liberia Coalition Party held 3 House seats and 2 Senate seats. Three other parties held the 5 remaining House seats among themselves.

[15]LOCAL GOVERNMENT

Liberia is divided into 13 counties, 2 territories, and the federal district of Monrovia. The counties are Grand Cape Mount, Sinoe, Grand Bassa, Maryland, River Cess, Bomi, Grand Kru, Margibi, Lofa, Borg, Grand Gedah, Nimba, and Montserrado. The territories are Marshall and Gibi.

The central government is supposed to appoint the county and territory superintendents. Counties are subdivided into districts headed by commissioners. There are also paramount, clan, and town chiefs. Cities elect their own mayors and councils.

[16]JUDICIAL SYSTEM

The legal system is closely modeled on that of the United States. The 1984 constitution provides for the establishment of a Supreme Court consisting of a chief justice and four associate justices, to be appointed by the president from a panel recommended by a Judicial Service Commission. The consent of the senate is required for these appointments and for the confirmation of lower court judges, to which a similar procedure applies. In theory, cases originate in magistrates' courts and may be taken for appeal to one of 10 circuit courts or to the highest court. Serious cases originate in the circuit courts. Traditional courts are presided over by tribal chiefs. A labor court was created in 1986.

For many years, the judicial system has suffered from corruption and domination by the executive. By mid-1990 the system had collapsed and justice administration was co-opted by the military commanders of various factions. In 1991, the Interim Government of National Unity (IGNV), began to revive the court system in the Monrovia area. The National Patriotic Front of Liberia (NPFL) has also begun to reopen the courts in the areas under its control. Since 1997, donors have trained paralegals and human rights monitors to protect citizens up-country. The US Department of Justice has rebuilt magistrate courts, compiled 30

years of Supreme Court decisions, and published the Liberian Code so that judges and lawyers have recourse to legal reference works. However, the renewed outbreak of civil war has halted these efforts.

[17]ARMED FORCES

Following the end of Liberia's seven-year civil war in 1997, plans were drawn up for reorganization of the military, which was lacking both naval and air capability by the end of the war. The defense budget in 2001 was $7.8 million or 1.3% of GDP. As of 2002, active armed forces numbered between 11,000 and 14,000 including militias supportive of the government. Plans for a reorganized military include an army, navy, and air force. The opposition has a reported strength of several thousand members in the Liberian United for Reconciliation and Democracy (LURD).

[18]INTERNATIONAL COOPERATION

Liberia is a charter member of the UN, having joined on 2 November 1945; it takes part in ECA and all the nonregional specialized agencies. It belongs to the African Development Bank, ECOWAS, G-77, and the AU, and is a signatory to the Law of the Sea.

Liberia has participated in various African conferences and has advocated a cooperative association of African states to further such matters of mutual concern as public health, education, and trade. A customs bloc, the Mano River Union, was established in 1973 with Sierra Leone and Guinea. Leaders of the three countries signed a nonaggression and antisubversion pact in 1986. Technical assistance activities of the UN in Liberia have emphasized agricultural development, teaching, vocational training, and control of yaws and malaria.

The war in neighboring Cote d'Ivoire is of concern to Liberians. Some 70,000 Ivorians are displaced in Liberia, and hundreds of Liberians are stranded in Cote d'Ivoire. Given that independent Liberian soldiers of fortune are involved in the conflict, there is a possibility that the war could spill over into Liberia.

[19]ECONOMY

The Liberian economy has come to a virtual standstill since civil war broke out in 1989. The country has an agricultural economy with the majority of the population earning its living in this sector. The principal crops are rice, cocoa, coffee, palm oil, sugar cane, and cassava. Financial mismanagement and the effects of civil war have divided the country into two economic zones, one centered in and around the major urban centers, the other comprising the bulk of the country's rural hinterland. Although the country is rich in natural resources—particularly minerals (gold, diamonds, and iron ore) and forests—little investment has entered the country since hostilities began. The 1996 Abuja peace accords initially provided some hope of an economic recovery in the coming decade, but fighting broke out again in 1999 and was ongoing in 2003.

Even prior to the civil war, Liberia faced serious financial problems. Deficits created in the 1970s were deepened by a wave of military spending resulting from the 1980 coup. To try to compensate, cuts in civil service salaries and currency manipulation were used as policy tools. A US-led effort to bring better fiscal management to the Liberian economy failed, and in 1988 the World Bank closed its offices in Monrovia. In March of 1990, the IMF threatened to expel Liberia for nonpayment of its debt.

The civil war has left most of Liberia's infrastructure in shambles. Businessmen and capital have left the country and continuing turmoil has prevented normal economic life. The remaining economic assets were plundered or destroyed by factional forces. In addition, President Charles Taylor's support for rebels fighting in Sierra Leone has negatively impacted the climate for foreign investment. Although there are no official statistics, it is estimated that 85% of the population was unemployed in 1999.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Liberia's gross domestic product (GDP) was estimated at $3.6 billion. The per capita GDP was estimated at $1,100. The annual growth rate of GDP was estimated at 5%. The average inflation rate in 2001 was 8%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 60% of GDP, industry 10%, and services 30%. Foreign aid receipts amounted to about $11 per capita and accounted for approximately 8% of the gross national income (GNI). It was estimated that about 80% of the population had incomes below the poverty line.

[21]LABOR

Since the tribal people of the interior form the bulk of the population and engage primarily in subsistence agriculture, there were few skilled laborers in Liberia until recent years. Although there is still a dearth of highly skilled mechanics and technicians, an increasing number of Liberians are becoming able plant and machine operators. Approximately 70% of workers were engaged in agriculture, with 22% in services, and 8% in industry in 2000. As of 2002 there has been only a gradual economic recovery since the civil war, with an estimated 70% of the labor force unemployed.

Before the onslaught of civil war, the labor force totaled about 1,349,000 persons. In 1988, total civilian employment stood at 701,000 and unemployment at 43%. The principal private employer then was Firestone, with 9,000 employees in 1987. The policy of foreign-owned companies has been to employ Liberian labor in the first instance and to encourage the training of skilled workers, especially in mechanical pursuits. There are still shortages of middle- and higher-level technicians and managerial personnel. From time to time, labor shortages are reported in large agricultural enterprises. The government has enacted a minimum wage law, but the larger employers have generally paid wages in excess of the legal minimum.

The Labor Congress of Liberia (LCL), formed in 1951, was the first significant trade union. Following the first major strike in 1955, the LCL leadership was arrested and the union dissolved. In 1958, it was revived under the leadership of the Ministry for Social Affairs and functioned mainly as a government organ. As a protest against government interference in the LCL, the Congress of Industrial Organizations of Liberia (CIOL) was organized in 1960. The Liberian Federation of Labor Unions was formed in 1980 by a merger of the LCL and CIOL. In 2002, there were a total of 30 functioning unions with a total of 60,000 members, most of whom were unemployed. Despite their organized strength, unions have little actual power.

There are minimum working ages, statutory minimum wages and occupational safety and health standards but none of these are effectively enforced. Child labor laws are similarly not enforced, especially in rural areas. Most people engage in any work available despite wages or conditions.

[22]AGRICULTURE

Before the civil war, agriculture was the main source of livelihood for the great majority of Liberians. Except on plantations operated by foreign concessionaires and wealthy Liberians, farming techniques are primitive. The "bush rotation" system of shifting cultivation is followed, in which the farmer clears up to

two ha (5 acres) of wild forest or low bush each year, lightly cultivates it with crude hand tools, and plants rice or cassava as the rainy season begins. In 1999, agriculture engaged about 68% of the labor force on 4% of the total land area. Estimated production of field crops in 1999 included cassava, 313,000 tons; sugarcane, 250,000 tons; and rice, 210,000 tons. The government maintains a retail price ceiling on rice. Rice and wheat productions are insufficient to meet local needs.

The rain forest soils, while well drained, are strongly leached, making Liberia better adapted to tree-crop agriculture than to annual field-crop production. The major rubber, rice, coffee, cocoa, vegetable, and fruit producing areas lie outside of Monrovia. Rubber is the leading cash crop, with production in 1999 estimated at 35,000 tons. Before the war, six foreign-owned concessions produced over two-thirds of the rubber crop, with Firestone's Harbel plantation as the biggest in the world. Firestone ended its long association with Liberian rubber production with the sale of its interests to the Japanese-owned Bridgestone in 1988.

The principal export crops produced by small farmers are coffee, oil palm nuts, sugarcane, and fruits. Estimated production in 1999 was coffee, 3,000 tons; palm oil, 42,000 tons; and palm kernels, 11,000 tons. Banana production came to 90,000 tons; plantains, 35,000 tons. In 2001, Liberia had an agricultural trade surplus of $14 million.

[23]ANIMAL HUSBANDRY

The limited number of goats and sheep does not supply an adequate amount of protein for the Liberian diet, but poultry farming and marketing of eggs are on the increase; there were an estimated five million chickens in 2001. Experiments in crossing West African and Brahman cattle have not yet produced breeds resistant to the tsetse fly, but the potential remains for developing good beef animals. In 2001, Liberia had an estimated 220,000 goats, 210,000 sheep, 130,000 pigs, and 36,000 cattle.

[24]FISHING

The fishing industry is dominated by the oceangoing trawlers of the Mesurado Fishing Co. The company also maintains a domestic distribution system that supplies a substantial amount of fish to the interior areas of the country. The total Liberian catch in 2000 was estimated at 11,726 tons.

[25]FORESTRY

An estimated 31% of Liberia is covered by forest, its use largely confined to production of lumber for local needs. National forests constitute about 18% of the land area. In 2000, Liberia had 119,000 ha (294,000 acres) of forest plantations. There were five major reforestation areas with a total of 4,260 ha (10,500 acres). About 235 timber species grow in Liberia, of which 90 are potentially marketable, but natural stands of a single species are not common. This fact, plus difficulty of access and lack of practicable means of transportation, has tended to discourage commercial logging operations, despite the known existence of such valuable woods as African mahoganies and red ironwood. A number of foreign companies, mainly from the United States, have been granted concessions. The timber cut in 2000 yielded 5,062,000 cu m (178.7 million cu ft) of roundwood, of which 95% was burned as fuel. Roundwood exports in 2000 totaled 637,000 cu m (22.5 million cu ft) and were valued at $67.5 million.

[26]MINING

In 2001, mineral production in Liberia consisted mainly of artisanal recovery of diamond and gold. Since December 1989, when mining revenues accounted for 22% of GDP, the mining sector has been severely damaged by civil war. By 1991, a single iron ore mine, operated by the Iron Mining Company of Liberia (LIMCO), was one of only a few industrial operations functioning in the entire country. Liberia had significant reserves of moderate-grade iron ore, the country's third-leading export commodity, which could be exploited after the limited reserves near Yekepa and Bong become exhausted. Diamonds comprised the fourth-leading industy and export commodity in 2002. Estimated production of gold in 2001 was 1,000 kg, up from 500 in 1997, during the civil war; and of diamonds, 170,000 carats, down from 300,000 in 1998. In 2001, the country also produced hydraulic cement, clays, gypsum, sand and gravel, and stone. Liberia's undeveloped resources included barite, chromium, kyanite, manganese, nickel, palladium, plantinum, titaniferous sands, and uranium. In 2001, Mano River Resources announced the discovery of its sixth kimberlite pipe in western Liberia since beginning exploration in 2000. The company believed that the artisanal diamond workings in the area, which have yielded a number of high-quality diamonds, were located on top of their newly discovered kimberlite. Manos River continued exploration at its Gondoja, King George-Larjor, and Weaju properties after having made several gold discoveries in 2000; resources at King George-Larjor were estimated to be 4.1 million tons at a grade of 4.6 grams per ton of gold, and those at Weaju, 660,000 tons at a grade of 10.9 grams per ton. In 2000 the UN caledl for an embargo on all diamond exports from Liberia, owing to its potential involvement in civil unrest in Sierra Leone. In 2001, Liberia's president pressed the National Legislature to grant him control over mineral resources via the Strategic Commodities Act. Prior to that, the Ministry of Lands, Mines, and Energy was responsible for the administration of the mining sector. A new Mineral Development Policy and Mining Code outlined five types of mining license—reconnaissance, exploration, Class A (for small-scale alluvial operations, available for Liberians only), Class B (for 5 years), and Class C (for 25 years, requiring a feasibility report). Eastern Liberia was made up of rocks of Birimian age with significant potential for gold. Western Liberia was made up of rocks of Archean age that contained diamond, gold, iron ore, nickel, manganese, palladium, plantinum, and uranium.

[27]ENERGY AND POWER

The capacity of the country's electric generating plants was 330,000 kW in 2001, over half of which belongs to the Liberian Electricity Corp. The Mt. Coffee Hydroelectric Plant, located on the St. Paul River, was the largest single source of electricity in the mid-1980s. Liberia's total production of electricity in 2000 was 450 million kWh, down from 834 million kWh in 1988. Of the 2000 total, 100% came from fossil fuels. Consumption of electricity in 2000 was 418.5 million kWh. Liberia has no domestic petroleum resources. Wood accounts for about 90% of the total energy requirement. The ongoing civil unrest has caused severe fuel distribution problems and shortages.

[28]INDUSTRY

Before the civil war, Liberia's industrial sector was dominated by processing plants associated with its key agricultural outputs: rubber, palm oil, and lumber. The Liberian-owned Mesurado Group manufactured detergent, soap, industrial gas and animal foods. Liberia also produced soft drinks, cement, plastics, shoes, recycled steel, and refined petroleum products. In addition, Liberia's industrial base produced rice and sugar, cookies and candy, candles, foam rubber, hand tools and aluminum parts, umbrellas, and batteries.

Between 1990 and 1996, faction leaders and business accomplices exploited the industrial wealth of the country. Using forced labor and stolen goods and fuel, they engaged in forestry, mining, and rubber production techniques that were environmentally unsound and threatened future industrial capacity. Profits from these enterprises were used to acquire more

munitions. Increased fighting in 2003 further aggravated the poor industrial climate. In 2001, industry accounted for only 10% of GDP, 5% of which was attributed to manufacturing. The 1975 "Liberianization" law protects, the production of rice, gasoline, and cement; and the operation of travel agencies, gas stations, and beer and soft drink distributors; from foreign interference, despite free trade agreements.

Liberia was a leading purveyor of transportation for the world's merchant fleet, but its position has declined rapidly. In 1995, the Liberian fleet consisted of 1,601 vessels with a gross tonnage of 59.4 million tons. This represented a decline of over 55% since 1982, due primarily to civil war, a reduction in oil tanker numbers, competition from other registry states, and opposition to the open registry system itself. The port of Monrovia was not even operational in 1999.

The oil refinery at Monrovia was closed in 1984. No viable oil or natural gas deposits have been discovered, although limited oil exploration has occurred.

[29]SCIENCE AND TECHNOLOGY

Liberia has an agricultural experiment station in Suakoko; a geological, mining, and metallurgical society in Monrovia; and a research laboratory for the Mt. Nimba region, with headquarters in Robertsfield. The University of Liberia, founded in 1862, has colleges of agriculture and forestry, medicine, and science and technology. Cuttington University College, originally founded in 1889, has a science division, and the William V. S. Tubman College of Technology, founded in 1978, offers a three-year associate degree in engineering technology. All three institutions, as well as the Liberian Institute for Biomedical Research founded in 1952, are at Monrovia. Booker Washington Institute offers agricultural and industrial courses.

[30]DOMESTIC TRADE

Before the civil war of 1989-1996, internal trade was carried on mainly by large firms, located in Monrovia, with branches in other principal towns. However, conflict destroyed nearly all businesses and production facilities and most foreign investors left the country. The infrastructure around major cities also suffered. As of 2002, domestic trade and manufacturing was still limited. A small business sector has resumed operations, but primarily through Lebanese and Indian investors. The economy of the nation is highly dependent on revenues from maritime licensing and timber exports. About 70% of the nation's work force is employed in agriculture (200 est.). Among rural peoples, trade is often by barter.

[31]FOREIGN TRADE

Liberia had a history of trade surpluses before the war. Exports in 1998 were led by diamonds, followed by iron ore, rubber, and timber. Imports were led by mineral fuels, chemicals, machinery, transportation equipment, manufactured goods, and rice and other foodstuffs.

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Singapore	331	290	41
Belgium	254	14	240
France	78	807	-729
Spain	53	27	26
Croatia	37	341	-304
United States	24	55	-31
Germany	23	75	-52
Italy	18	1,303	-1,285
Korea	5	1,610	-1,605
Japan	n.a.	1,013	n.a.

[32]BALANCE OF PAYMENTS

Liberia has a chronic payments deficit, with large capital outflows and debt-service payments. Since civil war broke out in 1989, exports of foreign currency-earning raw materials (iron, rubber, timber, diamonds, and gold) have plummeted, and massive emergency aid operations began.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Liberia's exports was $55 million while imports totaled $170 million resulting in a trade deficit of $115 million.

[33]BANKING AND SECURITIES

In 1974, the government established the National Bank of Liberia. It became the exclusive banker and fiscal agent of the government, introduced reserve requirements for commercial banks, and undertook their supervision. Liberia's commercial banks had their main offices in Monrovia. The Liberian Bank for Development and Investment was established in November 1965 to provide additional medium- and long-term financial aid to worthwhile industrial projects. A National Housing and Savings Bank was established in 1972, with priority given to low-cost public housing. An Agricultural and Cooperative Development Bank provided credit to facilitate capital investment in agriculture.

In the 1980s, Liberia was plagued by the outflow and hoarding of US dollars, the only legal notes. The government minted a L$5 coin to restore liquidity, but this action only led to more hoarding of US bills, which traded informally at a premium compared to similarly denominated Liberian coins.

In November 1996, the chairwoman of the ruling Council of State, Ruth Perry, imposed a freeze on all government spending. She said the step was necessary to stabilize state finances and provide for civil service salaries, many of which had not been paid for months. The only bill in circulation in 1999 was the L$5 piece. Banks were only available as a repository for funds, and did not pay interest or make loans. Banks operating in 1999 included the International Trust Company of Liberia, the Liberia Bank for Development and Investment (LBDI), the National Bank of Liberia, the National House and Savings Bank (NHSB), and the Tradevco Bank.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $35.1 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $58.5 million.

[34]INSURANCE

There is no information available on insurance.

[35]PUBLIC FINANCE

Government budgets, roughly in balance up to the mid-1970s, have since run heavily into deficit. Since civil war erupted in 1989, Liberia's fiscal management has collapsed. The country relies heavily on foreign aid, especially from the United States, Japan, the United Kingdom, France, Italy, Germany, China, and Romania. In recent years, Taiwan and Libya have surfaced as the largest direct donors to the Liberian government.

The US Central Intelligence Agency (CIA) estimates that in 2000 Liberia's central government took in revenues of approximately $85.4 million and had expenditures of $90.5 million. Overall, the government registered a deficit of approximately $5.1 million. External debt totaled $2.1 billion.

[36]TAXATION

The Before civil conflict began in Liberia, concession agreements negotiated between foreign interests and the Liberian government

often provided tax exemption or modification for periods of 10, or more years after the start of operations.

A moderately progressive tax on net income earned from Liberian sources by individuals, partnerships, and corporations was the largest source of government revenue. Net income was taxed at rates ranging from 11% to a maximum of 65% on income over $99,000. Corporate tax rates ranged from 20% to 34% of taxable income with marginal rates of up to 50%.

An additional national reconstruction tax of up to 8% on income over $1,000, was imposed in 1981, and was still in effect in 1991. Also levied were a sales tax of 0.5%-2%, inheritance and gift taxes, and social security payroll taxes. In 2003, the violent chaos into which the society had descended while waiting on the international community to send aid made most questions about the tax regime irrelevant. In recent history, Liberia's wealth has been smuggled out, not taxed. In 1999, for instance, imports were improbably over three times reported exports, a sign that not all exports were being reported. Of the $60 million in tax revenue collected in 1999, only 22.4% came from income taxes on corporations and individuals. Sales taxes accounted for another 16%. The main sources of tax revenue have been import duties (almost 30%) and fees paid to Liberia's "flags of convenience" maritime registry. (more than 23%).

[37]CUSTOMS AND DUTIES

Imports are subject to tariff duties, ranging between 2.5% and 25%, which constitute a major source of government income. Import duties are specific (based on weight) for some commodities, ad valorem (based on cost, insurance, and freight value) for others. Specific duties apply to foodstuffs, beverages, petroleum products, and certain rubber and textile products. All exports and some imports require licenses. Customs duties are 25% on luxury items such as alcoholic beverages, apparel, cosmetics, electronics, jewelry, and tobacco.

Goods may be landed, stored, sorted, manufactured, repacked, re-forwarded, or transshipped within the area of the Free Port of Monrovia without payment of customs duties, but the port was closed as of 1999.

[38]FOREIGN INVESTMENT

Liberia has historically maintained an "open door" policy toward foreign investment, but since 1989 this policy has given way to the protectionist practices of the government. It has allowed a limited period of exemption from certain types of taxes and permits an unrestricted flow of dividend payments, but only in certain sectors. A 1975 "Liberalization" Law prohibits foreign ownership in many small and medium operations (such as travel agencies, gas stations, beer and soft drink distributors) and mandates the employment of Liberians at all levels. The law is often ignored but can also be invoked at any time.

In 1989, interest on long-term debt stood at 105% of exports. Attempts to bring financial stability to the economy failed dramatically in the early 1990s with the failure of the US-sponsored oversight mission and the breakdown in relations between Liberia and the IMF. Liberia plunged into a civil war from 1990 to 1997, which besides causing upwards of 150,000 deaths and displacing hundreds of thousands, destroyed the country's infrastructure. The end of the fighting, with Charles Taylor's accession to power as the only way to deter his followers from further destruction, brought little relief since his administration has not fulfilled promises to fix what they had "broke." Professions of adherence to principles of free trade and an open door to foreign investment have also rung hollow as the state has established monopolies in rice growing, gasoline distribution, cement import, and cement production. The free port at Monrovia has continued to operate, but stevedore services have been monopolized by the National Port Authority, canceling the contracts of seven other companies. Corruption reaches to the highest levels.

Most of Liberia's principal enterprises were foreign owned before the civil war, with US investment—about $300 million in 1987—foremost. Substantial investments were also made by the British, French, Swedish, Israelis, Swiss, Dutch, Italians, and Lebanese. After the civil war, some US companies resumed (Firestone) or began operations (some gold mining companies). However, most investors have been deterred by the regime's failure to meet IMF targets, pervasive corruption, arbitrary administration, and the reemergence of violent rebellion.

In 1997 and 1998, foreign direct investment (FDI) inflow averaged $15.5 million a year. From 1999 to 2001, average FDI inflow was $11.3 million

[39]ECONOMIC DEVELOPMENT

The civil war and international financial obligations dim the prospects of economic development. While refugee resettlement looms as an early postwar priority, future economic development depends on reestablishing international confidence in Liberia's financial management.

Liberia formed the Mano River Union (MRU) with Guinea and Sierra Leone, to promote development and regional economic integration. Although the civil war caused the MRU to become all but defunct, in 2002 discussions on reviving the MRU took place. Foreign assistance to Liberia has declined, but Taiwan and Libya remain the largest donors of direct financial aid to the country. Western countries avoid direct aid to the government by sending assistance through international aid agencies and non-governmental organizations (NGOs). In 2003, the International Monetary Fund (IMF) suspended Liberia's voting rights in the Fund. As of February 2003, Liberia's arrears to the IMF amounted to $685 million.

[40]SOCIAL DEVELOPMENT

Before the civil war, welfare activities carried out by the Ministry of Health and Social Welfare; by US medical, economic, and agricultural missions (concentrated in AID); and by Christian missions. The Liberian Red Cross was active in child care and welfare, as were the Antoinette Tubman Welfare Foundation and the Catherine Mills Rehabilitation Center. In 1976, the National Social Security and Welfare Corp. was established to administer pensions, sickness benefits, worker's compensation, and welfare funds. However, social services were severely disrupted by Liberia's seven-year civil war, and information on the current state of social programs is unavailable.

Women and children were not spared by the civil war. Massacres of civilians were carried out by all major fighting factions. It has also been estimated that about 10% of combatants were young children under the age of 15. Many children were wounded, killed, orphaned, or abandoned.

Women participate in politics, and several women hold senior positions in government. Rural women remain largely subordinate in both public and private life. Women married under civil law have inheritance and property rights, but women married under tribal laws are considered property of their husbands. Domestic violence is widespread, and abused women have no recourse. Female genital mutilation is practiced by some ethnic groups.

Ethnic discrimination is explicitly prohibited by law. Despite this provision, citizenship is legally available only to blacks. Only citizens can own land, and non-citizens are restricted from owning certain types of businesses. The government had a poor human rights record, which includes disappearances, and beatings and torture by security forces.

[41]HEALTH

Liberia has one of Africa's highest fertility rates; in 2000 it averaged six children for every woman surviving through her childbearing years. Average life expectancy was 47 years in 2000. As of 1999, there were an estimated 0.1 physicians and 1.6 hospital beds per 1,000 people. From 1985–95, only about 39% of the population had access to health care services. Few Liberians had access to safe water (40%) and sanitation (24%) in 1994. More recent figures are unavailable.

Programs such as the Combating Childhood Communicable Diseases Program are credited with reducing mortality rates for children five and under. The infant mortality rate was 111 per 1,000 live births in 2000. The maternal mortality rate was 560 deaths per 100,000 live births in 1990. Contraceptive use is low. The level of measles immunization has dropped by 11% in the last few years from 55% in 1988 to 44% in 1994 (the most recent year for which figures are available). From 1990 to 1994, children up to one year were vaccinated against tuberculosis, 84%; diphtheria, pertussis and tetanus, 43%; and polio, 45%.

The general mortality rate in 2002 was an estimated 16 per 1,000 people. The Liberian staple diet of rice or cassava (manioc) is deficient in protein and children in particular suffer because of this. The major causes of death are malaria and gastrointestinal disease, attributable in part to poor sanitation. Between 1990 and 1992, there were approximately 20,000 war-related deaths. As of 2001, the number of people living with HIV/AIDS was estimated at 125,000 and deaths from AIDS that year were estimated at 13,000. HIV prevalence in 1999 was 2.8 per 100 adults.

Nearly 900,000 women, or 60% of the female population, suffer female genital mutation. Although the Liberian government has published policy opposing female genital mutation, no law currently prohibits its use.

[42]HOUSING

Many of the older corrugated-iron structures in Monrovia have been replaced with more modern dwellings, and houses of advanced design have been privately built to accommodate the growing urban population. During the 1980s (the latest period for which housing data is available), the number of dwellings more than doubled, from 216,206 in 1981 to 500,000 as of 1988, with 4.8 people per dwelling.

The 1998–2000 National Reconstuction Program placed housing issues as a priority for government consideration. This was expected to be followed by the formulation of a five-year plan (2001–2005) which would also focus on reconstruction and new construction of adequate housing.

The typical dwelling of the tribal people in the Liberian interior is the rondavel, a circular, one-room mud-and-wattle thatch-roofed hut, windowless and with a single low door. These rondavels are being replaced by large rectangular huts, also of mud and wattle, subdivided into two or more rooms and equipped with windows.

[43]EDUCATION

Although education is compulsory from ages 6 to 16, probably fewer than half of all children aged 6–18 are in school. As of 1999, 83% of primary-school-age children were enrolled in school, while only 20% of those eligible attended secondary school. In the same year, the pupil-teacher ratio at the primary level was 36 to 1. Projected adult illiteracy rates for the year 2000 stand at 46.6% (males, 30.1%; females, 63.2%). The largest secondary school is the Booker Washington Institute, a vocational school located at Kakata, with about 1,500 students.

There are three institutions of higher learning: the government-operated University of Liberia in Monrovia (established in 1862); Cuttington University College at Monrovia, an Episcopalian institution; and a three-year engineering school, the William V. S. Tubman College of Technology, founded at Monrovia in 1978.

On average, 11% of the government's total annual budget is allocated to education.

[44]LIBRARIES AND MUSEUMS

The government maintains a central public library in Monrovia, with 15,000 volumes. UNESCO also operates a library in Monrovia, and the Liberian Information Service has a research library in the same city. The University of Liberia's library contained 108,000 volumes and the Cuttington University College library formerly held 92,000 volumes, but their contents was subjected to looting during the civil war of the 1990s. The National Museum of Liberia is housed in the renovated Supreme Court building in Monrovia, and the Tubman Center of African Cultures is located in Robertsport. Other museums include the National Cultural Center in Cape Mount, the Africana Museum at Monrovia, the W. V. S. Tubman Library-Museum at Harper, and the Natural History Museum at the University of Liberia.

[45]MEDIA

In 2000, there were about 6,700 mainline telephones in use, primarily in Monrovia. The first (and so far only) national television station was opened early in 1964; although government owned, it is partly commercial. As of 2001, there were 7 FM radio stations. In 2000, there were 274 radios and 25 television sets for every 1,000 people. Internet access has been extremely limited, with two service providers serving 500 users in 2000.

Many existing newspapers and magazines ceased publication when the Doe regime was overthrown in 1990. Afterward, a number of new ones were begun. As of 2002, there were at least six daily newspapers, including: *The Daily Observer* (circulation 30,000) and *Liberian Age* (4,000). *The New Liberian,* published daily except Wednesday, is the official government newspaper.

Freedom of speech and the press are provided for in the constitution, and at present the government is said to generally respect these rights in practice. However, years of civil strife have destroyed many facilities and disrupted all media in Liberia; many have failed to resume publication or broadcasting. A restrictive Media Law, instituted during the Doe regime, remains in force and provides the government with wide powers for licensing and regulating the media.

[46]ORGANIZATIONS

Civic groups in Monrovia include the YMCA and YWCA, the Antoinette Tubman Children's Welfare Foundation, the Liberia Evangelistic Women Workers, the Red Cross, Boy Scouts, and Girl Guides. The Liberia Chamber of Commerce has its headquarters in Monrovia. Numerous secret societies are found among all the ethnic groups. Cultural groups include the Society of Liberian Authors, Liberian Arts and Crafts Association, and Liberian Research Association.

[47]TOURISM, TRAVEL, AND RECREATION

Continued civil unrest has had an adverse effect on tourism. Visitors must obtain a visa, and cholera, tetanus, and yellow fever vaccinations are required. Several hotels in or near Monrovia are suitable for tourists, and although there are few hotels in the interior, several missionary organizations accommodate visitors.

In 2002 the US government estimated the cost of staying in Monrovia at $184 per day.

[48]FAMOUS LIBERIANS

Joseph Jenkins Roberts (1809–76), who was governor under the Colonization Society at the time the republic was established, became its first and later its sixth president (1848–56, 1872–76) and gained the respect of the European colonial powers by his able exposition of Liberia's rights as a free and independent

nation. The national heroine is Matilda Newport, who helped to repel an attack on the first struggling settlement. Among white Americans who went to Liberia to assist the early black settlers were Jehudi Ashmun (1794–1828) and Ralph Randolph Gurley (1797–1872), who together reorganized the colonists in 1824. William Vacanarat Shadrach Tubman (1895–1971) was president of Liberia from 1944 until 1971. Angie E. Brooks-Randolph (b.1928) served as president of the 1969/70 UN General Assembly. William Richard Tolbert, Jr. (1913–80) succeeded Tubman as president. He was killed in the 1980 coup led by Samuel Kanyon Doe (1950–90), who subsequently assumed the titles of commander in chief of the armed forces and chairman of the PRC. Doe was in turn tortured and killed in 1990 by rebels loyal to Charles G. Taylor (b. 1948), the leader of the faction that gained control during the civil war.

49 DEPENDENCIES

Liberia has no territories or colonies.

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LIBYA

Socialist People's Libyan Arab Jamahiriya
Al-Jamahiriyah al-'Arabiyah al-Libiyah ash-Sha'biyah al-Ishtirakiyah

CAPITAL: Tripoli (Tarabulus)

FLAG: The national flag is plain green.

ANTHEM: *Almighty God.*

MONETARY UNIT: The Libyan dinar (LD) of 1,000 dirhams is a paper currency. There are coins of 1, 5, 10, 20, 50, and 100 dirhams, and notes of ¼, ½, 1, 5, and 10 dinars. LD1 = $0.8333 (or $1 = LD1.2) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard, but some local weights and measures are used.

HOLIDAYS: UK Evacuation Day, 28 March; US Evacuation Day, 11 June; Anniversary of the Revolution, 1 September; Constitution Day, 7 October. Muslim religious holidays include 'Id al-Fitr, 'Id al-'Adha', the 1st of Muharram, and Milad an-Nabi.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the coast of North Africa, Libya is the fourth-largest country on the continent, with an area of 1,759,540 sq km (679,362 sq mi), extending 1,989 km (1,236 mi) SE–NW and 1,502 km (933 mi) NE–SW. Comparatively, the area occupied by Libya is slightly larger than the state of Alaska. It is bounded on the N by the Mediterranean Sea, on the E by Egypt, on the SE by the Sudan, on the S by Chad and Niger, on the W by Algeria, and on the NW by Tunisia, with a total land boundary length of 4,348 km (2,702 mi) and a coastline of 1,770 km (1,100 mi). The Aozou Strip (114,000 sq km/44,000 sq mi) in northern Chad was claimed and had been occupied by Libya since 1973; in a judgment of 3 February 1994, the UN International Court of Justice returned the Aozou strip to Chad. Monitored by an observer force deployed by the UN Security Council, Libyan forces withdrew on 31 May 1994. However, Chadian rebels from the Aozou still reside in Libya. Libya also claims about 19,400 sq km (7,490 sq mi) of Nigerian territory.

Libya's capital city, Tripoli, is located on the Mediterranean coast.

[2]TOPOGRAPHY

Libya forms part of the North African plateau extending from the Atlantic Ocean to the Red Sea. The highest point is Bikku Bitti, or Bette Peak, a 2,267-m (7,438-ft) peak in the extreme south. The chief geographical areas are Tripolitania, Cyrenaica, the Sirte Desert, and Fezzan. Tripolitania, in the northwest, consists of a series of terraces rising slowly from sea level along the coastal plain of Al-Jifara to a sharp escarpment. At the top of this escarpment is an upland plateau of sand, scrub, and scattered masses of stone, with elevations of up to 1,000 m (3,300 ft). Farther south are depressions extending from east to west. Here are found many oases and artesian wells.

The Sirte Desert is a barren area along the Gulf of Sidra separating Tripolitania and Cyrenaica. An upland plateau rising to about 600 m (2,000 ft) gives a rugged coastline to Cyrenaica. This plateau, the Jabal Akhdar, contains three of Libya's leading cities—Banghazi (or Benghazi), Al-Bayda, and Darnah. Farther south the desert is studded with oases such as Jalu and Jaghbub. The Fezzan, in the southwest, is largely a series of depressions with occasional oases. There are no perennial rivers in the country.

[3]CLIMATE

The climate has marked seasonal variations influenced by both the Mediterranean Sea and the desert. Along the Tripolitanian coast, summer temperatures reach between 40 and 46°C (104–115°F); farther south, temperatures are even higher. Summers in the north of Cyrenaica range from 27 to 32°C (81–90°F). In Tobruk (Tubruq), the average January temperature is 13°C (55°F); July, 26°C (79°F). The ghibli, a hot, dry desert wind, can change temperatures by 17–22°C (30–40°F) in both summer and winter.

Rainfall varies from region to region. Rain falls generally in a short winter period and frequently causes floods. Evaporation is high, and severe droughts are common. The Jabal Akhdar region of Cyrenaica receives a yearly average of 40 to 60 cm (16–24 in). Other regions have less than 20 cm (8 in), and the Sahara has less than 5 cm (2 in) a year.

[4]FLORA AND FAUNA

The primary plant is the deadly carrot (*Thapsia garganica*). Other flora are various cultivated fruit trees, date palms, junipers, and mastic trees. In 1986 there were approximately 3 million productive date palm trees and 3.4 million olive trees. Goats and cattle are found in the extreme north. In the south, sheep and camels are numerous.

[5]ENVIRONMENT

A major environmental concern is the depletion of underground water as a result of overuse in agricultural developments, causing salinity and sea-water penetration into the coastal aquifers. The Great Manmade River Project, currently under development to transport water from large aquifers under the Sahara Desert to coastal cities, is the world's most extensive water supply project. Another significant environmental problem in Libya is water

pollution. The combined impact of sewage, oil byproducts, and industrial waste threatens the nation's coast and the Mediterranean Sea generally. Libya has 0.8 cu km of renewable water resources with 87% used in farming activity and 4% for industrial purposes. Only about 68% of the people living in rural areas have pure drinking water. The nation's cities produce about 0.6 million tons of solid waste per year. The desertification of existing fertile areas is being combated by the planting of trees as windbreaks. As of 2001, 11 of Libya's mammal species and 2 of its bird species were endangered. About 41 of its plant species were also endangered. Endangered species in Libya include the Mediterranean monk seal, the leopard, and the slender-horned gazelle. The Bubal hartebeest and Sahara oryx are extinct.

[6]POPULATION

The population of Libya in 2003 was estimated by the United Nations at 5,551,000, which placed it as number 103 in population among the 193 nations of the world. In that year approximately 4% of the population was over 65 years of age, with another 36% of the population under 15 years of age. There were 107 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.93%, with the projected population for the year 2015 at 6,886,000. The population density in 2002 averaged 3 per sq km (8 per sq mi), but 90% of Libya's inhabitants live in the narrow coastal regions of Cyrenaica and Tripolitania.

Urbanization has increased rapidly in recent years; it was estimated by the Population Reference Bureau that 88% of the population lived in urban areas in 2001. The capital city, Tripoli, had a population of 1,773,000 in that year. Banghazi, another chief city, had an estimated population of 1,154,000. According to the United Nations, the urban population growth rate for 2000–2005 was 2.6%.

[7]MIGRATION

The number of Italians was as high as 70,000 during the period of colonial rule. In 1964 there were 30,000. Most left after their land and property were nationalized in 1970. There were 30,000 Jews in Libya in 1948, but because of the Arab-Israeli conflict the community had virtually disappeared by 1973.

In 1984 there were officially 263,100 non-Libyans in the country, of whom more than 40% were Egyptians and 15% were Tunisians. The remainder came from a variety of other countries in Africa, the Mideast, and elsewhere. This figure was less than half the 569,000 foreigners in 1983, before new restrictions were placed on remittances abroad. In 1992, the foreign population was estimated at 2 million, half of them Egyptian, and 600,000 from South Korea, the Philippines, Thailand, and Vietnam. This higher figure probably reflects illegal immigration. About 100,000 Libyans were in exile in the mid-1980s.

The nomadic inhabitants of Libya follow regular patterns of migration; nomadic tribes in the south normally ignore international frontiers. Since the discovery of oil there has been significant internal migration from rural to urban regions.

In 2000 there were 570,000 migrants living in Libya, including 11,500 refugees. In that year, the net migration rate was -0.4 per 1,000 population. The government views the immigration level as too high, but the emigration level as satisfactory.

[8]ETHNIC GROUPS

For thousands of years the inhabitants of Libya were Berbers. Arabs started arriving in the 7th century AD, displacing or assimilating their Berber predecessors. In 1998, 97% of the total population was comprised of Berbers and Arabs. The remaining 3% was made up of Greeks, Maltese, Italians, Egyptians, Pakistanis, Turks, Indians, and Tunisians.

[9]LANGUAGES

Arabic is the official language; since 1969, its use in daily life, even by foreigners, has been encouraged by government decree. English, which is also used in some government publications, has replaced Italian as the second language; however, Italian is still widely understood. Berber is spoken by small communities, especially in Tripolitania. Native speakers constitute about 5% of the population.

[10]RELIGIONS

Under the constitution, Islam is Libya's official religion and the government publicly supports a preference for a moderate practice of Islam. About 97% of the people are Sunni Muslim. In an effort to eliminate alternative political power bases, the government banned the once powerful Sanusiyya Islamic order. Libyan leader Colonel Mu'ammar Al-Qadhafi then established the Islamic Call Society, which is the Islamic arm of the government's foreign policy. The ICS's main goal was to promote a moderate form of Islam, reflecting the views of the government. In 1992, the government stated its intention to disband the ICS, however, reports indicate that some elements of the organization are still in effect.

Though other religions are generally tolerated, the government places a number of restrictions which essentially limit the practice of non-Muslim faiths. For example, there is a government imposed limit of one church per denomination per city and there are no known places of worship for the small number of Hindus, Baha'is and Buddhists within the country. Members of non-Muslim faiths are, however, free to worship within their own homes. There are about 50,000 Christians in the country, of whom the majority are Roman Catholics. In 1997 the Vatican established diplomatic relations with Libya, stating that Libya had taken steps to protect freedom of religion. Other denominations include Anglican and Coptic and Greek Orthodox. There is also a very small Jewish community.

[11]TRANSPORTATION

Transportation varies from dirt tracks suitable for camels and donkeys to a coastal highway extending for 1,822 km (1,132 mi) between the Tunisian and Egyptian borders. At the end of 1968, this highway was connected with a north-south road to Sabha; further extensions to Marzuq and Ghat were later completed, as well as a spur to Birak. In 1973, a 350-km (217-mi) road between Nalut and Ghadamis was completed. Roads also connect the Cyrenaica coastal centers with the interior. In all, there were an estimated 24,484 km (15,214 mi) of roads in 2002, of which 6,798 km (4,224 mi) were paved. In 2000, there were 424,100 private cars and 179,400 commercial vehicles registered in the country. Libya's two railway lines were closed down in the mid-1960s. All previous systems have been dismantled, and plans for new construction have shown little progress.

The main ports are Tripoli, Banghazi, Qasr Ahmad (the port for Misratah), and Tobruk. Crude oil export terminals include Port Brega (Marsa al-Burayqah) and Ras Lanuf. Since 1973, Tripoli's harbor has been developed considerably. As of 2002, Libya's merchant fleet had 23 vessels totaling 209,000 GRT.

In 2001, there were an estimated 136 airports, of which 58 had paved runways. Libya's two international airports are Tripoli Airport (34 km/21 mi south of Tripoli) and Benina Airport (19 km/12 mi from Banghazi). In 1968, a new airport at Sabha in the Fezzan was opened. Libyan Arab Airlines, established in 1965, operates to neighboring Arab countries, central and southern Africa, and Europe. Many major world airlines serve Libya. There is also regular domestic service, with airports at Tobruk, Port Brega, Ghat, Ghadamis, Misratah, and Al-Bayda. In 2001, 582,700 passengers were carried on scheduled domestic and international flights.

LOCATION: 19°30′ to 33°N; 9°30′ to 25°E. BOUNDARY LENGTHS: Mediterranean coastline, 1,770 kilometers (1,100 miles); Egypt, 1,115 kilometers (693 miles); Sudan, 383 kilometers (238 miles); Chad, 1,054 kilometers (655 miles); Niger, 354 kilometers (220 miles); Algeria, 982 kilometers (610 miles); Tunisia, 459 kilometers (285 miles). TERRITORIAL SEA LIMIT: 12 miles, but all of the Gulf of Sidra south of 32°30′ is claimed.

12 HISTORY

Archaeological evidence indicates that a Neolithic culture, skilled in the domestication of cattle and the cultivation of crops, existed as far back as 6000 BC along the Libyan coast. To the south, in what is now the Sahara, hunters and herdsmen roamed what was then a well-watered savanna. Increasing desiccation and the coming of the Berbers about 2000 BC presumably from southwestern Asia, ended this period. The pharaohs of the so-

called Libyan dynasties who ruled Egypt (c.950–720 BC) are thought to have been Berbers. Phoenician seafarers, who arrived early in the first millennium BC, founded settlements along the coast, including one that became Tripoli.

Around the 7th century BC, Greek colonists settled in Cyrenaica. In succeeding centuries, the western settlements fell under the sway of Carthage; the eastern settlements fell to the Egyptian dynasty of the Ptolemies in the 4th century BC. When the Romans defeated Carthage in the Punic Wars of the 3 and 2nd centuries BC, they occupied the regions around Tripoli. In 96 BC, they forced Egypt to surrender Cyrenaica, and Roman influence later extended as far south as the Fezzan. Libya became very prosperous under Roman rule; with the decline of Rome, western Libya fell in the 5th century AD to Germanic Vandal invaders, who ruled from Carthage. In the 6th century, the Byzantines conquered the Vandals and ruled the coastal regions of Libya until the Arab conquest of the 7th century. The Arabs intermixed with the Berbers, who were gradually absorbed into the Muslim Arab culture.

Western Libya was administered by the Aghlabids of Tunisia in the 9th century, and by the Fatimids of Tunisia and then Egypt in the 10th. During the 11th century, invasions by two nomadic Arab peoples, the Banu Hilal and Banu Sulaym, destroyed many of the urban and agricultural areas. Normans from Sicily occupied Tripoli and surrounding regions in 1145 but were soon displaced by the Almohads of Morocco; during the 13th century, the Hafsids of Tunisia ruled western Libya. The eastern regions remained subject to Egyptian dynasties. In the 16th century, Spanish invaders seized parts of the coast, turning over control of Tripoli to the crusading Knights of the Order of St. John of Jerusalem. The Ottoman Turks occupied the coastal regions in 1551, ruling the country until 1711, when Ahmad Qaramanli, of Turkish origin, wrested semiautonomous status from Istanbul. Pirate captains, operating out of Tripoli, raided the Mediterranean and the Italian coasts. The Qaramanlis ruled until 1835, when the Ottomans again assumed control.

In September 1911, the Italians invaded Libya, meeting fierce resistance from both Turks and indigenous Libyans. A peace treaty of 17 October 1912 between Turkey and Italy placed Libya formally under Italian rule, but the Libyans continued their resistance. Led by a Muslim religious brotherhood, the Sanusi, the Libyans (with some Turkish help) fought the Italians to a standstill during World War I. Following the war, and particularly after the accession of Benito Mussolini to power in Italy, the Italians continued their often-brutal efforts to conquer Libya. In 1931, 'Umar al-Mukhtar, a leader of the Sanusi, was captured and executed, and in 1932 the Italian conquest was completed. In World War II, Libya became a main battleground for Allied and Axis forces, until it was occupied by victorious British and Free French troops. The Treaty of 1947 between Italy and the Allies ended Italian rule in Libya and, when the Allies could not decide upon the country's future, Libya's fate was left to the UN. On 21 November 1949, the UN General Assembly voted that Libya should become an independent state. On 24 December 1951, Libya gained independence, with Muhammad Idris al-Mahdi as-Sanusi as king. In 1959 significant oil discoveries were made.

On 1 September 1969, a secret army organization, the Free Unionist Officers, deposed the king and proclaimed a republican regime. On 8 September, the Revolutionary Command Council (RCC) announced the formation of a civilian government. This government resigned on 16 January 1970, and a new cabinet was formed under Col. Mu'ammar al-Qadhafi, chairman of the RCC. Later that year, the UK and the United States closed their military installations. On 15 April 1973, Qadhafi called for a "cultural revolution" based on Islamic principles. In subsequent months, hundreds of "people's committees" were established to oversee all sectors of the nation's political, cultural, and economic life. In April 1974, Qadhafi withdrew from the supervision of daily administrative functions (these were assumed by Maj. Abdul Salam Jallud), but he remained the effective head of state of Libya.

Qadhafi sought to make Libya the axis of a unified Arab nation. Union was achieved with Egypt, Tunisia, Morocco, Syria, and Sudan at various times, but only on paper. Subsequent relations with the many Arab nations, including Egypt and Tunisia, have often been tense. Libya itself, despite rhetorical support for radical Palestinians, has stayed on the sidelines in Arab-Israeli conflicts.

Qadhafi has been equally active in Africa. In 1973, he annexed from Chad the disputed Aouzou Strip, an area that may contain rich deposits of uranium. In 1979, his armed forces tried unsuccessfully to prop up the failing regime of Idi Amin in Uganda. Libya sent over 10,000 troops into Chad in 1980 in support of the regime of Goukouni Oueddei, and a union of the two nations was proposed. Intense international pressure, however, led to a Libyan withdrawal in November 1981. After the fall of Oueddei's regime in June 1982, Qadhafi provided military support for Oueddei's efforts to topple the new French-backed government in Chad. Libya's and Oueddei's forces were in control of much of northern Chad until 1987, when Chadian forces ousted them, capturing or destroying $1 billion in Libyan military equipment, and attacking bases inside Libya itself. In 1989, after acknowledging his error in moving into Chad, Qadhafi agreed to a cease-fire and the submission of the dispute over the Aouzou Strip to the Court of International Justice. The Court settled the dispute in Chad's favor in 1994.

Qadhafi has been accused of supporting subversive plots in such countries as Morocco, Niger, Sudan, Egypt, Tunisia, Ghana, Burkina Faso, Nigeria, Gambia, Somalia, Senegal, and Mali and of providing material support for a variety of insurgents, including the Irish Republican Army, Muslim rebels in the Philippines, and Japanese and German terrorists. Qadhafi did find some support in small, poor black African countries, eager for Libyan aid. In 1982, however, he suffered a setback when the annual OAU summit scheduled for Tripoli failed to convene because of disputes over Libya's policies in Chad and its support of Polisario guerrillas in Western Sahara. As a result, Qadhafi was denied his term as OAU chairman. In contrast, in February 1997 in a deliberate jab at the UN Security Council's sanctions against Libya over the Lockerbie bombing affair, the OAU Ministerial Council met in Tripoli, the first time this meeting had been convened outside of its headquarters in Addis Ababa, Ethiopia.

In 1981, two Libyan jets were shot down by US fighters over the Gulf of Sidra, an arm of the Mediterranean claimed by Qadhafi as Libya's territorial waters. In 1982, the United States, charging Qadhafi with supporting international terrorism, banned oil imports from Libya and the export of US technology to Libya. In January 1986, the United States, citing "irrefutable evidence" of Libyan involvement in Palestinian attacks on airports in Rome and Vienna in the previous month, ordered all Americans to leave Libya and cut off all economic ties as of mid-1986. In March, a US naval task force struck four Libyan vessels after US planes entering airspace over the Libyan-claimed Gulf of Sidra were fired upon. On 15 April, following a West Berlin bomb attack in which US servicemen were victims, US warplanes bombed targets in Tripoli and Banghazi. Libya said that Qadhafi's daughter was killed and two of his sons were wounded in the attack. Qadhafi has survived several reported assassination and coup attempts in the 1980s and 1990s as well as the opposition of Islamist groups, which prompted him to crack down on militants in 1993.

Qadhafi's most serious challenge has been the tough sanctions imposed since 1992 and 1993 on Libya by the UN Security Council after he refused to surrender two men suspected in the terrorist bombing of a Pan American passenger jet over

Lockerbie, Scotland, in 1988. The UN resolutions (nos. 731 and 883) prohibit sales of equipment and air travel to Libya and freeze its overseas bank deposits but significantly, do not ban sales of petroleum products. Throughout the period of the sanctions the United States repeatedly attempted to persuade the UN to impose an oil embargo against Libya, but it was not successful. After numerous pleas to the UN by Arab and African countries and organizations to the UN Security Council to lift the sanctions, and numerous rounds of negotiations, in August 1998 Qadhafi agreed to eventually hand over the two Libyan suspects in the Lockerbie bombing for trial in the Netherlands before Scottish judges. The suspects were transferred to the Netherlands in April 1999. This decision has led to an easing of tensions, with a suspension of the UN sanctions (although they were not lifted) and Britain resuming full diplomatic relations in July 1999. The United States, however, remained committed to the branding of Libya as a supporter of international terrorism and therefore a pariah state. In January 2001, the Scottish court in the Netherlands found one of the two Libyan defendants guilty of involvement in the Lockerbie bombing, and sentenced him to life imprisonment. The other Libyan was found not guilty. US President Bush stated sanctions would remain in place not only until Libya compensated for the bombing of the aircraft, but also until Libya admits guilt and expresses remorse for the act. In mid-2002, Libya stated that it was ready, in principle, to pay families of the victims of the bombing compensation in the amount of US$2.7 billion (US$10 million per each of the 270 victims).

In early September 1995, Libya began deporting thousands of Arab workers, primarily Palestinian, Sudanese, and Egyptian. In a speech on 1 September 1995, Qadhafi stated that foreigners (including some 30,000 Palestinians) were being expelled in order to create jobs for Libyans, although the move was widely interpreted as punishment of the PLO for holding peace talks with Israel. Qadhafi stated that many of those being deported were Islamic militant "infiltrators" posing as migrant workers. On 6 and 7 September, at least 30 people were killed in Benghazi when armed Islamic militants battled Libyan security forces during a roundup of workers for deportation. By 11 September, 7,000 Egyptians had been expelled, and thousands of Palestinians were stranded either at sea or at the border with Egypt. The deportations continued into October, when 650 Palestinians were stranded aboard a ferry off the coast of Cyprus, and 850 were still camped on the Egyptian border.

In March 1996, as many as 400 prisoners—many of them government opponents and Islamic militants—broke out of a prison near Benghazi. The ensuing clash with Libyan troops was viewed by many observers as an indication of significant antigovernment feeling in eastern Libya. The growth of the Islamist movement in Libya is cause for concern in the region and for Qadhafi's maintenance in power.

In April 1995, April 1996, and March 1997, thousands of Libyan pilgrims flew from Tripoli to Mecca, Saudi Arabia, for the annual Islamic hajj (religious pilgrimage). Most traveled aboard UN-approved Egypt Air flights, but some flew on Libyan Arab Airlines in defiance of UN sanctions. Also in defiance of the ban, Libyan aircraft transported Qadhafi to and from Cairo in June 1996.

In May 2001, Libya sent troops into the Central African Republic to aid President Ange-Félix Patassé and his supporters try to regain power after a failed coup attempt. It withdrew its troops in December 2002; Qadhafi stated the mission of restoring peace and stability to the country had been achieved. That month, Libya denied allegations put forward by the Democratic Republic of the Congo (DRC) that it was sending troops and equipment into Congolese territory along the border with the Central African Republic. On 13 December, the DRC government wrote the UN Security Council to condemn Libya's actions and to demand an immediate withdrawal of Libyan troops from its territory. The DRC accused Libya of aiding the Movement for the Liberation of the Congo (MLC), a rebel group.

Although Libya and the United States stated in January 2002 that they held talks with one another to improve relations after years of hostility, in January 2003 the United States renewed its economic sanctions against Libya. At an Arab League summit held in March 2003 to address the issue of a possible war in Iraq over its non-compliance with UN Security Council Resolution 1441, that called upon the country to disarm itself of weapons of mass destruction, Qadhafi threatened to pull his country out of the Arab League after he was insulted by Saudi Arabian Crown Prince Abdullah. Qadhafi accused Saudi Arabia of being ready to "strike an alliance with the devil," meaning the United States, to shield itself from Iraq. Qadhafi has long called for reforms in the Arab League, including the creation of a single Arab currency, the forging of closer ties between the Arab League and the African Union, and the use of Arab military force against Israel if it does not agree to the "complete return of the Palestinians to their land." When threatening to pull out of the Arab League, Qadhafi indicated that Libya was "above all an African country," and that the African Union would be a sufficient enough organization for Libya to belong to.

In January 2003, Libya was elected by secret ballot to head the UN Commission on Human Rights. The votes were 33 in favor, 3 opposed, and 17 abstentions.

13 GOVERNMENT

The Libyan Arab Republic was established on 1 September 1969, and a new constitution was announced by the Revolutionary Command Council (RCC) on 11 December 1969. The constitution, which has been effectively superseded by the principles of Qadhafi's "Green Book," proclaimed Libya to be "an Arab, democratic, and free Republic which constitutes part of the Arab nation and whose objective is comprehensive Arab unity." Supreme authority rested with the 12-member RCC, which appointed both the prime minister and cabinet. Qadhafi, as chairman of the RCC, was the effective head of state and commander in chief of the armed forces. In March 1977, the nation's name was changed to the Socialist People's Libyan Arab Jamahiriya, and the "authority of the people" was proclaimed by a newly convened General People's Congress (GPC). The people theoretically exercise their authority through a system of people's congresses and committees. At the top of this system is the 760-member GPC, which replaced the RCC as the supreme instrument of government. All executive and legislative authority is vested in the GPC, but it meets for only two weeks a year and delegates most of its authority to its own Secretariat and to the General People's Committee, in effect the cabinet, which is appointed by the Secretariat. GPC members serve 3-year terms. Voting for local people's congresses, whose elected members select members of the GPC, is mandatory for those over 18. In 1979, Qadhafi gave up his official post as secretary-general of the GPC to become a "private citizen." As "Leader of the Revolution," however, he remains the de facto head of state. He also remains the commander of the armed forces and virtually all power is concentrated in him and his close advisers. In 1988, public discontent with shortages led Qadhafi to limit the authority of revolutionary committees, release many political prisoners, and remove restrictions on foreign travel and private enterprise.

In the 1990s Qadhafi saw his regime challenged by discontented military personnel and Islamist groups. Several assassination attempts have been reported, both within the military and from armed Islamist groups. His intolerance of opposition has continued. In March 1997 the GPC adopted the Charter of Honor, imposing collective punishment on Libyans convicted of crimes of disorder, i.e. sabotage, drug and arms

trafficking and "terrorists, criminals, saboteurs and heretics." The charter is clearly aimed at opponents of the regime.

[14]POLITICAL PARTIES

Political parties have not played an important role in Libya's history. All political parties were banned in 1947 by British administrators, but many groups soon emerged to debate their country's future. By 1949, the Tripolitanian National Congress Party, led by Bashir Sadawi, was the leading party. However, it was dissolved in 1952, following local disorders, after Libya's first election campaign.

In 1971, the RCC founded the Libyan Arab Socialist Union as an alternative to political parties. It was viewed as an organization to promote national unity but has functioned little since 1977. Seven exiled opposition groups agreed in Cairo in January 1987 to form a joint working group, but their work had no discernible impact on political conditions in Libya. The following groups have been in opposition to the government: Fighting Islamic Group, Islamic Martyrs' Movement, Libyan Baathist Party, Libyan Conservatives' Party, Libyan Democratic Movement, Libyan Democratic Authority, Libyan Democratic Conference, Libyan Movement for Change and Reform, Libyan National Alliance, Movement of Patriotic Libyans, National Front for the Salvation of Libya, Libya Islamic Group and Supporters of God.

[15]LOCAL GOVERNMENT

Jamahiriya means, "state of the masses," and politically implementing this system would involve a process of total decentralization of power, whereby all decisions would be left to the citizens via direct democracy. In 1998, the GPC divided Libya into 26 governorates (Sha'biyah), each to be headed by the secretary of a people's committee. There are municipal people's congresses, as well as vocational, production, professional, and craft people's congresses. Although in theory Qadhafi plans to decentralize power to the 380 popular congresses, most decision-making power is tightly controlled by the central government. The municipal people's congresses appoint people's committees to execute policy.

[16]JUDICIAL SYSTEM

The Proclamation of People's Authority designates the Holy Quran as the law of society. The Libyan legal system largely follows Egyptian codes and precedents. All cases relating to personal status are dealt with according to Muslim law. Minor civil and commercial cases may be heard in summary courts by a sitting judge in each village and town. Other cases of the first instance are heard by courts of first instance, and appeals may be taken to three courts of appeal, located in Tripoli, Benghazi, and Sabha. A separate body called the Shari'ah Court of Appeals hears cases appealed from the lower courts involving Islamic law. There is also a Supreme Court, consisting of a president and judges appointed by the GPC. It may deal with constitutional and legislative questions referred to it and may hear administrative cases. Special revolutionary courts try political offenses. In 1981, the private practice of law was abolished and all lawyers became employees of the secretariat of justice. Since 1981, revolutionary committees have been encouraged to conduct public trials without legal safeguards.

The 1994 Purge Law provides for the confiscation of private assets above a certain amount. The law requires that the confiscated property should be given to the poor.

[17]ARMED FORCES

In 2002, the armed forces of Libya numbered 76,000 active and some 40,000 reserve personnel. The army had 45,000 personnel armed with 1,600 tanks. The navy had 8,000 personnel including the coast guard. The air force numbered 23,000, operating 400 combat aircraft and 41 armed helicopters. The military budget was $1.3 billion in 1999–00, or 3.9% of GDP.

[18]INTERNATIONAL COOPERATION

Libya is a member of the UN, having joined on 14 December 1955, and is a member of ECA and all the nonregional specialized agencies. It joined the Arab League in 1953, the OAU (now the African Union) in 1963, and OPEC in 1962. In January 1968, it was a founding member of OAPEC, along with Sa'udi Arabia and Kuwait. Libya also belongs to the African Development Bank and G-77. In 1997 the Vatican established full diplomatic relations with Libya.

[19]ECONOMY

Until the late 1950s, Libya was one of the poorest countries in the world. In 1950, per capita annual income was about $40, while Libya's most valuable source of foreign earnings was the revenue received for leasing bases to the UK and United States (the bases were vacated in 1970). But with the discovery of the Zaltan oil field in 1959, the economic horizons of the country were dramatically enlarged. The first oil pipeline, from B'ir Zaltan to the coast, was opened in 1961. More oil fields were subsequently discovered, until in 1970 a peak oil output of 159.9 million tons was achieved. Production has fallen since then, but its value has increased, and Libya remains one of the world's leading oil producers. Petroleum, petroleum products, and natural gas accounted for almost all the value of exports and for one-quarter of GDP in 2002. As of 2002, Libya had 12 oil fields with reserves of 1 billion barrels or more each, and two others with reserves of 500 million–1 billion barrels.

Until the late 1950s, about 80% of the population was engaged in agriculture and animal husbandry; in 1999, however, only 18% of the labor force was engaged in agricultural pursuits. Agriculture, forestry, and fishing represented only 5% of GDP in 1999. A massive water pipeline project, called the Great Man-made River (GMR) project was initiated in 1984, and was expected to take 25 years to complete. The GMR is built to carry water in a 267-mile-long pipeline from 225 underground wells to an 880,000 gallon reservoir. This scheme envisaged providing irrigation large areas devoted to cereal cultivation. The government believed that this project would help Libya achieve self-sufficiency in grain (the country has to import at least 75% of its food needs). Total costs of the GMR were likely to exceed $25 billion.

The GDP was believed to have fallen 20% during 1984–86 due to low oil prices. After 1985, growth rates fluctuated sharply, reflecting changes in the oil market. Growth in GDP fell by 3% in 1998 due, once again, to falling oil prices, but prices rose in 1999–2000, leading to an increase in export revenues and a rise in GDP growth to 3% in 2001. In 2002, Libya devalued the official exchange rate of the dinar by 51% to increase the competitiveness of its firms and to attract foreign investment. At the same time it cut its customs duty rate by 50% on most imports to offset the effects of the currency devaluation.

Between 1992 and 1999, during the UN-imposed air embargo, many large projects were postponed because of budget restrictions. Libya's isolation slowed the pace of oil exploration through the absence of major foreign oil companies. Lack of outlets limited the development of refineries, petrochemicals, and gas facilities. In 1999, economic sanctions were lifted because of the extradition of two suspects in the bombing of the Pan Am flight over Lockerbie. Oil companies are eager to exploit Libya's resources, and Libya as of 2003 was actively courting foreign companies to help develop its production capacity from 1.5 million barrels per day to 2 million barrels per day over a five-year period. Libya is looking to cast itself as a key economic intermediary between Europe and Africa.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Libya's gross domestic product (GDP) was estimated at $40 billion. The per capita GDP was estimated at $7,600. The annual growth rate of GDP was estimated at 3%. The average inflation rate in 2001 was 13.6%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 7% of GDP, industry 47%, and services 46%.

Foreign aid receipts amounted to about $2 per capita. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings.

[21]LABOR

According to figures for 2000, the total labor force was 1.5 million people. As of 2000, unemployment was estimated at 30%. Foreign workers, who do much of the blue-collar and technical work, are not treated with equality under Libyan labor law, and may only stay in the country for the duration of their employment contracts. The largest employer is the government, which operates public utilities, public works, several banks, the port and harbor organizations, and other enterprises.

The National Trade Unions' Federation is the official trade organization, and any independent union or association is prohibited. All Libyan workers are required to join a trade union. Foreign workers may not join unions and have little protection. There is no collective bargaining; the government controls all employment matters. Strikes are not permitted. Foreign workers make up a large part of the labor force, but are subject to arbitrary treatment.

There is no information about the prevalence of child labor although the minimum age for employment is legally set at 18 years old. The maximum legal workweek is 48 hours. The average family wage is estimated at $170 a month, but it is reported that employees are irregularly paid, especially in the public sector.

[22]AGRICULTURE

Only about 1.2% of the country is cultivated. As of 1998, irrigation covered about 470,000 ha (1,161,000 acres) of the cultivated land.

Agriculture is the only economic sector in which private ownership is still important. Cereals are grown in Tripolitania and Cyrenaica; agriculture in the Fezzan is concentrated in the oases. Virtually all crops are grown for domestic consumption. Nevertheless, most agricultural products must be imported; the cost, in 2001, was $790 million. Estimated agricultural output in 1999, in tons, included potatoes, 209,000; onions, 180,000; tomatoes, 240,000; wheat, 168,000; and barley, 75,000. The 1999 production of fruits, in tons, included watermelons, 212,000; oranges, 42,000; dates, 132,000; and olives, 190,000.

Libya is investing a significant share of national revenues in agriculture in the hope of someday becoming agriculturally self-sufficient; cultivation has been changing from subsistence farming to highly mechanized operations. Development plans aim to increase irrigation and introduce and extend the use of advanced techniques; seeds and fertilizers have been subsidized. Areas singled out for development include the Al-Jifara Plain in Tripolitania; the Jabal Akhdar, east of Banghazi; part of the Fezzan; and the oases of Kufrah and Sarir. In the Kufrah oasis, large, untapped water reserves are being utilized to help provide fodder for sheep. In 1984, Libya embarked on a massive project to pipe water to the coast from underwater aquifers. The project was designed to transport two million cu m of water per day via 2,000 km (1,240 mi) of pipeline from 270 artesian wells in the east to connect Sirte and Benghazi. The first phase was inaugurated in 1991 at a cost of $5 billion; the total project is estimated to cost $25 billion. In all, the scheme would provide 50 years of irrigation to the coastal areas, where 80% of Libya's agriculture is located.

A government agency markets farm produce and has authority to operate cooperatives and farms. The Agricultural Bank has been provided with sufficient capital to make short- and long-term loans easily available.

[23]ANIMAL HUSBANDRY

Before the transformation of the economy by the discovery of oil, livestock was an important sector, providing transport, clothing, food, and skins for tents. South of the Jabal areas, a wide belt of drought-resistant vegetation extending across most of the country is still used by nomadic and seminomadic herdsmen for grazing. In the Fezzan, the nomads move about between oases or other places where vegetation is suitable for their animals. Libya's livestock are vulnerable to disease and drought, and in past years losses have reached as high as 60%.

The livestock population of Libya in 2001 included 4,125,000 sheep, 1,265,000 goats, 220,000 head of cattle, 72,000 camels, 46,000 horses, 30,000 donkeys, and 25 million chickens. Private dairy farms are allowed to operate, but their milk has to be sold to the state. The government maintains large poultry farms.

New strains of livestock and more efficient grazing practices are being encouraged. The government hopes its development plans will make Libya self-sufficient in meat supplies. Livestock products in 2001 included 143,000 tons of meat, 59,000 tons of eggs, and 137,000 tons of cow's milk.

[24]FISHING

Fishing is of minor importance, but the government is actively supporting extension of fishing and related activities, including the construction of sardine canning factories and modern storage facilities in the principal ports and the creation of local fishing fleets. Libya's excellent fishing grounds contain tuna, sardines, and other fish. The catch was 33,387 tons in 2000. Landings of bluefin and bigeye tuna have sharply increased since 1990. The value of fish exports significantly rose from $380,000 in 1990 to $39.7 million in 2000.

[25]FORESTRY

The only important forest areas in Libya are shrubby juniper growths in the Jabal Akhdar areas of Cyrenaica. A few conifers are found in more isolated districts. Tripolitania has some forest remnants in inaccessible regions. Encroaching sand dunes in the north create a need for afforestation, and many acacia, Aleppo pine, carob, cypress, eucalyptus, olive, and palm trees have been planted. Some 358,000 hectares (884,600 acres) of Libyan territory are classified as "forest," but almost all of this land could more properly be called maquis. Dune fixation, both for reforestation and to preserve agricultural land, has been an important part of the forestry program.

Up to 1976, the government had planted 213 million seedlings, mostly in western Libya. By 1981, 165,405 hectares (408,722 acres) of forest and 63,443 hectares (156,770 acres) of windbreak had been planted. During the 1980s, reforestation was proceeding at the rate of 32,000 hectares (79,000 acres) per year, but that rate slowed to 5,000 ha (12,300 acres) during the 1990s. In 2000, roundwood removals were estimated at 652,000 cu m (23 million cu ft), of which 536,000 cu m (18.9 million cu ft) were used for fuel.

[26]MINING

The nonfuel sector of the Libyan mining industry was negligible. Petroleum was Libya's leading industry in 2002—Libya was the

second-largest crude oil producer in Africa, after Nigeria—cement production ranked fifth, and the hydrocarbon sector accounted for 98% of foreign exchange revenues. Estimated production in 2000 included 270,000 tons of lime, 175,000 tons of gypsum, and 13,000 tons of sulfur (byproduct of petroleum and natural gas). Also produced were hydraulic cement, clay, calcined dolomite, limestone, nitrogen, salt, crude construction stone, and possibly natron (soda ash). Libya had large reserves of iron ore in the Fezzan. The Wadi ash-Shatti iron ore deposit, near Brach, was estimated to contain 1,600 million tons of oolitic hematite, limonite, chamosite, and siderite with a grade range of 30%–48% iron. There were also deposits of magnesium salts (7.5 million tons) and potassium salts (1.6 million tons) in Maradah, south of the Port Brega oil terminal; potash in the Sirte Desert; and magnetite, phosphate rock, and sulfur.

[27]ENERGY AND POWER

In 1955, following the discovery of oil in Algeria, oil exploration began in Libya. Instead of creating an exclusive countrywide concession, the law divided all Libyan territory into lots: British, French, and US companies were granted concessions, beginning in November 1955. With the discovery of the Zaltan field by Esso interests in 1959, a new era in the economy of Libya opened. A pipeline was laid from Bi'r Zaltan to the coast at Port Brega and was opened in September 1961. Further discoveries led to the opening of additional oil ports. Among the main oil-producing fields are those at Gialo, Amal, Waha, Raguba, and Sarir.

In April 1968, the government established the Libyan General Petroleum Corp. (LIPETCO), whose functions included the negotiation and supervision of oil concession agreements; LIPETCO negotiated four agreements during the next 2 years. In 1969, the Revolutionary Command Council (RCC) became the executive power in Libya, and by a decree of 5 March 1970, the RCC replaced LIPETCO with the Libyan National Oil Corp. (NOC), which was to oversee all phases of the oil industry. In 1971, all distributing companies were merged into the Brega Petroleum Marketing Co., which was to market, transport, and distribute oil within Libya. After the creation of NOC, an entire reorganization of the oil industry took place, marked by an increasing intervention of the Libyan government.

By September 1970, agreements with the exploiting companies were reached, giving the Libyans a price for their oil similar to that paid in Middle Eastern countries. During 1971, the government worked for new participation agreements with firms owned by Italian, US, French, German, Spanish, British, and Dutch nationals. When some of the companies refused to reduce their share to 49%, the British Petroleum (BP) affiliate was nationalized, becoming the Arab Gulf Exploration Co. In 1973, the remaining foreign oil companies had 51% of their assets nationalized; those not agreeing were taken over completely and received compensation in 1977. As of 2002, the NOC had an overall share of more than 70% in the oil industry.

Production fell after 1970, at first because of conservation and political decisions, and later because of falling demand for Libya's high-quality (but also high-cost) oil. From the 1970 peak of 157.4 million tons, production fell to 75.2 million tons by 1974. It rebounded to 99.6 million tons in 1979, but because of reduced world demand, production was only 47.9 million tons in 1987. The 2001 output was 1.43 million barrels per day. Crude petroleum reserves were estimated at 29.5 billion tons in early 2002. Earnings from oil fell from a peak of $22.53 billion in 1980 to only $4.8 billion in 1986, before climbing back to about $8 billion in 1995.

In April 1992 the UN imposed economic sanctions against Libya for failing to extradite two men suspected in the 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland. The United States imposed its own sanctions, including the Iran-Libya Sanctions Act of 1996. These sanctions hampered Libya's ability to increase its oil production by causing delays in field development and oil recovery projects. In 1999 Libya turned over the two suspects, and the UN suspended its sanctions, although the US sanctions remained in place.

Reserves of natural gas were estimated at 1.3 trillion cu m (46 trillion cu ft) in early 2002. Output increased from 465 million cu m (16 billion cu ft) in 1971 to a peak of 23.470 billion cu m (828.5 billion cu ft) in 1979. Production was 5.9 billion cu m (208 billion cu ft) in 2000. Natural gas facilities in Libya include three plants at Intisar, two at Marsa al-Brega, and one at Zueitina. Natural gas consumption in Libya has been rising by 10% per year, as it is used for injection into oil fields and as fuel by the petrochemical and electric power sectors.

Power production is a government enterprise. Total electric power generation in 2000 was 19,500 million kWh, compared with 256.6 million kWh in 1968; of this total, 100% was from fossil fuels. Installed capacity in 2001 was 4,600,000 kW. Consumption of electricity in 2000 was 18 billion kWh.

[28]INDUSTRY

Libyan manufacturing industries developed significantly during the 1960s and 1970s, but fell far behind the petroleum sector of the economy in the 1980s. Non-oil manufacturing and construction sectors accounted for about 20% of GDP in 2002.

Libya is Africa's largest oil producer. Although oil exploration has been ongoing for half a century, Libya's oil and gas potential is vast and the country remains largely underexplored. The country's proven oil reserves are 29.5 billion barrels and production is 1.4 million barrels per day. Among the many industries utilizing petroleum products is a natural gas liquefaction plant which went into operation in 1971 at Marsa al-Brega. There are three refineries with a total capacity of 348,000 barrels per day. All the refineries are in need of updating, which Libya plans to do, in addition to building new refineries. Libya is a direct producer of refined products in Italy, France, Germany, Spain, and Switzerland. The refining sector was adversely affected by the UN embargo; several projects for expanding domestic refining were delayed. Since UN sanctions were suspended in 1999, foreign oil companies have shown a keen interest in investing in the exploration and production of oil in Libya.

The petrochemicals industry is centered at the Marsa al-Brega plant, which produces methanol, ammonia, and urea. Despite the fact that the plant operates at only 35% of capacity, its production of urea and ammonia far exceeds domestic demand. A major plant producing ethylene, propylene, and butene was opened at Ras Lanuf in 1987. A second phase of the Ras Lanuf complex was to produce benzene, butadiene, methyl tertiary butyl ether (MTBE), and butane-1, but as of 2000, it was not complete. The Abu Kammash petrochemical complex produces ethylene dichloride (EDC), polyvinyl chloride (PVC), and vinyl chloride monomer (VCM). The iron and steel complex at Misratah began operations in 1990. Large natural gas reserves were underdeveloped in 2002, but renewed foreign interest may stimulate production, and a pipeline network planned by 2006 may encourage investment.

Libya's other manufacturing industries are small, lightly capitalized, and devoted primarily to the processing of local agricultural products (tanning, canning fruits and vegetables, milling flour, and processing olive oil), and to textiles, building materials, and basic consumer items. Handicraft products include carpets and rugs, silver jewelry, textiles, glassware, and leather goods.

[29]SCIENCE AND TECHNOLOGY

There is a predominance of foreign labor in scientific and technical positions. Al-Fatah University at Tripoli (founded in 1973) has faculties of science, engineering, agriculture, medicine,

pharmacy, veterinary medicine, nuclear engineering, and petroleum and mining engineering. The University of Garyounis at Banghazi (founded in 1955) has faculties of science and engineering. Bright Star University of Technology at Marsa al-Brega (founded in 1981) has faculties of basic engineering science, electrical and electronic engineering, mechanical and production engineering, chemical engineering, and petroleum engineering. Al-Arab Medical University at Benghazi was founded in 1984. Sebha University has faculties of science, agriculture, medicine, and engineering. A posts and telecommunications institute is at Tripoli.

Despite its abundant oil and gas reserves, Libya is highly interested in nuclear power. A 10-MW research reactor is located at Tajura. 1987–97, Libya had 493 technicians per million people engaged in research and development.

[30]DOMESTIC TRADE

Tripoli, the leading port and transportation center, is the focus of trading activities. In 1978, Qadhafi announced that individuals should cease engaging in trade or marketing, and in 1979 the private import-export trade was banned. In 1981, all shops were closed and replaced by huge supermarkets with stocks purchased by the state. About a dozen basic commodities are price-subsidized, and a rationing system was established in 1984. Because of an acute shortage of consumer goods, including food staples, some private stores were allowed to reopen by 1987. The nation depends heavily on imports for basic food products, since, the agricultural sector only provides for about 25% of the nation's food supply (2002 est.). The sale of alcohol is prohibited.

An annual international trade fair is held in Tripoli each March. Normal business hours are 7 AM to 2 or 2:30 PM, Saturday through Thursday. Banks are open Saturday through Thursday from 8:30 AM to 12:30 PM in winter and from 8 AM to 12 PM in summer. Summer banking hours also include 4–5 PM, Saturday through Wednesday.

[31]FOREIGN TRADE

Libya has long enjoyed a favorable trade balance because of exports of crude oil, mostly to Europe. Crude petroleum and petroleum products make up the majority of Libya's export commodity market (93%). Other exports include natural and manufactured gas (3.1%), hydrocarbons (1.5%), and fertilizers (1.1%). In 1997 Libya's imports were distributed among the following categories:

Consumer goods	13.7%
Food	19.4%
Fuels	0.2%
Industrial supplies	29.0%
Machinery	24.9%
Transportation	12.6%
Other	0.2%

Principal trading partners in 1999 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Italy	2,987	756	2,231
Germany	1,507	599	908
Spain	1,085	116	969
France	510	228	282
Vietnam	449	n.a.	n.a.
Tunisia	321	142	179
Switzerland	105	171	-66
United Kingdom	104	266	-162
Korea	n.a.	322	n.a.
Japan	n.a.	203	n.a.

[32]BALANCE OF PAYMENTS

Libya customarily registered balance-of-payments surpluses from 1962 until 1981, thanks to large trade surpluses derived from the export of oil. Declining oil production caused payments deficits from 1981 to 1984. The services and transfers accounts are in deficit because of travel by Libyans abroad, transportation costs, payments to foreign contractors, and remittances by foreign workers. The capital account is also usually in deficit because of Libyan aid and investment abroad. Foreign debt is difficult to calculate because trade debts are often settled by the barter supply of oil.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Libya's exports was $13.1 billion while imports totaled $8.7 billion resulting in a trade surplus of $4.4 billion.

The International Monetary Fund (IMF) reports that in 1999 Libya had exports of goods totaling $6.76 billion and imports totaling $4 billion. The services credit totaled $55 million and debit $918 million. The following table summarizes Libya's balance of payments as reported by the IMF for 1999 in millions of US dollars.

Current Account	**1,984**
Balance on goods	2,762
Balance on services	-863
Balance on income	289
Current transfers	-204
Capital Account	**...**
Financial Account	**-971**
Direct investment abroad	-210
Direct investment in Libya	-119
Portfolio investment assets	-3
Portfolio investment liabilities	...
Other investment assets	-293
Other investment liabilities	-346
Net Errors and Omissions	**-372**
Reserves and Related Items	**-641**

[33]BANKING AND SECURITIES

The Central Bank of Libya, established in 1956, supervises the national banking system, regulates credit and interest, and issues bank notes. It also regulates the volume of currency in circulation, acts as a banker to the government, provides clearinghouse facilities for the country's commercial banks, and administers exchange control. Since 5 August 1962, the bank has been vested with a monopoly in the import of fine gold.

Libya formerly had branches of many Arab, Italian, and British commercial banks; they were nationalized in 1969. The government ruled that 51% of the capital of each should be taken over by the government, which paid the value of this share. Thus, the Banco di Roma became Umma Bank, Barclays Bank eventually became Jamahiriya Bank, and the Banco di Sicilia became the Sahara Bank. The commercial department of the Central Bank was merged with two small banks to form the National Commercial Bank. In 1972, a reorganization of the commercial banks left the Jamahiriya and Umma banks owned by the Central Bank of Libya; two other institutions, the Sahara Bank and the Wahda Bank, were jointly owned by the Central Bank and private interests.

The National Agricultural Bank, established in 1957, provides advice and guidance on agricultural problems, advances loans to farm cooperatives, and generally assists the agricultural community. The Industrial and Real Estate Bank, founded in 1965, made loans for building, food-processing, chemical, and traditional industries; later it was divided into the Savings and Real Estate Bank and the Development Bank. A decree in 1966 abolished interest on loans made by the government development banks. In 1972/73, the government created the Libyan Arab

Foreign Bank, later renamed Jamahiriya Foreign Bank, owned by the Central Bank of Libya, to invest in foreign countries. In 1981, its role in foreign investment was taken over by the Libyan Arab Foreign Investment Co.

In 1997, in addition to the central bank, there were eight other banks in Libya: the Agricultural Bank, Jamahiriya Bank, Libyan Arab Foreign Bank, National Commercial Bank, Sahara Bank, Savings and Real Estate Investment Bank, Umma Bank, and Wahda Bank. In 1994, Libyan financial assets frozen in the US alone amounted to some $1 billion. Interest rates are fixed by the central bank, which has applied a discount rate of 5% since 1980. The maximum lending rate for secured loans and overdrafts currently stands at 7%.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $11.3 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $15.2 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 5%.

There are no securities exchanges in Libya.

[34]INSURANCE

In 1995, all classes of insurance were available through the Libya Insurance Co. and Al-Mukhtar Insurance Co., both state enterprises. All licensed vehicles require third-party liability insurance, and all imported goods must be insured.

[35]PUBLIC FINANCE

The fiscal year follows the calendar year. There are two budgets, one for ordinary expenses, the other (and larger one) for development. By law, 15% of total oil revenue is put aside yearly into the country's reserves, while 70% of the remainder goes to development expenditures. All non-oil revenues are assigned to cover ordinary expenditures, and any shortfall is made up by transferring some of the petroleum revenues from the development budget.

If funds from petroleum revenues are not sufficient to cover development expenses, some planned projects are postponed. Although Libya has used part of its oil revenue to finance internal development (new schools, hospitals, roads) much has been wasted. Limited privatization continued in 1993, involving the sale of some parastatal assets. In 1999, Libya announced the need for $150 billion of investment in the economy in order to retain a growth rate of 5%; 60–70% of the funds were to be financed by public monies.

The US Central Intelligence Agency (CIA) estimates that in 2001 Libya's central government took in revenues of approximately $9.3 billion and had expenditures of $9.2 billion. Overall, the government registered a surplus of approximately $100 million. External debt totaled $4.7 billion.

[36]TAXATION

Individual income taxes are levied at different rates for income from real estate, agriculture, commerce, industry, crafts, independent professions, and wages and salaries. Corporate taxes range from 20% to 60%. Also levied are a 16.7% royalty on petroleum production, a general income tax of up to 90% and a Jihad tax. Indirect taxes in 2002 were mainly sales taxes at various rates.

[37]CUSTOMS AND DUTIES

As of 1996, the average weighted tariff was 21.3%. Import controls remain extremely tight, even by regional standards, keeping Libya a difficult place to do trade. UN sanctions have not helped the matter. In 1977, 13 industries were exempt from taxation and customs to encourage domestic production, including plastics, footwear, and metal goods. In 1982, all import duties were eliminated.

Libya has a single-column tariff schedule. Goods from all countries are subject to the same duties. Also levied are customs surcharges totaling 15% of the application customs duties. Almost all customs duties are ad valorem.

[38]FOREIGN INVESTMENT

Outside of the oil industry, foreign investment in Libya is limited. No foreign investment is allowed in certain areas, including banking, insurance, domestic commerce, and foreign aid. A minimum of 51% of the capital of joint stock companies must be held by Libyans and the chairman of the board of directors must be a Libyan national.

With the massive increase in oil revenues in the 1970s, Libya became a major exporter of capital. Economic cooperation agreements were signed with many African countries and in 1976 Libya purchased 10% of the shares of the Italian auto company Fiat; it sold its Fiat holdings in 1986 for about $3 billion.

In 1999, with the lifting of international sanctions on Libya, Qadhafi called for foreign investment in the energy sector (hydrocarbons, power, and water). He also encouraged investment in telecommunications, transport, and electricity generation.

[39]ECONOMIC DEVELOPMENT

Under Libya's first five-year development plan (1963–68), several long-run measures were taken to raise industrial production and to expand and improve the quality of agriculture. Of the government's oil revenue, 70% was earmarked for the development plan. Of this total, 23% was allocated for public works, 17% for agriculture, 16% for communications, 13% for education, 7% for public health, and 4% for industry. The 1972–75 development plan targeted a growth of 11% annually in GDP. Investment was allocated as follows: industry and mineral resources, 15%; agriculture, 14%; communications, 14%; housing, 11%; petrochemicals, 11%; and education, 9%. The 1976–80 development plan invested principally in agriculture, 20%; communications, 14%; industry, 13%; and housing, 12%. The 1981–85 development plan called for investment in industry, 23%; agriculture, 18%; communications, 12%; and electricity, 12%. The drop in oil income caused a contraction in planned projects, however. The plan for 2001 to 2005 foresees $35 billion total of investments; mostly in hydrocarbons, power, and water; with a projected GDP growth rate of 5%.

In 1980, Libyan bilateral aid to developing countries totaled 0.90% of GNP. In 1981, however, the total was only 0.39% of GNP. In 1981, Libya also contributed funds to multilateral aid organizations, principally to the Arab agencies and the OPEC Fund. As of 1987, the investments of the Libyan Arab Foreign Investment Co. included 30 companies in Arab countries. There are also significant Libyan holdings in African countries.

According to BIS, Libya increased its deposits in foreign banks in 1986, while at the same time reducing its outstanding debt. By 1989 Libya's net creditor position with BIS reporting banks had declined almost two-thirds in 1987. However, rising deposits in 1990 reflecting soaring oil revenues because of the Persian Gulf crisis, combined with reduced liabilities, led to a positive net balance. Due to the decline in oil export receipts in 1991, this surplus was reduced by one-third. Frozen assets in US banks netted $1 billion in 1994. The 1999 lifting of sanctions saw increased foreign investment.

In 2003, the government was considering plans to diversify the economy away from its total dependence on oil, which accounts for 95% of Libya's foreign currency. Tourism is one sector of the economy targeted for development, and those working in the industry have encouraged the formation of commercial banks to

finance tourism projects. The Tourism Development Bank, 80% of whose shares are held by the private sector, is one example of this initiative. Col. Qadhafi in 2003 urged Libyans to undertake investment projects such as road and port projects, and communication and industrial production projects. The oil sector was not to be privatized, but rather open to investment, while the public sector would not be entirely dismantled, but would work with the private sector. Qadhafi reaffirmed the need to establish people's socialism as the foundational economic structure of society, whereby companies would not be owned by the state, but by the people who run them, assisted by foreign investors if need be. Libya initiated a $35 billion investment plan for 2002–05. In 2003, Libya indicated it intended to apply for membership in the WTO.

[40]SOCIAL DEVELOPMENT

By law, all employees are entitled to sickness, invalid, disability, death, and maternity benefits and unemployment payments, and all residents are entitled to pensions. These cost of these programs is shared by employers, employees and the government. Survivor benefits are paid to widows, siblings, or sons. Rehabilitation programs are provided for sick and disabled employees to provide them with new employment opportunities. Lump sum grants are provided for maternity, births, and funerals. Profit sharing, free medical care and education, and subsidized food are other social welfare benefits.

Despite a constitutional proclamation providing equality for women, customary Muslim restrictions still apply. Women are granted full legal rights, but few women work outside of the home, and those that do remain in low-paid positions. There is evidence to suggest that younger, urban women are gradually becoming more emancipated. Younger women in urban areas have largely discarded the veil, although in rural areas it is still widely used. Women still must obtain their husband's permission in order to leave the country. Violence against women remains a serious problem and is not discussed publicly.

There have been many reports of continuing human rights violations, including torture. Under Libyan law, persons may be detained incommunicado for unlimited periods, and the government has defended its practice of imprisoning political dissenters. Citizens do not have the right to legal counsel or to fair public trials.

[41]HEALTH

In 1991, there were 4,749 doctors and 13,849 nurses. Hospital beds were estimated at 4.2 per 1,000 people in 1990–97. As of 1999, there were an estimated three physicians per 1,000 people. In 2000, 72% of the population had access to safe drinking water and 97% had adequate sanitation.

Widespread diseases include typhoid, venereal diseases, and infectious hepatitis. In 1992, the UN approved trade and air traffic embargoes affecting the economy and health care system. With the assistance of the World Health Organization, Libya has eradicated malaria, once a major problem. In 1990, there were an estimated 220 cases of tuberculosis per 100,000 people.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 27.6 and 3.5 per 1,000 people. The infant mortality rate was 26 per 1,000 live births in 2000. The fertility rate in 2000 was 3.5 children per woman during her childbearing years. The maternal mortality rate was estimated at 75 per 100,000 live births in 1998. The average life expectancy was 71 years in 2000. In 1997, immunization rates for children up to one year old were: diphtheria, pertussis, and tetanus, 96%, and measles, 92%. Diarrheal diseases took the lives of 4,683 Libyan children under five years of age in 1995.

Only 17 cases of AIDS were reported in 1995. The HIV-1 prevalence rate was 0.1 per 100 adults in 1999.

[42]HOUSING

Increasing urbanization has created slum conditions in the major cities. There have been slum clearance and building projects since 1954, but the housing deficit has not yet been met. Around 125,000 new homes were built between 1969 and 1977. Low-income families were allowed to buy ready-made houses from the state at 10% of cost or to build their own homes with interest-free loans. Real estate was the main area of private investment until 1978, when most tenants were made owners of their residences. The state paid full compensation to landlords for confiscated property and resold it to tenants at subsidized prices. As of the late 1980s, the last period for which housing information was available, total housing units numbered 700,000 with 5.6 people per dwelling.

[43]EDUCATION

When Libya attained independence, about 90% of its population was illiterate, and there were few university graduates. Since then, the government has invested heavily in education, which is free at all levels. In 1985, the number of years of compulsory schooling was increased from 6 to 9 years. Projected illiteracy rates for the year 2000 stand at 20.2% (males, 9.1%; females, 32.4%). In 1994, primary schools had 1,357,040 pupils. Secondary schools had 310,556 pupils in 1992. Of these, 26,393 were in teacher training schools and 94,961 were in vocational schools. There has been a rapid increase in the number of students attending vocational schools, from 16,008 in 1980 to 118,564 in 1993.

The University of Libya at Tripoli was renamed Al-Fatah University in 1976. It had about 24,000 students in 1986. The University of Libya at Banghazi was renamed the University of Garyounis in 1976. Student enrollment (including an agricultural campus at Al-Bayda) totaled about 1,000 students. The Bright Star University of Technology at Marsa al-Brega was founded in 1981. There were also two higher institutes of technology and one of mechanical and electrical engineering. Total enrollment at all higher- level institutions was 72,899 in 1992. Approximately 46% of post-secondary students are female, up from 25% in 1980.

[44]LIBRARIES AND MUSEUMS

The National Library in Banghazi holds 150,000 volumes, including the official documents of the Arab League. The public library in Banghazi had 14,000 volumes in 2002. Libya's largest library, with 295,000 volumes in 2002, is at the University of Garyounis; at that time, the Government Library in Tripoli had 37,000 volumes. The National Archives, which have an extensive collection of documents relating to the history of Tripolitania under Ottoman rule, are in Tripoli. In addition, France and Italy maintain cultural centers with libraries in the national capital. The Libyan Studies Center in Tripoli holds 100,000 volumes.

The museums exhibit mainly antiquities excavated from various Greek, Roman, Byzantine, and Arabic sites. The Department of Antiquities is responsible for all museums and archaeological sites in the country. Tripoli houses the Archaeological Museum, Epigraphy Museum, Ethnographic Museum, Natural History Museum, Prehistory Museum, and Islamic Museum. There are other museums, mainly archaeological, at Cyrene, Homs, Gaigab, Germa, Leptis Magna, Tokrah, Zanzur, Marsa Susah, and Sabrata.

[45]MEDIA

Postal, telephone, and wireless services are owned and operated by the government. Radiotelephone ties exist between Tripoli and European centers. In 1999 there were 411,000 telephones. The Socialist People's Libyan Arab Jamahiriya Broadcasting Corp. broadcasts on radio in Arabic and English, and on television in Arabic, English, Italian, and French. As of 1999 there were 17

AM and 3 FM radio stations, and 12 television stations. In 2000 there were 273 radios and 137 television sets for every 1,000 people. In 2000, one Internet Service Provider served about 7,500 users.

In 2002, there were three major daily newspapers. *Al-Fair Al-Jadeed* (The New Dawn) is a government-owned daily published in Tripoli, with circulation of about 40,000. The other dailies included *Al-Jihad* and *Libyan Press Review.*

The state owns and controls all media, and it is said to restrict all expression and opinion on matters deemed crucial to Qadhafi or his regime. All political activities, including publication and broadcasting, which are not officially approved are banned. Vague laws exist by which any speech or expression may be interpreted as illegal. It is said that there is a pervasive system of informants, which creates an atmosphere of mistrust and self-censorship at all levels of society.

[46]ORGANIZATIONS

There are chambers of commerce in Tripoli and Banghazi. Libya has few non-government organizations. Membership in an illegal organization was made a capital offense in 1975. Youth organizations include the General Union of Great Jamahiriya Students, which has a membership consisting of all Libyan students registered at both secondary and tertiary educational institutions throughout the country. There is also a Libyan Public Scout and Girl Guide movement. The Red Crescent Society is active.

[47]TOURISM, TRAVEL, AND RECREATION

Tourist attractions in Libya are its good climate, extensive beaches, and magnificent Greek and Roman ruins. However, tourist facilities are not widely available, because tourism has mostly been discouraged during the tenure of Qadhafi. It suffered a further blow with the 1992 imposition of UN sanctions related to the bombing of a Pan Am jet over Lockerbie, Scotland. All visitors not from Arab countries need visas. Important passport information must appear in Arabic for a visa to be issued; the visa must also be completed in Arabic. In 2000 Libya had 962,559 tourist arrivals. There were 11,815 hotel rooms with 19,969 beds the same year.

The average daily cost of staying in Tripoli, Banghazi, and Sirte is $207 per day, according to 1999 UN estimates. Elsewhere the cost is estimated at $128 per day.

[48]FAMOUS LIBYANS

As Roman emperor, Septimius Severus (r.193–211) was responsible for initiating an extensive building program at his native Leptis Magna. Muhammad bin ‘Ali as-Sanusi (1780?–1859), the founder of the Sanusi order, established its headquarters in Cyrenaica in the 1840s. Muhammad Idris al-Mahdi as-Sanusi (1890–1983), his descendant, was Libya’s first king, ruling the country from its independence until he was deposed in 1969. Col. Mu‘ammar Muhammad al-Qadhafi (b.1942) became the actual ruler of the country at that time. Omar al-Muntasser (b.1939) became secretary-general of the General People’s Committee in 1987.

[49]DEPENDENCIES

Libya has no territories or colonies.

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MADAGASCAR

Democratic Republic of Madagascar
République Démocratique de Madagascar;
Repoblika Demokratika n'i Madagaskar

CAPITAL: Antananarivo

FLAG: The flag consists of a white vertical stripe at the hoist flanked at the right by two horizontal stripes, the upper in red, the lower in green.

ANTHEM: *Ry Tanindrazanay Malala O (Our Beloved Country).*

MONETARY UNIT: The Malagasy franc (FMG) is a paper currency. There are coins of 1, 2, 5, 10, 20, 25, 50, 100, and 250 Malagasy francs and notes of 50, 100, 500, 1,000, 2,500 5,000, 10,000, and 25,000 Malagasy francs. FMG1 = $0.0001584 (or $1 = FMG6,313) as of May 2003.

WEIGHTS AND MEASURES: The metric system is generally used.

HOLIDAYS: New Year's Day, 1 January; Commemoration of 1947 Rebellion, 29 March; Labor Day, 1 May; Independence and National Day, 26 June; All Saints' Day, 1 November; Christmas, 25 December; Anniversary of the Democratic Republic of Madagascar, 30 December. Movable religious holidays include Good Friday, Easter Monday, Ascension, and Pentecost Monday.

TIME: 3 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated off the southeast coast of Africa, Madagascar is the fourth-largest island in the world, with an area of 587,040 sq km (226,657 sq mi), extending 1,601 km (995 mi) NNE–SSW and 579 km (360 mi) ESE–WNW. Comparatively, the area occupied by Madagascar is slightly less than twice the size of Arizona. It is separated from the coast of Africa by the Mozambique Channel, the least distance between the island and the coast being about 430 km (267 mi). The coastline of Madagascar is 4,828 km (3,000 mi). Madagascar claims a number of small islands in the Mozambique Channel—the Îles Glorieuses, Bassas da India, Juan de Nova, and Europa—covering about 28 sq km (11 sq mi), which are administered by France.

Madagascar's capital city, Antananarivo, is located near the center of the island.

[2]TOPOGRAPHY

Madagascar consists mainly of a block of crystalline rocks. It is generally described as a plateau, rising sharply from the narrow plain of the east coast and descending in a series of steps to the strip of sedimentary rocks along the west coast. The high plateau is much indented and, on the eastern edge, cut by deep gorges and waterfalls. There are numerous volcanic outcrops that produce heights over 1,800 m (6,000 ft); the highest point is Mount Maromokotro (2,876 m/9,436 ft) in the Tsaratanana Massif. The eastern coast is almost straight and has very few anchorages. Behind its coral beaches there is an almost continuous line of lagoons from Foulpointe to Farafangana. These are linked by manmade channels to form an inland waterway called the Pangalanes Canal. The island's major rivers flow westward and are navigable for about 160 km (100 mi) inland.

[3]CLIMATE

The climate of the eastern and northwestern coasts is dominated by the almost constant blowing of the southeasterly trade winds, which carry heavy rains during the austral winter (May to September). The central plateau and the western coast are sheltered from these winds but receive rain from the monsoon winds, which blow during the austral summer (October to April). Neither the trade winds nor the monsoons reach the southern part of the island, which consequently receives little rain and is, in places, a semidesert. The central plateau enjoys a tropical mountain climate with well-differentiated seasons. Generally speaking, the climate throughout the island is moderated by altitude, with the coast being hotter (average temperatures 21–27°C, or 70–80°F) and wetter than the plateau (average temperatures 13–19°C, or 55–67°F). Toamasina (Tamatave), on the east coast, has 284 cm (112 in) of rainfall annually, while Antananarivo, inland, has about 140 cm (55 in). Occasional cyclones have been devastating.

[4]FLORA AND FAUNA

The flora and fauna of Madagascar have developed in isolation from those of Africa, and the flora is highly specialized.

Scientists hold that Madagascar was originally covered with evergreen forests in the wetter areas of the east and north, which gave place to savanna on the plateau and semiarid vegetation in the south. Much of the original vegetation was destroyed by burning, so that the evergreen forest is now found only in a narrow strip along the steep eastern edge of the plateau, from north to south. Where the forest was destroyed, it was replaced by bush known as savoka, especially in the narrow east coast plain. There are a few small patches of deciduous forest in the northwest and west and mangrove swamps are general along the northwest and west coasts. Most of Madagascar is covered with a rather bare savanna-steppe, green in the wet season but brown and red in the summer. The greater part of the plateau has a covering of laterite and fertility is low. The extreme south is free of laterite, but lack of rainfall prevents the greater fertility from being of much practical use.

The fauna is remarkable chiefly because of the presence of 28 species of lemur, a lower primate largely confined to Madagascar. The island has 32 species of chameleon. Among the 202 species of birds, 105 are found nowhere else in the world. The same is true for 80% of the island's flowering plants and more than 95%

of its reptiles. Madagascar is also unusual in its lack of poisonous snakes and, except for recent introductions, useful mammals.

[5]ENVIRONMENT

Erosion, caused by deforestation and overgrazing, is a serious problem in Madagascar. Many farmers burn off their old crops at the end of winter and damage surrounding forests. By 1994, 75% of Madagascar's forests had been eliminated. Water pollution, caused mainly by sewage, is also a significant environmental problem in Madagascar: only 31% of the people living in rural areas and 85% of all city dwellers have access to pure drinking water. The nation has 337 cubic kilometers of renewable water resources with 99% used for farming activity and 1% used for domestic purposes. The nation's cities produce about 0.6 million tons of solid waste per year. The Ministry of Animal Husbandry, Water, and Forests is the chief government agency with environmental responsibilities.

As of 2001, 46 of its mammal species were endangered, as were 28 of its bird species and 255 plant species. Endangered species in Madagascar include the Alaotra grebe, Madagascar pochard, Madagascar fish eagle, and seven species of lemur. There are five extinct species, including Delalande's coua and the great elephantbird.

Worldwide trade in endangered and extinct species, estimated at between $10 and $20 billion in 1996, has created a market for Madagascar's exotic snakes and tortoises. The looting and smuggling of these species has decimated animal habitats and caused severe ecological harm.

[6]POPULATION

The population of Madagascar in 2003 was estimated by the United Nations at 17,404,000, which placed it as number 56 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 45% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.84%, with the projected population for the year 2015 at 24,000,000. The population density in 2002 was 29 per sq km (75 per sq mi). The western part of the country is the least densely populated.

It was estimated by the Population Reference Bureau that 30% of the population lived in urban areas in 2001. The capital city, Antananarivo, had a population of 1,432,000 in that year. Other important cities and their populations are Fianarantsoa, 300,000; Antsiranana (Diégo-Suarez), 220,000; Toamasina, 230,000; Antsirabe, 220,000; and Mahajanga (Majunga), 200,000. According to the United Nations, the urban population growth rate for 2000–2005 was 4.8%.

[7]MIGRATION

Since independence, government policy has been uniformly opposed to immigration in any form. The advent of independence led to some emigration of foreign nationals, but it was not until the early 1970s, when the government undertook policies of national control and nationalization of foreign businesses, that foreign residents began leaving in any appreciable numbers. Comorans numbered 60,000 in 1976, but after Comoran-Malagasy clashes in December of that year, about 16,000 were repatriated. As of 2000, there were only a small number of refugees in Madagascar, all of urban socioeconomic background. The only workable solution for refugees seems to be resettlement, as the government has not defined legal status for mandate refugees, and the local population is hostile to foreigners in general, particularly refugees.

Rural-to-urban migration is nearly 6% a year. In 1999, the net migration was zero. In 2000 there were 61,000 migrants living in Madagascar. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The Malagasy people are the result of the intermingling of immigrants. The original immigrants are believed to have been members of an Afro-Malagasy race that lived on the East African littoral. Later arrivals were Africans, Arabs, and, much more recently, immigrants from Europe, China, and India.

The distinct African ethnic groups now recognized represent the political groupings forged before the arrival of the first Europeans. The major ethnic groups, according to 1998 numbers, are the Malayo-Indonesian (Merina and related Betsileo), Cotiers (mixed African, Malayo-Indonesian, and Arab ancestry—Betsimisaraka, Tsimihety, Antaisaka, and Sakalava). The Merina (about 25% of the population) and Betsileo (about 12%) live in the central highlands and show evidence of Asian origin, while the coastal peoples, such as the Betsimisaraka, Tsimihety, and Sakalava, are of predominantly African origin.

The Merina have been the ascendant group since the late 18th century. The course that colonialism took in Madagascar strengthened their domination of the political and intellectual life of the island. Resentment of the Merina and their dominant position by the other ethnic groups is still a source of social unrest.

There are also significant numbers of French, Indian, Creole, and Comoran peoples.

[9]LANGUAGES

The principal and official languages are French and Malagasy. Malagasy is a Malayo-Polynesian language which has different but mutually intelligible dialects and is spoken throughout Madagascar. The Merina dialect has come to be considered the standard literary form of the language. Instruction in French is preferred by the coastal peoples, as it avoids connotations of Merina cultural dominance.

[10]RELIGIONS

Over half of the Malagasy are traditional tribal religionists, some exclusively and others practicing in conjunction with Christian beliefs. Although there are many variations in detail, nearly all Malagasy share certain basic religious ideas, the central one being belief in the soul and its immortality. Besides the almighty (Andrianahary or Zanahary), secondary divinities are recognized, especially the earliest inhabitants of the island (Vazimba), legendary kings and queens, and other great ancestors. The burial places and other places of special significance in the lives of these secondary deities are objects of veneration and pilgrimages, during which special rites are performed.

Christianity was introduced to the Malagasy in the early 19th century, and it is influenced to a large extent by traditional beliefs. According to a 2002 report, most of the population is at least nominally Christian. Of the 15.9 million-person population, about 4.5 million are Roman Catholics; 3.5 million are Protestants belonging to the Church of Jesus Christ in Madagascar (mostly from Fianarantsoa North); 2 million are Lutherans (mostly from Fianarantsoa South); and less than 1 million are Anglicans (mostly in Antananarivo and Toamasina). Muslims, concentrated mostly in the north and northwest, constitute approximately 10% of the population. There is also a small number of Hindus among the Indian population.

[11]TRANSPORTATION

Although the terrain makes railway building difficult and expensive, there are four main railroads, all publicly operated, covering 893 km (555 mi). These run from Toamasina to Antananarivo, with a branch from Moramanga to Lake Alaotra;

from Antananarivo to Antsirabe; and from Fianarantsoa to Manakara on the east coast.

There are about 49,837 km (30,969 mi) of motor roads on the island, of which 5,781 km (3,592 mi) were paved in 2002. The main roads radiate from Antananarivo to Mahajanga and Antsiranana, to Toamasina, to Fianarantsoa, and to Ihosy, from which one branch goes to Toliara (Tuléar) and another to Tolänaro (Fort Dauphin). The road from Antananarivo to Fianarantsoa is tarred, as are portions of the other main routes. In 2000, there were 39,900 passenger automobiles and 54,200 commercial vehicles in use.

The three major ports are Toamasina, Nosy Be, and Mahajanga; Toliara and Antsiranana are also important. There are at least 13 other ports, engaged mainly in coastal trade. There was considerable freight traffic along the Pangalanes Canal, which runs parallel to the east coast from Toamasina to Farafangana for a distance of 700 km (435 mi). The canal was closed in 1979, however, because of silting; dredging had begun by 1985. The merchant fleet consisted of 15 vessels, with gross weight of 27,199 tons in 2002.

In 2001, there were 130 airports, 29 of which had paved runways. The principal international airport is at Ivato, near Antananarivo. Air Madagascar (the national airline), Air France, Alitalia, Aeroflot, Air Mauritius, and Air Tanzania also provide international service. Air Madagascar, which is owned partly by Air France, also services internal locations. In 2001, 315,500 passengers were carried on domestic and international flights.

12 HISTORY

Madagascar had no human inhabitants until about 2,500 years ago, when immigrants came, probably from Indonesia via the East African coast. This wave of immigration continued for at least 1,000 years, and there was also an influx of African peoples. Additional immigrants from Africa, Arabia, and the Persian Gulf and, much later, from Europe, India, and China did little more than supplement a fully settled population.

The earliest written histories of the Malagasy are the sorabe, in the Malagasy language using Arabic script. A Portuguese ship sighted the island and sailed along the coast in 1500. In 1502, the island was named Madagascar by the Portuguese, after the island of the same name originally reported by Marco Polo. During the 16th and 17th centuries, attempts were made by the Portuguese, British, Dutch, and French to establish settlements. All these efforts failed, and Madagascar became the lair of pirates who lived on Nosy Sainte Marie and intermarried with the Malagasy.

Among the Malagasy themselves, three main kingdoms appeared: that of the Merina in the central plateau, that of the Sakalava in the west, and that of the Betsimisaraka in the east. Under King Andrianampoinimerina (r.1787–1810), the foundations were laid for the primacy of the Merina kingdom.

Andrianampoinimerina was succeeded in 1810 by Radama I, his son, under whose guidance the Merina kingdom extended its rule over the major portions of the island (especially over the Betsimisaraka kingdom and the south). Radama welcomed Europeans to assist in the modernization of the kingdom and to further his conquests. On Radama's death in 1828, he was succeeded by his wife, Ranavalona I, whose hostility to the innovations in her husband's reign led to a persecution of the Malagasy Christians and eventually to the expulsion of the Europeans after an Anglo-French bombardment of Toamasina in 1845.

Radama II, who succeeded his mother in 1861, was sympathetic to the French but was murdered in 1863. Shortly after this, Rainilaiarivony, who was to become prime minister and consort to three successive queens, took control of the government. The last three decades of Malagasy independence during the 19th century were marked by continued attempts of those opposed to innovation to undermine the prime minister's authority. He therefore slowed modernization and tried to retain independence by seeking British friendship against the French. The latter claimed a protectorate over parts of the Sakalava kingdom by virtue of treaties made in 1840, and disputes over this claim and over French properties on the island resulted in a war in 1883 which was ended in 1885 by a treaty giving the French control over Merina foreign policy.

The British recognized the French position under the terms of the Anglo-French Agreement of 1890, in exchange for French recognition of a British protectorate over Zanzibar. This exchange cleared the way for the French annexation of Madagascar in 1896. Malagasy resistance, especially in the south, was not finally overcome until 1904, however. Gen. Joseph Gallieni, governor-general from 1896 to 1905, opened the first government schools (hitherto all schools had been in the hands of the missions), established a free medical service for Malagasy, encouraged the study of Malagasy language and customs by the creation of the Malagasy Academy (Académie Malgache), and introduced new tropical crops in order to promote economic development. The impress of his policies remained substantial until the end of World War II. His successors, career colonial officials, struggled to promote economic growth, but World War I, subsequent economic difficulties in France, and the prolonged depression of the 1930s, together with the absence of easily exploitable resources, the distance of Madagascar from its main markets, and the shortage of labor, combined to impede their efforts.

During World War II, the Vichy French retained control of Madagascar until it was occupied in 1942 by British troops to prevent its naval facilities from being used by the Japanese. In 1943, French administration was restored under Gen. de Gaulle's Free French government. Madagascar became a French overseas territory in 1946. All Malagasy thus became French citizens, but only a limited number were accorded the franchise (mainly those with some education or experience of European ways in the French civil services or armed forces). A Territorial Assembly was established, with some control of the budget. It was composed entirely of members indirectly elected by provincial assemblies. The latter were wholly elected bodies, but there were separate electorates (and separate seats) for the French citizens of metropolitan status (including Europeans, Réunionnais, and some Malagasy given such status) and for Malagasy citizens of local status. Although the latter had a majority of the seats in both provincial and territorial assemblies, the number of seats assigned to the metropolitan electorate was most disproportionate to its numerical strength. This system was denounced by the nationalists, who had secured a majority of the Malagasy seats in the Territorial Assembly as well as the three Malagasy seats in the French National Assembly.

In March 1947, a rebellion broke out, and for a time the French lost control of the east coast. Europeans and loyal Malagasy were murdered and roads cut. The suppression of the rebellion required substantial forces and took more than a year. Loss of life was estimated at 11,000. The nationalist movement was disrupted by the rebellion and subsequent repressions, but was not destroyed. A period of reform beginning in 1956 resulted in abolition of the dual electorate system, placed Malagasy in important government positions, and led to the rebirth of serious political activity.

The End of French Rule

In the referendum of 28 September 1958, Madagascar overwhelmingly voted for the new French constitution and became an autonomous republic in the new French Community. As the Malagasy Republic, it became a sovereign independent nation on 26 June 1960 and on 20 September 1960 was elected to UN membership.

The constitution that was adopted in October 1958 and amended in June 1960 provided Madagascar with a strong presidential form of government. The president, Philibert Tsiranana, remained in power until May 1972, when there were riots throughout Madagascar. The protests were led by a nationalist, leftist coalition of students, teachers, laborers, and urban unemployed. The repression that followed these demonstrations led to the fall of the Tsiranana government on 18 May. Gen. Gabriel Ramanantsoa was immediately asked to form a nonpolitical "government of national unity," which was composed of 11 ministers (5 military and 6 civilian). Ramanantsoa effectively destroyed the coalition by raising the minimum wages, providing strike pay, annulling the head and cattle taxes, prosecuting corrupt officials, and introducing price and currency controls. The new government also broke diplomatic ties with South Africa, established relations with the Communist bloc, withdrew from the franc zone, and arranged for the withdrawal of French military forces under new cooperation agreements with France.

On 5 February 1975, following a period of social and ethnic unrest, Ramanantsoa was replaced as head of state by Col. Richard Ratsimandrava, who was assassinated in an attempted coup six days later. A military Directorate composed of 18 officers was immediately formed and assumed all governmental authority. The Directorate was superseded on 13 June by the all-military Supreme Council of the Revolution, headed by Didier Ratsiraka, who had been minister of foreign affairs in the Ramanantsoa government.

In December 1975, a draft constitution was approved in a referendum by 95% of the voters and the Second Malagasy Republic, to be called the Democratic Republic of Madagascar, was proclaimed. Ratsiraka was installed as president on 4 January 1976, thus remaining head of state.

The new regime accelerated growing state control of the economy, and Madagascar turned to the former USSR and the Democratic People's Republic of Korea for military aid. By 1979, however, growing economic difficulties forced Ratsiraka to develop closer ties with the West. Unemployment, inflation, and scarcities of basic foodstuffs caused serious rioting and social unrest in the early 1980s. Ratsiraka was elected to a new term as president on 7 November 1982. During 1986–87, the government was shaken by student protests against educational reforms, rioting in the port of Toamasina, attacks on Indo-Pakistani enterprises in four major urban centers, and famine in the south because of food-supply problems. By early 1987, the governing coalition appeared to be unraveling. On May Day, four of the parties called for the resignation of the government and early elections.

LOCATION: 43°12′ to 50°17′ E; 11°57′ to 25°38′ S.
TERRITORIAL SEA LIMIT: 12 miles.

Democratization Unleashed

In July 1992, after seven weeks of pro-democracy protests, Ratsiraka finally agreed to dissolve the cabinet and begin talks with the opposition. He also offered to hold a referendum on a new constitution by the end of 1992. Although he rejected demonstrators' demands that he resign, Ratsiraka released Albert Zafy, a popular opponent, and offered to form a coalition government with opposition leaders. Protests continued, and government troops fired on demonstrators in Antananarivo, killing as many as 50. In August, Ratsiraka asked his prime minister, Guy Willy Razanamasy, to form a new government and to "install democracy." By November, Ratsiraka agreed to share power with a transitional government headed by Zafy, his main rival. Ratsiraka's Revolutionary Supreme Council stepped down from power.

The democratization process survived an attempted coup on 29 July 1992, led by a faction of the Active Forces known as the Lifeblood Committee. On 19 August 1992, a new constitution was approved by national referendum. Ratsiraka's supporters interfered with the voting, seeking greater provincial autonomy. However the interior peoples, especially the Merina, strongly supported the new constitution. This was followed on 25 November by a presidential election, which a team of foreign

observers deemed free and fair. Zafy defeated Ratsiraka, but without an absolute majority. In a runoff election on 10 February 1993, Zafy got 67% of the vote to Ratsiraka's 33%. The president was installed in March, amid violent confrontations between Ratsiraka's supporters and government forces.

Parliamentary elections were held in June 1993 for the new National Assembly. Twenty-five parties won representation with Zafy's Forces Vives (FV) taking the largest block of seats—48. Eight parties had more than five seats. The National Assembly elected Francisque Ravony prime minister—55 votes to 45 for Roger Ralison (FV), and 35 for former Maoist leader, Manandagy Rakotonirina.

Communal (territorial) elections, the first step in creation of the Senate, were held in November 1995, but President Zafy's day in the sun was short-lived. He was impeached in September 1995, and then defeated by Ratsiraka in competitive elections in December 1996. On February 10, 1997, Ratsiraka became the second African head of state, after Mathieu Kérékou of Benin, to have lost and then reclaimed the presidency via competitive elections.

An extensive revision of the 1992 Constitution was approved narrowly in a March 1998 constitutional referendum. International observers found the conduct of the referendum generally free and fair, but problems involving the compilation of voter lists, distribution of electoral cards, and other issues led to charges of fraud and manipulation. The revised Constitution reduced checks and balances and strengthened the presidency at the expense of the National Assembly. Parliamentary elections held in May 1998 generally were free and fair, but there were credible complaints of electoral fraud. In November 1999, municipal elections were held for 1,392 mayoral posts and 20,000 council seats.

After 29 years of dormancy, the Senate reconvened in May 2001. However, crisis ensued following the 16 December 2001 presidential election when challenger Marc Ravalomanana claimed to have won the election outright over incumbent Didier Ratsiraka, thereby eliminating the need for a run-off. The official results gave Ravalomanana 46.2%, forcing him into a runoff with Ratsiraka (40.9%). Albert Zafy (Rasalama) claimed 5.4%, Herizo Razafimahaleo 4.2%, D. Rajakoba 1.8%, and P. Rajaonary 1.6%. With Ratsiraka refusing to step down, Ravalomanana and his supporters mounted strikes and protests culminating in Ravalomanana's siezure of the presidency in February 2002. Operating from his provincial fiefdom, Toamasina, Ratsiraka commanded his armed forces to lay siege to the capital, blowing up key bridges and cutting off basic foodstuffs and other critical supplies. The violence resulted in more than 70 deaths. US recognition of Ravalomanana in June 2002 was followed by international approbation of his government, forcing Ratsiraka in July 2002 to seek exile in France ending seven months of political and economic chaos in the country.

13 GOVERNMENT

The constitution of 21 December 1975, like that of the First Republic, provided for a strong presidential system of government. The president was elected for a seven-year term and was both chief executive and head of state. The president was assisted by the Supreme Council of the Revolution (Conseil Supreme de la Révolution—CSR), which was to be "the guardian of the Malagasy Socialist Revolution." The president, as chairman of the CSR, named two-thirds of its members outright and chose the other third from a list submitted by the National People's Assembly. The premier, the designated head of government, was appointed by the president and assisted by a cabinet.

The 19 August 1992 constitution of the Third Republic provides for a head of state, the president, who is elected by universal suffrage to serve a five-year term. The president chooses a prime minister from a list of candidates nominated by the national assembly. The prime minister appoints the Council of Ministers.

The constitution provides for a two-chamber legislature—a 160-member national assembly and a senate. Members of the national assembly are elected by universal suffrage—82 by single-member and 34 by two-member constituencies—to serve four-year terms. The president appoints the remaining one-third. Regional assemblies elected by direct suffrage select two-thirds of the members of the senate with the remaining one-third appointed by the president for a four-year term. Suffrage is universal at age 18. National assembly elections were last held 15 December 2002 with the next elections scheduled for 2006.

14 POLITICAL PARTIES

Following World War II, the Democratic Movement for Malagasy Renewal (Mouvement Démocratique de la Rénouvation Malgache—MDRM), founded by several prominent nationalists, demanded that Madagascar be declared a free state within the French Union. The French, however, organized the island as an overseas territory, granting the vote to few Malagasy. In the wake of the 1947 rebellion, the leaders of the MDRM, whom the French accused of planning and leading the revolt, were convicted of treason and sentenced to death (later commuted to life imprisonment). Charges of French brutality in the suppression of the revolt, however, gained considerable sympathy for the nationalist cause.

After independence, the Social Democratic Party of Madagascar and the Comoros (Parti Social Démocrate de Madagascar et des Comores—PSD) became the dominant political organization in the Malagasy Republic. It was organized in 1957 under the leadership of Philibert Tsiranana, the son of a Tsimihety peasant, and advocated a gradual approach to independence. In the Assembly elections of September 1960, the PSD won 75 seats out of 107. In the 1965 and 1970 elections, it increased its representation to 104 seats. The PSD was supported principally by peasants and other conservative elements, and favored strong ties with France. Tsiranana, who became president in 1960, was reelected in 1965 and again in 1972, just prior to his overthrow. The only real alternative during this period was the pro-Soviet Party of the Congress of Independence (Ankoton'ny Kongresi'ny Fahaleorantenan Madagaskara—AKFM), founded in 1958.

Other parties represented regions, provinces, tribes, or religious groups, but displayed little national strength. The most significant of the regional parties was the Movement for the Independence of Madagascar (Mouvement National pour l'Indépendance de Madagascar—MONIMA) which was led by Monja Jaona from Toliara. It represented the more radical intellectuals and landless peasants of the south. As a result of its armed opposition to the central government in April 1971, which was quickly and harshly suppressed, MONIMA became a truly left-wing opposition movement with support among students and urban radicals. Though MONIMA was banned, these elements led the series of demonstrations against the Tsiranana regime that resulted in its fall in May 1972. The ban on MONIMA was lifted in June.

After the assassination of the new head of state, Richard Ratsimandrava, in February 1975, all political parties were banned. The new constitution institutionalized the ban by providing for the creation of a sole party, to be called the National Front for the Defense of the Révolution (Front National pour la Defense de la Révolution—FNDR).

In effect, however, the FNDR became an umbrella group under which parties survived as "revolutionary associations." MONIMA withdrew from the FNDR in 1977 but returned in 1981, bringing to seven the number of parties in the FNDR. The

chief party was Ratsiraka's Vanguard of the Malagasy Revolution (Avant-garde de la Révolution Malgache—AREMA). On 29 May 1977, it won control of almost all provincial and local bodies, and on 30 June 1977, in an election in which voters were presented with a single FNDR list, AREMA won 112 Assembly seats to 16 for the PCI and 9 for two other parties.

In the presidential election of 7 November 1982, President Ratsiraka won reelection with 80.17% of the vote. His sole opponent, Monja Jaona, leader of MONIMA, was removed from the CSR and temporarily placed under house arrest after he called for a general strike to protest the election results. In elections in August 1983, AREMA again won a commanding majority in the Assembly. MONIMA left the FNDR in 1987.

Since the democratic changes of 1992 and 1993, numerous political organizations have operated in Madagascar. In 1991, Albert Zafy founded the National Union for Development and Democracy (UNDD). Zafy was supported in the 1993 elections by Forces Vive (FV), an informal alliance that included the UNDD and the AKFM–Fanavaozana, a breakaway group from the MFM (Mouvement pour le pouvoir prolétarien).

Following his defeat in the presidential elections of February 1993, Didier Ratsiraka created a new party, the Vanguard for Economic and Social Recovery (ARES—Avant Gardes pour le Redressement Économique et Social) to replace the defunct AREMA. Ratsiraka turned on his former policies by proposing a federalist arrangement that would give more autonomy to the provinces. In the elections of 17 May 1998, which were credibly free and fair, AREMA took 62 seats, LEADER/Fanilo 15, AVI 14, RPSD 11, AFFA 6, MFM 3, AKFM/Fanavaozana 3, GRAD/Iloafo 1, Fihaonana 1, independents 34.

In the municipal elections on 14 November 1999, AREMA captured three of the six regional capitals, having previously held just one. The biggest losers were established opposition party candidates such as former president Albert Zafy, who was beaten in his own political stronghold of Antsiranana. Marc Ravalomanana, a 50-year-old businessman and a principal donor of funds to the AVI centrist party, won the mayorship of Antananarivo, the capital city. Although the vote was marred by poor organization, almost all the 1,392 mayorships and 20,000 council seats were contested by at least two candidates. Many these were independents, which seemed to signal that local elections were no longer being run from national party headquarters in the capital.

In the 15 December 2002 parliamentary elections, Ravalomanana's I Love Madagascar (TIM), captured a combined total of 125 out of 160 seats in parliament. The election results (minus presidential appointments) were as follows: TIM 103, FP 22, AREMA 3, LEADER/Fanilo 2, RPSD 5, TTS 2, HBM 1, and independents 22. The opposition criticized the poll as manipulated by the president's party.

[15]LOCAL GOVERNMENT

Under its "autonomous province" scheme, Madagascar is undergoing a major, if confusing decentralization of power. During his 1996 campaign, Ratsiraka promised to draft laws that would govern future autonomous provincial authorities. He subsequently sponsored workshops to gather input and share ideas with regional leaders.

Madagascar is divided into six provinces, subdivided into 28 regions comprising 148 departments, and further divided into nearly 1,400 communes. At the local level are some 11,393 *fokontany* (village or urban neighborhood organizations). At the fokontany level, a president and council are elected, as are the mayors and council members of the communes. Councilors of the regional communes will have the authority to elect members to the senate. Formerly, all levels of the Malagasy state were organized in hierarchical fashion within the jurisdiction of the Ministry of the Interior.

When complete, decentralization will transfer power from the central government to the provinces and municipalities, and to administrative subdivisions for tax collection, service provision, and development planning. Despite their flaws, municipal elections throughout the country in November 1999 confirmed the effects of the new policy. However, the autonomous provinces issue is still very contentious. Concerns are that provincial autonomy will threaten Madagascar's political unity.

[16]JUDICIAL SYSTEM

The Malagasy judicial system is based on the French tradition. During the 1960s and 1970s the nation began a move from a bifurcated judicial system (customary courts for most Malagasy and local courts for foreign residents and urbanized Malagasy) to a single judicial system. At the top of the judicial system is the Supreme Court in Antananarivo. Other courts include the Court of Appeal, also in Antananarivo; courts of first instance for civil and criminal cases; ordinary and special criminal courts; and military courts. There are also a High Court of Justice to try high officials and a High Constitutional Court. Military courts presided over by civilian magistrates hear cases involving national security.

The traditional courts (*dina*) continue to handle some civil disputes and recently have been used in criminal cases because of inconvenience and inadequacy of the formal court system. Decisions by dina are not subject to the formal procedural protections of the formal court system. In some cases, however, they may be challenged at the appeals court level. Dina's authority depends upon the mutual respect and consensus of the parties to abide by the ruling. Dina punishments are sometimes severe and include capital punishment.

The 1992 constitution guarantees an independent judiciary, and in practice the judiciary appears to be independent from the executive. In April 2002, with both Ratsiraka and Ravalomanana agreeing to a recount of the December 2001 polls, the High Constitutional Court declared Ravalomanana the winner with 51.46% of the vote, and 35.90% for Ratsiraka. Ratsiraka defied the verdict, but Ravalomanana was sworn in for the second time on 6 May 2002 as Madagascar's fourth head of state.

[17]ARMED FORCES

As of 2002, the armed forces of Madagascar were composed of about 13,500 personnel, including an army of 12,500, a navy of 500 (100 marines), and an air force of 500. The army had 12 tanks and the air force 12 combat aircraft. The last French military forces stationed in Madagascar withdrew in 1975. The paramilitary Gendarmerie National, which had a strength of 8,100, is the main force for the maintenance of public order and internal security. Military spending was $48.7 million in 2001 or about1.2% of GDP.

[18]INTERNATIONAL COOPERATION

Madagascar was admitted to UN membership on 20 September 1960 and is a member of ECA and all the nonregional specialized agencies. It is also a member of the African Development Bank, G-77, the AU, and COMESA. Madagascar is a member of the nonaligned movement, a signatory to the Law of the Sea, and a member of the WTO. In 1973, Madagascar left OCAM and the franc zone.

[19]ECONOMY

Madagascar is a poor country, with over 70% of the population falling below the poverty level of $50 a year. Its agriculture-based economy supports a majority of the labor force. There are substantial mineral deposits; and industry, which accounted for 11% of GDP in 1999, is centered on food processing. Madagascar sponsored an Export Processing Zone in 1991 and important investments have been made in tourism. Government

efforts to strengthen the market economy have been erratic while corruption and political instability continue to constrain growth. The country's infrastructure remains poor, with inadequate roads preventing the transportation of agricultural products from farm to market. Railroads and the port system are also undeveloped, although the telecommunications system is being revamped. The IMF and World Bank in 2000 released tranches of the Poverty Reduction and Growth Facility, and Structural Adjustment Credit, respectively, to assist the country in reducing poverty and implementing market reforms conducive to private sector development. Also in 2000, Madagascar was approved to receive debt relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative.

The agricultural sector, which accounted for 34% of GDP in 1999, is prone to cyclone damage and drought. Rice is the staple crop although Madagascar has sought to diversify crop production by promoting maize and potatoes. Cassava, bananas, and sweet potatoes are also important. Export crops are coffee, vanilla, and cloves, with coffee the most important. A decline in world coffee prices by 2003 had held back growth. The sugar sector has been revived with the help of French investments.

Though Madagascar has a considerable diversity of minerals, their remote locations have discouraged extraction. Chromite, graphite, and mica are exported along with gems such as topaz, garnets, and amethysts. Private mining interests have been invited to develop Madagascar's gold deposits, as well as ilmenite, zircon, rutile, nickel, platinum, and bauxite. There has also been renewed interest in Madagascar's oil potential.

Madagascar is rich in biodiversity, and many plants and animals found there exist nowhere else in the world. Hence, ecotourism is a sector of the economy with great potential for development.

[20] INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Madagascar's gross domestic product (GDP) was estimated at $14 billion. The per capita GDP was estimated at $870. The annual growth rate of GDP was estimated at 5%. The average inflation rate in 2001 was 7%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 34% of GDP, industry 11%, and services 55%. Foreign aid receipts amounted to about $22 per capita and accounted for approximately 8% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $224. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 1%. Approximately 61% of household consumption was spent on food, 4% on fuel, 2% on health care, and 2% on education. The richest 10% of the population accounted for approximately 28.6% of household consumption and the poorest 10% approximately 2.6%. It was estimated that in 1994 about 70% of the population had incomes below the poverty line.

[21] LABOR

The labor force in 1999 was estimated at seven million persons. Agriculture employs approximately 80% of the workforce. There is a high unemployment rate in this very poor country.

Both public and private sector workers have the right to establish and join labor unions of their choice. However, only 5% of the total force was unionized in 2002. Unions are required to register with the government, but authorization is customarily given. The law provides for collective agreements between employers and trade unions. Strikes are legally permitted.

Working conditions are regulated by the constitution and the labor code. The law sets the minimum working age at 14 (18 where the work is hazardous) but this minimum is enforced only in the small formal sector of the economy. In the large agricultural sector, many children work with their parents on family farms. The minimum wage was $25 per month in 2002, but this is not regularly enforced due to harsh economic realities. The standard legal workweek is 40 hours in industry, and 42.5 hours in agriculture.

[22] AGRICULTURE

Although Madagascar's economy is essentially agricultural, much of the land is unsuitable for cultivation because of its mountainous terrain, extensive laterization, and inadequate or irregular rainfall. Only about 5% of the land area is cultivated at any one time. Despite these figures, agriculture accounts for 30% of GDP and employs about 75% of the work force. Large-scale plantations dominate the production of sisal, sugarcane, tobacco, bananas, and cotton, but, overall, Malagasy agriculture is dependent mainly on small-scale subsistence farmers cultivating less thanoneha (2.47 acres) of land.

A wide variety of food crops is grown. Rice is the staple of the Malagasy diet; production was an estimated 2,637,000 tons in 1999. Nevertheless, the yield is insufficient to meet the country's needs and in 1982, 1984, and 1990 cyclones severely damaged the rice crop. Cassava, bananas, and sweet potatoes are also important. Madagascar has sought to diversify staple crop production by promoting maize and potatoes. Other important food crops (with 1999 production figures) include cassava, 2,435,000 tons; sugarcane, 2,180,000 tons; sweet potatoes, 520,000 tons; potatoes, 285,000 tons; bananas, 265,000 tons; corn, 181,000 tons; and oranges, 85,000 tons.

The major Malagasy export is coffee. In the 1980s, coffee regularly earned about 24% of total export revenues. After the collapse of the International Coffee Organization in 1989, however, coffee exports accounted for only 8.6% of Malagasy foreign trade earnings in 1992 (down from 35% in 1985); in 2001, it accounted for about 12% of exports. Production was 85,000 tons in 1991 and about 65,000 tons in 1999.

Vanilla is the second-ranking agricultural export, with exports of 853 tons of extract (for a value of $9.5 million) in 2001. International trade in natural vanilla is determined by agreements between producers (mainly Madagascar and the Comoros) and the principal importers by which export prices and traded volumes are fixed. The government does not encourage overproduction, since the international market demand is very sensitive because of competition from synthetic vanilla (vanillin). Madagascar is the world's major natural vanilla producer, accounting for about 75% of production.

Cloves are the third main export crop, grown mostly by smallholders. Production follows a 4-year cycle with 2–3 years of high output followed by one year of low production. Clove exports totaled 16,723 tons in 2001, valued at $88.5 million. Other 1999 production figures for cash crops were seed cotton, 33,000 tons; peanuts, 34,000 tons; sisal, 18,000 tons; and cocoa, 4,000 tons. Pepper is another important export crop. Pepper exports in 2001 amounted to 635 tons, valued at $1.2 million. The sugar sector has been revived with the help of French investments. The needs of the domestic market are served by five sugar refineries.

Production of cash crops has been discouraged by the low prices paid by state agencies, which sometimes have failed to collect crops or pay for them on time. In 2001, Madagascar's agricultural trade surplus was $21.5 million.

[23]ANIMAL HUSBANDRY

More than half the land is used for raising livestock. Cattle occupy an important place in the Malagasy economy. They are, however, more important as evidence of wealth than as sources of meat and dairy products. Only since the end of World War I has the consumption of meat become widespread among Malagasy, and now beef consumption is relatively high compared with other African countries. Cattle are employed to trample the rice fields and to draw plows and small carts. Most cattle are of the humped zebu type. Madagascar has vast natural pastures (60% of total land area) and is free of cattle diseases; there is, therefore, considerable potential for increasing production.

Estimates of the size of livestock herds vary considerably. Estimates for 2001 were cattle, 11 million head; hogs, 1.6 million; sheep, 790,000; and goats, 1,350,000. Total meat production was about 299,000 tons. Beef and live animals are exported. The population of cattle has remained steady because of a high young animal mortality rate resulting from traditional livestock-raising techniques.

[24]FISHING

Despite the island's long coastline, fishing is relatively undeveloped as an industry in Madagascar. On the east coast, with its stormy seas and absence of harbors, fishing is restricted mainly to the coastal lagoons and has been aptly characterized as virtually an extension of inland freshwater fishing. In the northwest, sardine and tuna are caught, and dried fish find a ready market. Dried fish also are prepared in the southwest. Lobsters, prawns, and shrimps are exported. Commercial maritime fishing is carried out by four joint-venture companies that operate along the northwest coast and account for most exports. The catch in 2000 was estimated at 132,093 tons, of which 30,000 tons were caught in inland waters. Vessels from European Union nations are allowed to take up to 11,000 tons of tuna and prawns a year. French investment has helped establish a tuna cannery.

[25]FORESTRY

The forested area of Madagascar is estimated to cover more than 11.7 million ha (about 28.9 million acres), or about 20% of the land. The main objectives of forestry policy have been to arrest further destruction of the woodlands, to pursue a systematic reforestation program in the interests of soil conservation and the domestic demand for construction timber, and to continue to meet the domestic need for firewood, of great importance in view of the absence of petroleum or exploited coal deposits. Eucalyptus, introduced at the end of the 19th century, acacias (especially mimosa), and various kinds of pine have been extensively used in reforestation. Raffia is the only forest product exported in any quantity. Roundwood removals were estimated at 9,730,000 cu m (343 million cu ft) in 2000; 99% was used for fuel.

[26]MINING

Madagascar was the tenth-largest producer of chromite (chemical- and metallurgical-grade), and its mining industry has also been known for the production and export of phlogopite mica and high-quality crystalline flake graphite. Chromite and petroleum products were top export commodities in 2002, and the production of cement and petroleum were leading industries.

In 2000, output of chromite (marketable lumpy ore and gross weight concentrate) was 118,800 tons; none was produced in 1999, and the country had resources of 3.88 million tons. Because of depletion at the Ankazotaolana Mine, exports of chromite products fell from 147,700 tons at a value of $9.12 million in 1998, to 57,500 tons at a value of $3.15 million in 1999; 51% of exports went to Japan, and 49%, to China. Graphite output in 2000 was 15,200 tons, resources totaled 960,000 tons, and exports fell to 9,244 tons at a value of $4.66 million in 1999, from 13,087 tons at a value of $6.7 million in 1998. Output of mica was 800 tons; most was exported (81% of exports went to Belgium), and the country contained muscovite deposits in addition to phlogopite.

Deposits of gems (amazonite, amethyst, beryl, citrine, cordierite, garnet, sapphire, and tourmaline) have been exploited, as have those of ornamental stones (agate, apatite, and aragonite—69% of total ornamental stone production—calcite, jasper, and labradorite) and stones for electrical geodes (quartz—industrial, rose, and smoky—and celestine). In 1999, Madagascar exported gemstones worth $15.18 million, a 212% increase over 1999, and 270% over 1995—74% were exported to Thailand.

Madagascar also produced mine gold (almost all was produced by artisanal miners and smuggled out of the country), natural abrasives, feldspar, kaolin, cipoline marble, marine salt, and dimension stone. Industrial calcite, clays, sand and gravel, and stone were presumably produced as well. Bastnaesite and monazite were not produced after 1996, although large deposits occurred of both, as well as of pyrochlore, and contained fergusonite, xenotine, euxenite, and uranium.

Extensive prospecting has led to the discovery of recoverable deposits of iron ore (910 million tons of resources; the 360-million-ton deposit near Soalala was the most valuable), bauxite (330–335 million tons in resources, in the southeastern part of the country), nickel (168 million tons; the largest resources were in the Ambatovy lateritic deposit), coal, copper, lead, manganese, platinum, tin, titanium, zinc, and zirconium. Madagascar's considerable mineral potential has remained unexploited; the main factors were the need for major infrastructure repairs, its poor power distribution systems, underfunded health and education facilities, and the inability to reform the economy and deal with chronic malnutrition, deforestation, land erosion, and population growth. One potentially positive development was the decision of the International Monetary Fund and the World Bank in 2000 to grant Madagascar $1.5 billion in debt relief. In 2000, the Bureau du Cadastre Minier de Madagascar (BCCM) was established, to serve as a one-stop service for mining operators. An overhaul of mining regulations created a new system of strictly defined licenses and mining concessions. All mineral resources, except graphite and mica, were nationalized, and prospecting and exploitation was under state control.

[27]ENERGY AND POWER

There has been oil exploration since the early 20th century, but no important deposits had been found as of 2003. An estimated 80 million tons are thought to be extractable from bituminous sand deposits near Mahajanga, but it is not economically feasible. Madagascar's only oil refinery was established at Toamasina in 1966.

Installed electrical capacity in 2001 amounted to 285,000 kW. Annual output of power in 2000 was 820 million kWh, 63.4% of which was hydroelectric and 36.6% of which was thermal. Consumption of electricity in 2000 was 762.6 million kWh. The first phase of the Andekaleta hydroelectric station, east of Antananarivo, came on line in 1982 with a capacity of 58 MW.

[28]INDUSTRY

Industry consists largely of processing agricultural products and textile manufacturing. The industrial centers are in the High Plateaux and near the Toamasina port. Industrialization has been severely hampered by inadequate internal transportation and a restricted local market. Industry accounted for 11% of GDP in 1999. Most plants operated at less than one-third of full capacity.

The majority of industrial enterprises process agricultural products: rice, sugar, flour, tobacco, tapioca, and sisal. In addition, there are some meat-packing plants. Urea- and

ammonia-based fertilizers are produced in a plant that opened in 1985. Madagascar produces pulp for paper and cement. Other industrial enterprises include cotton-spinning and -weaving mills and three automobile assembly plants.

The government-owned petroleum refinery at Toamasina has a capacity of 15,000 barrels per day, but it has been operating at reduced capacity since it was hit by a hurricane in 1994. The petroleum sector was liberalized in 1996, and the state oil company SOLIMA was privatized in 2000. Oil and gas exploration holds great potential for the country.

[29]SCIENCE AND TECHNOLOGY

France is the leading supplier of scientific and technical aid to Madagascar, and there are French research institutes in the country to study geology, hydrology, tropical forestry, and veterinary medicine.

The National Center of Applied Research in Rural Development, founded in 1974 at Antananarivo, conducts research into agriculture, forestry, fisheries, zoology, and veterinary studies. Also in the capital is a government department of agronomical research, the National Institute of Geodesy and Cartography, and the Pasteur Institute, which is devoted to biological research. The University of Antananarivo, founded in 1961, has departments of sciences, agriculture, polytechnics, and health sciences, and an Institute and Geophysical Observatory. The University of Fianarantsoa, founded in 1988, has departments of mathematics, physics-chemistry, engineering, and computer science. The University of Mahajanga, founded in 1977, has faculties of natural sciences, medicine, and dentistry and stomatology. In 1987–97, science and engineering students accounted for 25% of college and university enrollments. In 1987–97, research and development expenditures totaled 0.2% of GNP; 37 technicians and 12 scientists and engineers per million people were engaged in research and development.

[30]DOMESTIC TRADE

Antananarivo, the capital and largest city, is the principal distribution center for the island. Toamasina, Mahajanga, Antsiranana, Toliara, and Tolänaro are the commercial centers for the provinces in which they are located. Distribution and packaging are being gradually modernized. Most general merchants in the small eastern communities are Chinese; most on the west coast are Indian. Domestic trade is small due to low-incomes of most residents and relatively high prices. Business is conducted in French and Malagasy. Advertising and marketing are not common.

Business hours vary, but generally are from about 8 AM to noon and 2 to 5:30 PM on weekdays and from 8 AM to noon on Saturdays. Banks are open 8 to 11 AM and 2 to 4 PM Monday–Friday.

[31]FOREIGN TRADE

Madagascar consistently runs a trade deficit. Exports consist mainly of unprocessed agricultural products and some extracted minerals. Textiles are Madagascar's major export commodity (29%), followed by spices (14%), coffee (7.1%), and gemstones (6.5%). Other exports include preserved fruit (4.4%) and shellfish (4.1%).

Refined petroleum products were formerly imported in large quantities, but development of domestic refinery capacity altered this pattern. Madagascar now exports a small amount of petroleum products to East Africa and to other Indian Ocean islands. Crude petroleum still must be imported. In 1999 Madagascar's imports were distributed among the following categories:

Consumer goods	11.3%
Food	12.8%
Fuels	23.9%
Industrial supplies	22.9%
Machinery	15.4%
Transportation	12.3%
Other	1.6%

Principal trading partners in 1999 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
France	88	105	-17
Singapore	17	7	10
Germany	15	24	-9
United States	13	15	-2
Italy	12	8	4
Mauritius	9	6	3
China (inc. Hong Kong)	6	35	-29
United Kingdom	5	9	-4
Japan	3	26	-23

[32]BALANCE OF PAYMENTS

Madagascar's payments balance is chronically negative. Since private investment has been limited, the deficits have been covered by foreign aid grants, official loans, and the use of central bank reserves from good years. In 1981 Madagascar was refused credit by its suppliers because of worsening deficits. The IMF provided a standby loan in 1982, conditional on devaluation of the currency, increased agricultural sector investments, producer price increases for rice and cotton, and the imposition of a ceiling on the minimum wage. These measures had a positive effect, although export production continued to decline. Consequently, further standby credits were negotiated and, in the late 1980s, Madagascar's debt was periodically rescheduled conditional on further trade liberalization, tighter government spending controls, privatization of the state's banks, improvement of credit access, and the opening up of financial markets to foreigners. France and Germany canceled significant portions of Madagascar's debt at that time.

In 1997, the Paris Club approved a 67% debt reduction, but since the majority of the country's debt did not lie with the Paris Club, it retained an external debt of over $4.5 billion. In 2000, Madagascar qualified for $1.5 billion in debt service relief from the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative. In 2001, the IMF approved a three-year $103 million loan to Madagascar.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Madagascar's exports was $680 million while imports totaled $919 million resulting in a trade deficit of $239 million. The International Monetary Fund (IMF) reports that in 2001 Madagascar had exports of goods totaling $111 million and imports totaling $114 million. The services credit totaled $42 million and debit $61 million. The following table summarizes Madagascar's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-20**
Balance on goods	-3
Balance on services	-19
Balance on income	-10
Current transfers	12
Capital Account	**13**
Financial Account	**-17**
Direct investment abroad	…
Direct investment in Madagascar	11
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	-15
Other investment liabilities	-12
Net Errors and Omissions	**-31**
Reserves and Related Items	**54**

[33]BANKING AND SECURITIES

Upon leaving the franc zone in June 1973, the government established the Central Bank of the Malagasy Republic (Banque Centrale de la République Magache). Also organized at that time were the Malagasy National Development Bank, an agricultural credit institution, and the National Investment Co., an industrial investment bank. In June 1975, the Ratsiraka government nationalized all private financial institutions. In December 1976, Bankin'ny Tantsaha Mpamokatra (BTM) was established as the national rural development bank, Bankin'ny Indostria (BNI) as the national industrial development bank, and Banky Fampandrosoana ny Varotra (BFV) as the national bank for commerce. There was also a savings bank and a postal checking account system.

Economic reforms in 1988 allowed private foreign investment in the banking sector for the first time since the banks were nationalized. In 1989, the Banque Nationale de Paris was the first French bank to open a private bank, the BMOI, since 1975. Financial sector liberalization has been a key condition of adjustment support.

In 2001, there were six commercial banks in Madagascar, including Banque Malgache de l'Océan Indien (BMOI) and BNI-Credit Lyonnais (BNI-CL), both controlled by European banking institutions; Union Commercial Bank (UCB) and State Bank of Mauritius (SBM), both controlled by Mauritian companies; BTM, controlled by the Bank of Africa; and the Bank of New York (BFV/SG). Total assets of the biggest bank, BNI-CL, were approximately $200 million in 1999. The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $794.4 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $1.0 billion. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 11%. There are no securities exchanges in Madagascar.

[34]INSURANCE

In June 1975, as part of the government's Malagasization program, all insurance companies were nationalized. Most of these had previously been French. Foreign companies now operate only as coinsurers. Some of the insurance companies doing business in Madagascar included, in 1998: Avotra Mutuelle Générale d'Assurances Malagasy, Caledonian Insurance Co., Compagnie Malgache d'Assurances et de Reassurances, and Mutuelle d'Assurances Malagasy.

[35]PUBLIC FINANCE

In 2000, Madagascar started the preparation of a Poverty Reduction Strategy Paper (PRSP) under the Heavily Indebted Poor Countries (HIPC) initiative. By the end of the year, the IMF and the World Bank agreed that Madagascar had filled the requirements of the HIPC and together they reached a decision point for debt relief. As a result, various organizations, including the IMF, the Paris Club, and the African Development Bank awarded Madagascar grants or debt cancellations worth a total of $355 million dollars in 2001.

The US Central Intelligence Agency (CIA) estimates that in 1998 Madagascar's central government took in revenues of approximately $553 million and had expenditures of $735 million. Overall, the government registered a deficit of approximately $182 million. External debt totaled $4.5 billion.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	553
Tax revenue	74.0%	409
Non-tax revenue	2.4%	13
Grants	23.6%	130

[36]TAXATION

Indirect taxes produce much more revenue than direct taxes. The most important indirect taxes are import duties (ranging from 0% to 25%), a value-added tax (20%), customs fees (0% to 25%), and consumption taxes (from 0% to 10%). Import licenses are not necessary, and exports have been liberalized. Direct taxation consists of a graduated personal income tax with a maximum rate of 35%, a corporate profits tax at a flat rate of 35%, and a tax on income from transferable capital.

[37]CUSTOMS AND DUTIES

Between 1960 and 1972, most Malagasy production went to France, where it was sold at subsidized prices. In return, preferential treatment was given to French imports. This reciprocal arrangement guaranteed the Malagasy a reliable return for their exports and enabled the French to pay low import duties and virtually monopolize the Malagasy market. Similar trade agreements were arranged with some European Community countries.

Beginning in 1972, however, the government restricted imports as much as possible and began the progressive cancellation of preferential arrangements to ensure greater diversity in supply sources. Import constraints were tightened during the early 1980s because of a severe shortage of foreign exchange but were liberalized in 1986. In 1988, Madagascar began a three-stage comprehensive tariff reform to simplify and reduce rates. Imported goods were divided into five categories and taxed at rates of 10–50%.

Customs duties continue to be an important source of revenue for Madagascar, as they are for many developing countries. The current tariff system, under a 2000 financial law, consists of four kinds of duties: an import tax (5% for crude materials, spare parts and inputs; 5-15% for capital goods; 25-30% for consumer goods; and up to 100% for some luxury items); custom fees of 0-25%; a consumption tax of 1–10%; and a value-added tax (VAT) of 20%.

[38]FOREIGN INVESTMENT

Prior to independence, nearly all private investment was French. The investment code of 1973 required that the Malagasy government own at least 51% of most new foreign projects, especially those involving strategic sectors of the economy. Import duties on equipment, excise on products, and taxes on profits were reduced or waived. Priority was given to enterprises in the allocation of foreign exchange and in the sale of goods and services to the state and its enterprises. In 1974, the government embarked on a socialist course, nationalizing large foreign enterprises without compensation and imposing strict controls on imports, prices and foreign exchange. There was little private foreign investment under these restrictive policies. The economy contracted and productivity declined. In 1994, under the pressure and guidance of the IMF, the World Bank, and donor states, a new liberalized policy framework was instituted. In 1997, the government announced that 45 state enterprises were set for privatization by the end of 1998, but only two companies had been privatized by mid-1999. Nonetheless, public foreign investment is encouraged.

A new code that became operational in 1986 allowed some exporters tax holidays of up to eight years, and there were special incentives for small enterprises. Foreign investors had the right to transfer dividends freely. The investment code of 1990 provided further incentives to foreign private investors and was opposed by

local businesses for that reason. Rules covering foreign exchange and the number of foreign employees were relaxed. Small- and medium-size companies were provided tax exemptions through the first ten years of operation.

A number of export processing zones were set up in Madagascar. These have attracted investors from Europe (50%, mainly French, and Germany and Italy), Mauritania (30%), and Asia (10%, mostly Hong Kong and Singapore). Between 1990 and 1992, 69 new foreign-financed businesses were established in Madagascar. Investment during 1999 focused on the telecommunications, petroleum, and mining sectors. The value of foreign direct investment in 1998 was around $16 million.

[39]ECONOMIC DEVELOPMENT

The 1982–1984 development plan, more modest than the previous one owing to limited resources, called for a shift from social investments (especially education and health) to agriculture, industry, and infrastructure. The following 1984–87 plan called for spending centered mainly on transport improvements and agricultural development. The 1986–90 plan, which superseded the 1984–87 plan, had 30% of the budget coming from private sources and 40% from foreign sources. The plan called for investments of 47% in agriculture in the ongoing effort to achieve food self-sufficiency and crop diversification.

Antigovernment strikes, corruption, and a lack of commitment have limited progress on the reforms since the early 1990s. In March 1997, a World Bank structural adjustment credit of $70 million was approved; in July 1999, a $100 million credit, and $40 million from the International Monetary Fund (IMF). The GDP growth rate has increased steadily since these credits were allocated to Madagascar. However, external debt remained at $4 billion throughout the decade. One good sign, was that the inflation rate was cut from 45% in 1993 to 6.2% in 1998.

In 2000, Madagascar was approved for $1.5 billion in debt service relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative. In 2001, it negotiated a $111.3 million three-year Poverty Reduction and Growth Facility (PRGF) Arrangement with the IMF. The PRGF was due to expire in November 2004. Also in 2001, the Paris Club approved a debt cancellation of $161 million, and the African Development Bank (AfDB) approved a debt cancellation of $71.46 million and granted an additional credit of $20 million to fight HIV/AIDS and poverty. Foreign direct investment in Madagascar's export processing zone strengthened the country's balance of payments position from 1997–2001, real GDP growth rate averaged 4.75%, and inflation was limited. The government embarked on an agenda of regulatory reform and public enterprise in 2002. Poverty, however, remains a constraint on growth and development.

[40]SOCIAL DEVELOPMENT

Old age, disability and survivor's pensions are funded by 1% contributions by employees and 3.5% by employers. There is a National Social Security Fund that provides family allowances and workers' compensation for wage earners. The Labor Code requires employers to provide sick leave at 100% pay for a period of one month, with benefits dropping to 50% for subsequent months. Employed women also receive 14 weeks of maternity leave at 50% of pay.

Women enjoy a highly visible and influential position in society, occupying some important posts in business and in the public sector. Domestic abuse is not widespread and women have recourse if reported to authorities. Child labor is persists.

Human rights are generally respected. Excessive pretrial detention is a problem in Madagascar, sometimes extending for periods that surpass the maximum sentence for the alleged offense.

[41]HEALTH

All medical services in Madagascar are free. Each province has a central hospital and local clinics, dispensaries, and maternity-care centers are supplemented by mobile health units. The main hospitals are the Hospital Befelatnana (1,300 beds) and Fort Dauphin Hospital (80). As of 1999, total health care expenditure was estimated at 2.1% of GDP. As of 1999, there were an estimated 0.1 physicians and 0.9 hospital beds per 1,000 people.

Malaria remains one of the major health problems. The current reorganization of the health service in Madagascar is an opportunity to establish new anti-malaria programs. The strategies of the fight against malaria consist of early care of malaria cases, drug interaction for pregnant women, and eradication of adult insects in the central highlands where malaria is common. The major endemic diseases are malaria, leprosy, and schistosomiasis. Tuberculosis is also prevalent. In 1995, there were 5,915 leprosy cases. In 2000, 47% of the population had access to safe drinking water and 42% had adequate sanitation.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 42.4 and 12.2 per 1,000 people. The fertility rate in 2000 was 5.4. Only 19% of married women (ages 15 to 49) used contraception in 2000. The infant mortality rate in 2000 was 88 per 1,000 live births. The maternal mortality rate in 1998 was 490 per 100,000 live births. Immunization rates for children up to one year old for 1997 were: tuberculosis, 87%; diphtheria, pertussis, and tetanus, 73%; polio, 73%; and measles, 68%. As of 1999, 48% of children under five years of age were considered malnourished. Nearly 22.8% of schoolchildren suffered from goiter in 1996. The average life expectancy was 55 years in 2000.

At the end of 2001, the number of people living with HIV/AIDS was estimated at 22,000 (including 0.3% of the adult population). Deaths from AIDS in 1999 were estimated at 870. In the same year HIV prevalence was 0.14 per 100 adults.

[42]HOUSING

Malagasy houses, although constructed of varying materials in different parts of the island (brick and wood in the plateau, thatch and leaves in the west, and often on stilts in the east), are always rectangular, sited north–south, with the doorway opening to the west. In the central plateau, they are often two stories high and have outside terraces. The rapid growth of towns after World War II created grave problems of housing and sanitation, especially in Antananarivo, whose situation on a rocky promontory aggravates the difficulties of overcrowding. In the late 1980s, the latest period for which information is available, the housing stock totaled 2,350,000 with 4.5 people per dwelling.

[43]EDUCATION

Although education is free and compulsory between the ages of 6 and 13, there is still a considerable degree of illiteracy. In 2000, illiteracy was estimated at 33% total (males, 26%; females, 40%). In 1996 there were 1,638,187 pupils attending 13,325 primary schools, with 44,145 teachers and a student-to-teacher ratio of 37 to 1. At the secondary level there were 302,035 pupils and 16,795 teachers in general education. The pupil-teacher ratio at the primary level was 48 to 1 in 1999. In the same year, 66% of primary-school-age children were enrolled in school, while 12% of those eligible attended secondary school. There were 26,715 students enrolled in higher education in 1996/1997. As of 1999, public expenditure on education was estimated at 1.9% of GDP.

The University of Madagascar in Antananarivo, established in 1961, also has campuses at Antsiranana, Fianarantsoa, Mahajanga, Toamasina, and Toliara. Also in Antananarivo are the Rural College of Ambatobe and the National Institute of Telecommunications and Posts.

[44]LIBRARIES AND MUSEUMS

The principal libraries are the National Library in Antananarivo, with 236,000 volumes, and the university library, with 195,000 volumes. Other important libraries include the National Archives (30,000 volumes), the Antananarivo municipal library (23,000), and the Albert Camus Cultural Center Library (35,000).

The palace of the queen in Antananarivo contains important art, archaeological, and historical exhibits, especially concerning the Merina kingdom. Other museums in the city are the Gallery of Fine Arts; the University of Madagascar's Museum of Art and Archaeology; the Folklore, Archaeology, Paleontology, and Animal Museum; the Historical Museum, and a natural history museum. There is also an oceanographic research museum in Nosy Bé, a regional museum in Toamasina, and university museums in Fianarantsoa and Tuléar.

[45]MEDIA

The government owns and operates all major telecommunications services. In 2000 there were 55,000 mainline telephones and 63,100 cellular phones in use. Radio-Télévision Malagasy broadcasts in French, Malagasy, and English, and telecasts in French and Malagasy; Radio Madgasi Kara, also state-owned, broadcasts in French and Malagasy. As of 2001, there were 2 AM and 9 FM radio stations and 1 television station. In 2000 there were 216 radios and 24 television sets for every 1,000 people. The same year, two Internet service providers were serving 30,000 subscribers.

In 2002, there were five major daily newspapers: *Atrika* (circulation 13,000), *Imongo Vaovao* (10,000), *Madagascar Tribune* (12,000), *Maresaka* (5,000), and *Midi-Madagasikara* (25,000). All are published in Antananarivo. Despite prior censorship of all print media, the press is presently independent and quite outspoken.

[46]ORGANIZATIONS

There are hundreds of cooperatives, and the Ratsiraka government has been encouraging *fokonolona*, or village organizations, to stimulate planned agricultural undertakings. Chambers of commerce, originally established in 1902, are located in a dozen towns. The national branch is the Chamber of Commerce, Industry, Art and Agriculture of Antananarivo. There are also seven major employers' organizations.

There are numerous associations for sports. Tanora Tonga Saina is the government-sponsored youth movement. There are also scouting programs and a number of religiously and/or politically affiliated groups for youth. The Red Cross is active in the country.

Stevens, Rita. *Madagascar.* Philadelphia, Pa.: Chelsea House, 1999.

[47]TOURISM, TRAVEL, AND RECREATION

Since the mid-1980s, the government has encouraged tourism as a source of foreign exchange, and the industry grew until 1991, when there was a decline due to civil unrest. There has been renewed growth in tourism, however, and in 2000 there were 160,071 arrivals, with tourism receipts totaling $119 million. That year there were 6,700 hotel rooms with 11,945 beds and a 63% occupancy rate. Passports and visas are required, as well as certificates of vaccination against cholera and yellow fever of persons arriving from an infected area.

In 2002, the US government estimated the cost of staying in Antananarivo at $168 per day.

[48]FAMOUS MALAGASY

The poet Jean-Joseph Rabéarivelo (1901–37) published several volumes of poetry (*Volumes, Presques Songes, Sylves)*. Jacques Rabémananjara (b.1914), a founder of the MDRM, is well known for his verse play, *Les Dieux malgaches*. Philibert Tsiranana (1910–78), a Tsimihety teacher, founded the PSD, and became Madagascar's first president in May 1959. Gen. Gabriel Ramanantsoa (1906–79) was head of state from May 1972 to February 1975. Adm. Didier Ratsiraka (b.1936) became head of state in June 1975 and president of the republic in January 1976.

[49]DEPENDENCIES

Two offshore islands, Nosy Boraha and Nosy Be, are considered by Madagascar as integral parts of the country.

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MALAWI

Republic of Malawi

CAPITAL: Lilongwe

FLAG: The national flag is a horizontal tricolor of black, red, and green, with a red rising sun in the center of the black stripe.

ANTHEM: Begins "O God, Bless Our Land of Malawi."

MONETARY UNIT: The kwacha (K) of 100 tambala (t) is the national currency; it replaced the Malawi pound (M£) on 28 August 1970 and was linked with the pound sterling until November 1973. There are coins of 1, 2, 5, 10, and 20 tambala, and notes of 50 tambala and 1, 5, 10, 20, and 50 kwacha. K1 = $0.01137 (or $1 = K87.9) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Martyrs' Day, 3 March; Kamuzu Day, 14 May; Republic or National Day, 6 July; Mothers' Day, 17 October; National Tree Planting Day, 21 December; Christmas, 25 December; Boxing Day, 26 December. Movable holidays include Good Friday and Easter Monday.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

A landlocked country in southeastern Africa, Malawi (formerly Nyasaland) has an area of 118,480 sq km (45,745 sq mi), of which 24,400 sq km (9,420 sq mi) consists of water, chiefly Lake Malawi (also known as Lake Niassa). Comparatively, the area occupied by Malawi is slightly smaller than the state of Pennsylvania. Malawi extends 853 km (530 mi) N–S and 257 km (160 mi) E–W. It is bounded on the N and E by Tanzania, on the E, S, and SW by Mozambique, and on the W by Zambia, with a total boundary length of 2,881 km (1,790 mi).

Malawi's capital city, Lilongwe, is located in the central part of the country.

[2]TOPOGRAPHY

Topographically, Malawi lies within the Great Rift Valley system. Lake Malawi, a body of water some 580 km (360 mi) long and about 460 m (1,500 ft) above sea level, is the country's most prominent physical feature. About 75% of the land surface is plateau between 750 m and 1,350 m (2,460 and 4,430 ft) above sea level. Highland elevations rise to over 2,440 m (8,000 ft) in the Nyika Plateau in the north and at Mt. Sapitwa (3,000 m/ 9,843 ft). The lowest point is on the southern border, where the Shire River approaches its confluence with the Zambezi at 37 m (121 ft) above sea level.

[3]CLIMATE

Variations in altitude in Malawi lead to wide differences in climate. The vast water surface of Lake Niassa has a cooling effect, but because of the low elevation, the margins of the lake have long hot seasons and high humidity, with a mean annual temperature of 24°C (75°F). Precipitation is heaviest along the northern coast of Lake Malawi, where the average is more than 163 cm (64 in) per year; about 70% of the country averages about 75–100 cm (30–40 in) annually. In general, the seasons may be divided into the cool (May to mid-August); the hot (mid-August to November); the rainy (November to April), with rains continuing longer in the northern and eastern mountains; and the post-rainy (April to May), with temperatures falling in May. Lilongwe, in central Malawi, at an elevation of 1,041 m (3,415 ft), has a moderately warm climate with adequate rainfall. The average daily minimum and maximum temperatures in November, the hottest month, are 17°C (63°F) and 29°C (84°F), respectively; those in July, the coolest month, are 7°C (45°F) and 23°C (73°F).

[4]FLORA AND FAUNA

About half of the land area is classified as forest or woodland, but some of this includes grassland, thicket, and scrub. There are indigenous softwoods in the better-watered areas, with bamboo and cedars on Mt. Sapitwa; evergreen conifers also grow in the highlands. Mopane, baobab, acacia, and mahogany trees are among those found at lower elevations.

There are many varieties of animal life. The elephant, giraffe, and buffalo are found in certain areas; hippopotamuses dwell on the shores of Lake Niassa. The kudu, duiker, bushbuck, tsessebe, wildebeest, and hartebeest are among the antelopes to be found. Other mammals in Malawi are the baboon, monkey, hyena, wolf, zebra, lion, nocturnal cat, badger, warthog, and porcupine.

There are at least 520 species of birds. Reptiles are plentiful and include freshwater turtle, crocodile, tortoise, marsh terrapin, chameleon, lizard, and many varieties of snakes; the Egyptian cobra has been found in the Shire Valley. Fish abound in the lakes and rivers; species include bream, bass, catfish, mudfish, perch, carp, and trout. Malawi is rich in insect life and has species in common with tropical West Africa and Tanzania.

[5]ENVIRONMENT

Almost all fertile land is already under cultivation, and continued population pressure raises the threat of soil erosion and exhaustion, as well as infringement on forest resources for agricultural purposes. The demand for firewood has significantly depleted the timber stock. Malawi has 17.5 cu km of renewable water resources with 86% used for farming and 3% used for industrial activity. About of 95% city dwellers and 44% of the rural population have access to pure water. The nation's cities

produce about 0.2 million tons of solid waste per year. Human encroachment has reduced wildlife habitats. The preservation of Malawi's wildlife is a significant environmental issue. As of 2001, 8.9% of the country's natural areas are protected. Some of the nation's fish population is threatened with extinction due to pollution from sewage, industrial waste, and agricultural chemicals and siltation of spawning grounds. Also as of 2001, seven of the nation's mammal species and nine of its bird species were threatened, as well as 46 plant species. Threatened species include the African elephant, cheetah, and African wild dog.

[6]POPULATION

The population of Malawi in 2003 was estimated by the United Nations at 12,105,000, which placed it as number 69 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 46% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.01%, with the projected population for the year 2015 at 15,165,000. The population density in 2002 was 92 per sq km (239 per sq mi), one of the highest in Africa. The Southern Region has 50% of the population, the Central Region 40%, and the Northern Region 11%.

It was estimated by the Population Reference Bureau that 25% of the population lived in urban areas in 2001. The capital city, Lilongwe, had a population of 765,000 in that year. Other cities include Blantyre (331,588), Mzuzu (44,238), and Zomba (42,878). According to the United Nations, the urban population growth rate for 2000–2005 was 7.3%.

The prevalence of AIDS/HIV has had a significant impact on the population of Malawi. The United Nations estimated that 16.1% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Accelerating migration from rural to urban areas contributed to an annual urban growth rate of about 6% in the early 1990s. Between October 1992 and mid-1996, 1.3 million Mozambican refugees repatriated from Malawi. The return of refugees to Mozambique is apparently complete. As of 1999, the majority of refugees were from the Great Lakes region. They were receiving assistance at M'dzaleka refugee camp. In 2000 the net migration rate was -0.8 per 1,000 population, a significant change from -17.1 per 1,000 in 1990. The total number of migrants in 2000 was 280,000, including refugees. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The people of Malawi belong mainly to various Central Bantu groups. About half belong to the Chewa and Nyanja groups, known collectively as Malawi (or Maravi) before the 19th century. About 15% are Lomwe (Alomwe), who live south of Lake Chilwa. Other indigenous Malawians include the Tumbuko, Tonga, and Ngonde. The Ngoni and Yao arrived in the 19th century; together they constitute about 15% of the population. There are a few thousand Europeans, mainly of British origin, including descendants of Scottish missionaries. There are also small numbers of Portuguese, Asians (mainly Indians), and persons of mixed ancestry.

[9]LANGUAGES

Numerous Bantu languages and dialects are spoken. Chichewa, the language of the Chewa and Nyanja, is spoken by more than half the population, but the Lomwe, Yao, and Tumbuka have their own widely spoken languages, respectively known as Chilomwe, Chiyao, and Chitumbuka. English and Chichewa are the official languages.

[10]RELIGIONS

As of a 2002 report, it is believed that more than 70% of the population are Christian, with the largest groups being affiliated with the Roman Catholic and Presbyterian (Church of Central Africa Presbyterian—CCAP) Churches. There are smaller numbers of Anglicans, Baptists, evangelicals, and Seventh-Day Adventists. Muslims account for approximately 20% of the population, with most belonging to the Sunni sect. Tribal religionists account for about 3% of the population. There are also small numbers of Hindus and Baha'is.

[11]TRANSPORTATION

In 2002, Malawi had 797 km (495 mi) of railways. The main line of the rail system consists of a single track of 3'6" gauge running from Salima to Nsanje, a distance of 439 km (273 mi), and operated by Malawi Railways. The line was extended from Salima to Lilongwe in 1977 and was later extended to Mchinji, on the border with Zambia. At Chipoka, 32 km (20 mi) south of Salima, the railway connects with the Lake Malawi steamer service, also operated by Malawi Railways. The railway line extends, in the south, from Nsanje to the port of Beira in Mozambique. The Central African Railway Co., a subsidiary of Malawi Railways, operates the 26 km (16 mi) span from Nsanje to the Mozambique border. Malawi Railways was privatized in 1999.

In 2002, Malawi had an estimated 14,594 km (9,069 mi) of roads, of which 2,773 km (1,723 mi) were paved. In 2000, there were 80,100 motor vehicles, of which 22,500 were passenger cars, and the remaining 57,600 were commercial vehicles.

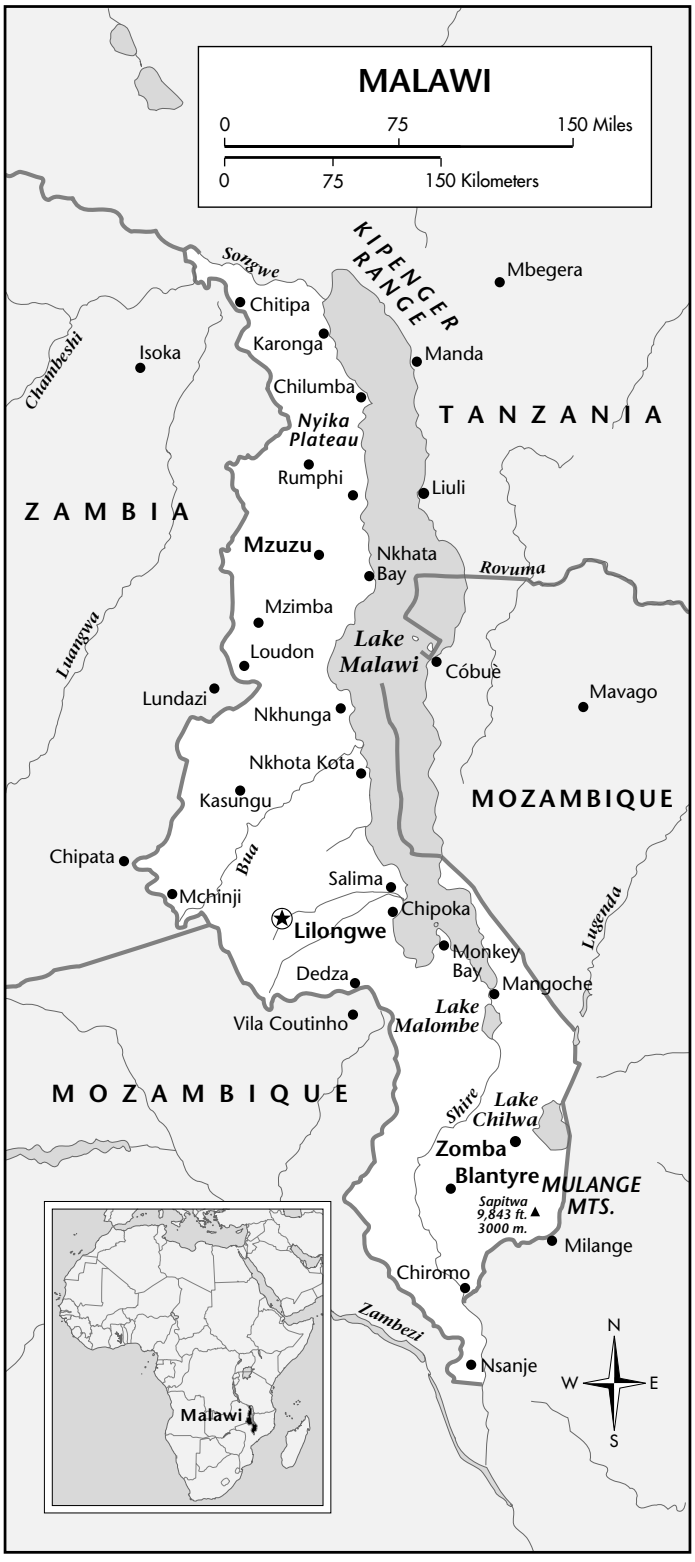
Until 1982, about 95% of Malawi's foreign trade passed through Mozambican ports, mainly by rail connections, but by 1987, because of insurgent activity in Mozambique, over 95% of Malawi's exports were moving through South Africa's port of Durban. The use of this longer route, with only road transport through Malawi, was costing $50 million a year in extra transport expenses. Since 1990, when Mozambican rebels closed down the route, goods have been shipped through Zambia. As of 1999, major Malawi ports and harbors include Chipoka, Monkey Bay, Nkhata Bay, and Nkhotakota.

Airports in 2001 numbered 44, only 6 of which had paved runways. Malawi's principal airports include Kamuzu International Airport, at Lilongwe, and Chileka, at Blantyre. International and domestic air service is provided by Air Malawi, the national airline, established in 1967. National carriers to some other countries in the region operate complementary services to Malawi. There are no direct services to Asia and the Pacific or the Americas. In 2001, 112,600 passengers were carried on scheduled domestic and international airline flights.

[12]HISTORY

Malawi has been inhabited for at least 12,000 years; its earliest peoples were nomadic hunter-gatherers. By the 13th century AD, Bantu-speaking migrants had entered the region. The Chewa peoples had become dominant by the early 16th century; their clans were consolidated under the leadership of a hereditary ruler called the karonga. Before the coming of the Europeans in the second half of the 19th century, Malawi was an important area of operations for Arab slave traders. The incursions of slaving took a heavy toll on the inhabitants, although the Chewa state never came under direct Arab rule. One of the major stated objectives of British intervention in the territory was to stamp out the slave trade.

The first European to explore the area extensively was David Livingstone, whose reports in the 1850s and 1860s were instrumental in the establishment of a series of mission stations in



LOCATION: 9°27′ to 17°10′ S; 32°20′ to 36°E. BOUNDARY LENGTHS: Tanzania, 451 kilometers (280 miles); Mozambique, 1,497 kilometers (930 miles); Zambia, 820 kilometers (510 miles).

Nyasaland (as Malawi was then known) during the 1870s. In 1878, the African Lakes Company was formed by Scottish businessmen to supply the missions and provide a "legitimate" alternative to the slave trade. As the company extended its operations, it came into conflict with Yao tribesmen and Arab outposts toward the northern end of Lake Niassa. Fighting ensued in 1887–89, and pacification was completed only some years after the British government had annexed the whole of the territory in 1891. To Sir Harry Johnston, the first commissioner of the protectorate, fell the task of wiping out the remaining autonomous slave-trading groups. These antislavery operations were assisted by gunboats of the Royal Navy.

Nyasaland attracted a small group of European planters in the first decades of the 20th century. This group settled mainly in the Shire Highlands, and its numbers were never large. The territory was viewed by the imperial government as a tropical dependency, rather than as an area fit for widespread white settlement; many of the frictions that marred race relations in the Rhodesias were therefore minimized in Nyasaland. Missionaries and colonial civil servants consistently outnumbered planters in the European community, and lands occupied by European estates accounted for only a small part of the total land area.

Between World Wars I and II, the policy of the imperial government was built around the concept of "indirect rule"—that is, increasing the political responsibility of the African peoples by building on the foundations of their indigenous political institutions. Although this policy was not implemented at a rapid pace, it was generally assumed that Nyasaland would ultimately become an independent African-led state. In 1953, however, Nyasaland was joined with the two Rhodesias—Northern Rhodesia (now Zambia) and Southern Rhodesia (now Zimbabwe)—in the Central African Federation. The Africans' reaction to this political arrangement was hostile. Disturbances sparked by opposition to the federation in 1959 led to the declaration of a state of emergency, and some Africans, including Dr. Hastings Kamuzu Banda, were detained.

The African political leaders imprisoned in Southern Rhodesia were released in April 1960, and they gathered African support for the Malawi Congress Party (MCP). The MCP increased the campaign against federation rule and in the August 1961 elections polled more than 90% of the vote, winning all of the 20 lower-roll seats and two of eight upper-roll places. An era of "responsible" government then began, with the MCP obtaining five, and eventually seven, of the 10 available Executive Council positions. At a constitutional conference held in London in November 1962, it was agreed that Nyasaland should become fully self-governing early in 1963, and that Banda, who headed the MCP, should become prime minister. On 19 December 1962, the British government announced acceptance "in principle" of the right of Nyasaland to secede from the federation.

In February 1963, as scheduled, Nyasaland became a self-governing republic. In July, at a conference held at Victoria Falls, it was decided that the Central African Federation would break up by the end of the year. In October, Banda visited the UK and successfully negotiated full independence, effective in mid-1964 after a general election based on universal adult suffrage. Accordingly, on 6 July 1964, Nyasaland became a fully independent Commonwealth country and adopted the name Malawi. On 6 July 1966, Malawi became a republic, and Banda assumed the presidency. After the constitution was amended in November 1970, Banda became president for life.

During the first decade of Banda's presidency, Malawi's relations with its black-ruled neighbors were sometimes stormy. At the opening session of the MCP convention in September 1968, President Banda made a claim to extensive territories outside the present boundaries of Malawi. The claim covered the whole of Lake Niassa and parts of Tanzania, Mozambique, and Zambia.

The Tanzanian government asserted that President Banda could make territorial claims only because he had the support of South Africa, Rhodesia (which at that time had a white minority government), and Portugal (which then still ruled Mozambique). In fact, in 1967, Malawi had become the first black African country to establish diplomatic relations with white-ruled South

Africa; in August 1971, moreover, Banda became the first black African head of state to be officially received in South Africa, which supplied arms and development funds to Malawi.

The Banda government also faced some internal opposition. In October 1967, the Malawi government announced that a group of rebels, numbering about 25, wearing police uniforms and posing as insurgents from Mozambique, had entered Malawi with the intention of killing President Banda and his ministers. Eventually, eight of the rebels were convicted of treason and sentenced to death; five others, including Ledson Chidenge, a member of the National Assembly, were sentenced to death for the murder of a former official of the MCP.

The aging Banda continued to rule Malawi with an iron hand through the 1970s and into the late 1980s. Several thousand people were imprisoned for political offenses at one time or another during his rule. One of these was former Justice Minister Orton Chirwa, leader of an opposition group in exile, who in May 1983 was sentenced to death after having reportedly been abducted from a town across the Zambian border in late 1981. Chirwa's sentence was commuted to life imprisonment in 1984. He died in prison in October 1992. The leader of another dissident group, Attati Mpakati, was assassinated in Harare, Zimbabwe, in March 1983. Three government ministers and a member of parliament—two of them key leaders of the MCP, with one of them, party secretary-general Dick Matenje, regarded as a possible successor to Banda—died in the middle of May 1983 in a mysterious car accident.

A serious problem in the 1980s concerned the activities of the Mozambique National Resistance (MNR), which, in its efforts (backed by South Africa) to bring down the government in Maputo, seriously disrupted Malawi's railway links with Mozambique ports. As a result, an increasing share of Malawi's trade had to be routed by road through Zambia and South Africa at great expense. In 1987, Malawi allowed Mozambican troops to patrol areas along their common border and sent several hundred troops into northeast Mozambique to help guard the railway leading to the port of Nacala. Other critical problems for Malawi, particularly during the late 1980s and the early 1990s were the nation's growing debt burden, severe drought, and the nearly one million refugees from Mozambique, most of whom have now returned to Mozambique.

In 1992, Banda's grip began to weaken. In March, Malawi's eight Roman Catholic bishops issued a pastoral letter protesting detention without trial and harsh treatment of political prisoners. University students demonstrated. Wildcat strikes and rioting in Blantyre and Lilongwe followed the arrest of opposition trade unionist, Chakufwa Chihana in May. Nearly 40 were killed by police gunfire in the first significant anti-government demonstrations since 1964. Chihana was released on bail in September and he formed a new group, the Alliance for Democracy (AFORD), that campaigned for multi-party elections. In December, Chihana was sentenced to two years for sedition.

Pressure mounted (including threats by aid donors abroad to suspend assistance), and in October Banda agreed to hold a referendum early in 1993 on whether Malawi should remain a one-party state. In the referendum, on 14 June 1993, 63% of those voting favored adopting multi-party democracy. Two opposition groups, AFORD and the United Democratic Front (UDF), both led by former MCP officials, held a massive rally in January 1993. Meanwhile, three opposition groups in exile merged to form the United Front for Multiparty Democracy, which then merged with the UDF inside Malawi. Chihana was released two days before the referendum.

In July and November 1993, parliament passed bills eliminating from the constitution single-party clauses (such as Hastings Kamuzu Banda's life presidency), appending a bill of rights, establishing a multi-party electoral law, and repealing detention without trial provisions of the Public Security Act. Dialogue among various major parties resulted in the establishment of a National Consultative Council and a National Executive Committee, with representatives from all registered parties, to oversee changes in the constitution, laws, and election rules and procedures. In December 1993, security forces disarmed Banda's paramilitary MCP Young Pioneers.

On 16 May 1994 the National Assembly adopted a provisional constitution, and the country held its first multiparty elections the following day. Bakili Muluzi of the UDF, a former cabinet minister, defeated Banda (MCP), Chihana (AFORD), and Kamlepo Kalua (Malawi Democratic Party). Of the 177 parliamentary seats contested, the UDF took 84, the MCP took 55, and AFORD 36. Muluzi immediately ordered the release of political prisoners and closed the most notorious jails. The new constitution took effect on 18 May 1995.

Malawi's second multi-party elections were held on 15 June 1999. The balloting showed a distinct regional cast to party constituency. Leading the United Democratic Front (UDF), Muluzi emerged the winner with 51.4% of votes in the presidential elections, followed by the MCP candidate, Gwanda Chakuamba with 44.3%. Muluzi's UDF won 94 of 193 parliamentary seats, four short of a simple majority. Chakuamba's MCP took 63 seats, and its electoral ally, the Alliance for Democracy (AFORD) won 31; four seats went to independents. The results confirmed the regional voting trend set in 1994, with the UDF winning the densely populated south, the MCP strong in the central region and all of AFORD's seats coming from the rugged north.

Although international observers declared the contest free and fair, opponents alleged that the UDF had rigged the elections, and refused to recognize the outcome. Attempts to seek legal redress were rebuffed, leading to riots and the razing of ten mosques in the north. At least two people were killed. Muluzi was inaugurated in Blantyre on 21 June 1999.

In July 2002, the National Assembly rejected proposals to amend the constitution to allow Muluzi to run for a third term in 2004. The proposals, resubmitted in February 2003, were quickly withdrawn under protests from opposition groups, civil society, and the diplomatic community. In all, three people were killed in the 2002 protests. Muluzi laid to rest speculation over his political intentions when he announced in April 2003 that the UDF National Executive Committee had endorsed a 68-year-old economist, Bingu wa Mutharika, as its presidential candidate for 2004. Mutharika, who hails from Thyolo District 40 km (25 mi) southeast of Blantyre, was deputy governor of the Reserve Bank of Malawi before being appointed minister in the newly created Department of Economics and Planning.

Severe food shortages in 2002 affected some 3.2 million people. The shortages exacerbated living conditions for more than 65% of the population considered "poor," and for some 15% of the adult population infected with HIV/AIDS. Widows of AIDS victims were increasingly subjected to property grabbing by relatives.

In June 2003, overriding a court order, the government deported five men accused of al-Qaeda connections. Muslim protests in the central district of Kasungu were disbursed by police using rubber bullets and tear gas. In the town of Mangochi in the south, Muslim demonstrators looted seven churches and the offices of Save the Children USA. About 50 Muslims stormed the police station where the detainees were being held, but were repelled by the police. Two of the five men headed local charities, while a third was a teacher at a Muslim school. Muluzi, himself a Muslim, declared that religious intolerance would not be allowed.

13 GOVERNMENT

Malawi officially became a republic on 6 July 1966, and its first constitution was adopted that year. The current constitution took

effect on 18 May 1995 reaffirming the president as the head of state and supreme executive authority. In July 2003, he led a 38-member cabinet. Legislative power is vested in a unicameral parliament comprising a National Assembly of 193 seats with members elected by popular vote to serve five-year terms. The next elections were scheduled for 2004.

[14]POLITICAL PARTIES

Malawi was officially a one-party state from October 1973 until July 1993. The Malawi Congress Party (MCP) was the national party and Hastings Kamuzu Banda was its president for life. All candidates for the National Assembly had to be members of the MCP.

For years the opposition groups in exile achieved little success in their efforts to unseat the Banda government. The Socialist League of Malawi (LESOMA), with headquarters in Harare, was directed by Attati Mpakati until his assassination in March 1983. A second group, the Malawi Freedom Movement (MAFREMO), based in Tanzania, was led by Orton Chirwa, who was seized by Malawi authorities in late 1981 and imprisoned for life until his death in 1992. The Congress for the Second Republic, also based in Tanzania, was led by former External Affairs Minister Kanyama Chiume. The Save Malawi Committee (SAMACO) was formed in Lusaka, Zambia, in 1983.

In September 1992, trade unionist Chakufwa Chihana formed the Alliance for Democracy (AFORD) before being convicted of sedition. AFORD and others pushed successfully for a referendum on adopting a multi-party system, and the United Democratic Front (UDF) combined with a coalition in exile (the United Front for Multiparty Democracy) late in 1992.

Since the introduction of multiparty competition in May 1994, the UDF and its leader, Bakili Muluzi, have dominated the political arena. In the 1994 presidential contest, Muluzi garnered 47.3% of the vote, and his party 84 of the 177 elective seats in the National Assembly. Muluzi obtained 51.4% of the vote in the 1999 presidential poll, and the UDF won 94 of 193 Assembly seats. A shake-up in UDF hierarchy in 2003 revealed vulnerabilities in the party's leadership and organization.

[15]LOCAL GOVERNMENT

As of 1996, Malawi was divided into three administrative regions—Northern, Central, and Southern—which were subdivided into 24 districts. District councils provide markets, postal agencies, roads, and rural water supplies and exercise control over business premises and the brewing and sale of beer. More important, however, are the councils' responsibilities for primary education. Some of the councils run public health clinics. Council expenditures are mainly financed from direct government education grants, calculated to meet the salaries of teachers in most of the district schools. Other sources of revenue include annual taxes on all males over the age of 17 years who are residents in the district and charges for services rendered.

Town councils have powers similar to those of the district councils, but with greater emphasis on the problems that arise in urban areas. Their main functions are sewerage, removal of refuse, the abatement of nuisances, construction and maintenance of roads, and, in some cases, the provision of fire-fighting services. Revenue for town councils comes mainly from direct taxes on property.

[16]JUDICIAL SYSTEM

Since 1969, Malawi has operated under two parallel court systems. The first is based on the United Kingdom legal system with local courts and a local appeals court in each district. Formerly, these courts heard all cases of customary law and had wide statutory, criminal, and civil jurisdiction. The upper layers consist of the Supreme Court of Appeal, the High Court, and magistrates' courts. A chief justice and four puisne judges appointed by the president staff the High Court. There is a chain of appeals from the local courts up to the Supreme Court of Appeal.

A second system was established in November 1969, when the National Assembly empowered the president to authorize traditional African courts to try all types of criminal cases and to impose the death penalty; the president was also permitted to deny the right of appeal to the High Court against sentences passed by the traditional courts, a right formerly guaranteed by the constitution. Traditional court justices are all appointed by the president. Appeals from traditional courts go to the district traditional appeals courts and then to the National Traditional Appeal Court. Appeals from regional traditional courts, which are criminal courts of the first instance, go directly to the National Traditional Appeal Court.

In 1993, the attorney general suspended the operation of regional and national level traditional courts in response to a report by the National Consultative Council on problems in the workings of the traditional court system. Since then the trend is toward moving serious criminal and political cases from traditional to modern courts. Education and training seminars have led to some improvements in the functioning of the local traditional courts.

The constitution provides for an independent judiciary, which is respected in practice. Defendants have the right to public trial, to have an attorney, to challenge evidence and witnesses, and to appeal. The constitution superseded many old repressive laws. The High Court may overturn old laws that conflict with the constitution.

[17]ARMED FORCES

In 2002, Malawi had an army of 5,300 personnel, organized into three infantry battalions, one independent paratroop battalion, and one support battalion. The air wing numbered 80 and the maritime wing had 220 members. There was a paramilitary gendarmerie of 1,500 in the mobile police force. In 2000/01 Malawi spent $9.5 million on defense, or 0.8% of GDP. Malawi participated in the UN peacekeeping mission in the DROC.

[18]INTERNATIONAL COOPERATION

Malawi became a UN member on 1 December 1964; the nation participates in ECA and all the non-regional specialized agencies except IAEA. Malawi also belongs to the African Development Bank, Commonwealth of Nations, G-77, and AU. It is a member of the WTO and a signatory of the Lomé Convention, and is a participant in the Southern Africa Development Community (SADC).

[19]ECONOMY

Malawi's is an agricultural economy which, in recent years, has been troubled by drought and financial instability. It is dependent for most of its income on the export sales of tobacco (60%), and tea and sugar (20%). Other agricultural products include peanuts, coffee, and wood products. As a result of the 1992 drought, GDP declined by 7.9% after averaging 4.5% annual growth in 1989–91, and an impressive 6.7% annual growth rate during the 1970s. Growth averaged an annual 3.7% from 1988 to 1998. It was 1.7% in 2001. International aid donors, concerned about human rights abuses in Malawi, have tied future support to human rights reforms. Beginning in 2000, the country was the recipient of $1 billion in debt service relief under the IMF/World Bank Heavily Indebted Poor Countries Initiative.

Manufacturing is small-scale, directed mainly to the processing of export crops. In 2000, the agricultural sector employed an estimated 86% of Malawi's population and accounted for about 40% of GDP. Over 90% of the population lives in rural areas. The sector experienced severe droughts in 1979–81, 1992, 1994, and 2001–02. Periods of flooding also plague Malawi, as

happened in 2003. Production of maize, the main food staple, during the 2001/02 growing season was 1.6 million metric tons, approximately 600,000 short of estimated domestic demand. The World Bank approved a $50-million assistance package for drought recovery in Malawi in November 2002. Other environmental challenges include deforestation and erosion. Recent economic reforms have led to the market pricing in the agricultural sector. The fledgling mining sector in Malawi is slowly growing with the support of international financing.

The government continues to privatize the ownership of public enterprises although the wealth of the country resides in the hands of a small elite. By 2000, over one-third of the more than 90 state-owned enterprises had been sold to private hands.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Malawi's gross domestic product (GDP) was estimated at $7 billion. The per capita GDP was estimated at $660. The annual growth rate of GDP was estimated at 1.7%. The average inflation rate in 2001 was 28.6%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 40% of GDP, industry 19%, and services 41%. Foreign aid receipts amounted to about $38 per capita and accounted for approximately 23% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $132. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 3%. Approximately 50% of household consumption was spent on food, 7% on fuel, 2% on health care, and 6% on education. It was estimated that in 1991 about 54% of the population had incomes below the poverty line.

[21]LABOR

As of 2001, the economically active population was estimated at 4.5 million. According to the most recent estimates, 86% of the labor force engaged in subsistence agriculture. There is very little industry.

Although sanctioned by law, union membership is quite low due to the small number of workers in the formal sector of the economy. About 15% of the workforce was unionized in 2002.The only labor federation was the Trades Union Congress of Malawi, to which all unions belonged. In theory, unions have the right to organize, bargain collectively, and strike, but in practice labor relations are still in development.

The minimum working age is 14, but many children work due to cultural norms, agricultural predominance, and severe economic hardship. In 2002, the minimum wage was approximately $0.89 per day in urban areas and $0.66 in rural areas. This does not provide an adequate living wage. The legal maximum workweek is 48 hours but this regulation is not generally enforced.

[22]AGRICULTURE

The agricultural sector is drought-prone and experienced severe droughts in 1979–81, 1992, and 1994. About 77% of the total land area of Malawi is under customary tenure—that is, subject to land allocation by village headmen based on traditional rights of succession by descent. Estate farming occupies about 23% of the cultivated land and provides about 90% of export earnings. In all, about 21% of Malawi's total land area is arable. Malawi is self-sufficient in food production (except during droughts), but the population increased more rapidly than the food supply in the 1980s.

Tobacco was first grown in 1889 near Blantyre in southern Malawi. Today, most production comes from the central region (around Lilongwe). Tobacco production was estimated at a record 160,014 tons in 1996 but fell to 113,000 tons in 1999. Malawi exports more than 95% of the tobacco it produces, which generates some 70% of all foreign earnings. Malawi's tobacco sector is in transition away from a rigid government-controlled system to a more market-oriented system that includes smallholder tobacco growers.

Tea, a major export crop, is produced mostly on estates; about 16,000 ha (40,000 acres) are in tea plantations, mainly in the Mulanje and Thyolo districts. Production in 2000 was 84,200 tons. Sugarcane production was about 1,900,000 tons in 1999; the output of refined sugar reached 233,000 tons. Other cash crops produced in 1999 include peanuts, 100,000 tons, and seed cotton, 38,000 tons.

Although subsistence farmers participate in the production of export crops more extensively now than in the preindependence period, much customary agriculture is still devoted to cereal production. Pressure of population on the land is mounting and, in a few areas, expansion of acreage under export crops has been discouraged in favor of food production. Corn is the staple food crop; about 2,480,000 tons were produced in 1999. Late rains, floods, and an increasing Mozambican refugee population kept corn production from meeting domestic demand during the mid-1990s. Other food crops, with 1999 estimated production figures, include cassava, 200,000 tons; potatoes, 385,000 tons; pulses, 289,000 tons; sorghum, 60,000 tons; plantains, 205,000 tons; bananas, 95,000 tons; and paddy rice, 93,000 tons.

[23]ANIMAL HUSBANDRY

Animal husbandry plays a minor role in the economy. Pressure on the land for cultivation is sufficiently intense in many areas to rule out stock-keeping on any scale. In 2001 there were an estimated 1,669,000 goats, 749,000 head of cattle, 436,000 hogs, and 115,000 sheep. The number of poultry was estimated at 15.2 million in 2001. About 86,000 head of cattle were slaughtered in 2001, yielding 16,000 tons of beef. Milk production was estimated at 35,000 tons.

[24]FISHING

The growing commercial fishing industry is concentrated mainly in Lake Malawi, with small-scale activity in Lake Malombe, Lake Chilwa, and the Shire River. Fish farming is carried on in the south. The total catch in 2000 was estimated at 45,000 tons. Large employers of labor in the Southern Region are the major buyers, and much of the catch is sold directly to them. Fish from Lake Niassa contribute about 70% of animal protein consumption.

[25]FORESTRY

Forests and woodlands cover an estimated 2.6 million ha (6.3 million acres), or 27% of the land area. Natural forests are extensive, and in the high-altitude regions, the Forestry Department is engaged in a softwood afforestation program. However, Malawi's annual rate of deforestation was 2.4% during 1990–2000. Sizable plantations of pine, cypress, and cedar have been established. Roundwood removals in 2000 were estimated at 5,484,000 cu m (193,585,000 cu ft), of which 91% went for fuel.

[26]MINING

Quarrying for limestone and other building materials was the major mining activity in Malawi, but gemstones, including agate, amethyst, aquamarine, garnet, rhodolite, rubies, and sapphires, have also been produced, on a small scale. In 2000, 183,000 tons

of limestone was quarried for the manufacture of cement, which was Malawi's fifth leading industry in 2002. About 665 kg of gemstones were extracted in 2000, down from 934 in 1998; gemstones accounted for 95% of the nearly $1 million in mineral exports in 1999. Also produced were dolomite, lime, artisanal salt, and crushed stone for aggregate, as well as possibly clays, sand and gravel, and other stone. The country had known deposits of apatite, asbestos, bauxite, columbium (niobium), corundum, dimension stone (including blue and black granite), galena, gold, granite, graphite, ilmenite, kaolin, kyanite, mica, monazite, phosphate rock, pyrite, rutile, tourmaline, uranium, and vermiculite, which have occasionally been exploited. Prospecting for other minerals has been undertaken, but no resources of commercial significance have been discovered, except for coal, bauxite (28.8 million tons), kaolin (14.1 million tons), silica sand (25 million tons), and monazite and strontianite (11 million tons in Kangankunde Hill). Mining and quarrying accounted for 1% of GDP in 1999, and has grown sharply since 1995 because of higher output of aggregates, cement, and coal. No minerals were among the leading export commodities. The outlook for Malawi's mineral industry was tied to the country's ability to spur exports, improve educational and health facilities, solve environmental problems of deforestation and erosion, and deal with the rapidly growing problem of HIV/AIDS.

[27]ENERGY AND POWER

Both the consumption and the production of electric power are small, even by African standards. Installed capacity in 2001 totaled 308,000 kW. In 2000, net electricity generation was 825 million kWh, of which 3% came from fossil fuels and 97% from hydropower. In the same year, consumption of electricity totaled 767.2 million kWh.

There are no known oil reserves, and all petroleum products are imported. The monopoly on petroleum imports and distribution exercised by the Petroleum Control Commission ended in March 1999. Low-grade bituminous coal reserves were known about for many years, but mining did not begin until the last decades of the 20th century. As of 1994, two coal mines were operating near Livingstonia; production that year was estimated at 60,000 tons.

[28]INDUSTRY

After a decade of rapid expansion—11% average growth per year in the 1970s—the pace of manufacturing growth slowed to 3.6% during 1980–90, and during 1990–2000, to 1.7%. In 2000, industry accounted for 19% of GDP.

Although Malawi's manufacturing sector is small, it is diverse. The processing of tea, tobacco, sugar, coffee, cement, and cotton accounts for most of its output. Factories manufacture soap, detergents, cigarettes, furniture, cookies, bread, blankets and rugs, clothing, and mineral waters. Other installations include a gin distillery, a cotton mill, and two textile plants. Brick making is well established. Roofing tiles are also produced, and radios are assembled. Other products made in Malawi include agricultural implements, bicycle frames, polishes, edible oils and fats, cattle foodstuffs, flour, matches, fishing nets, rope, twine and yarns, toiletries, and footwear. Two plants in Malawi retread tires, and its industries make a wide range of metal products.

[29]SCIENCE AND TECHNOLOGY

Research stations for tea, tobacco, and other aspects of agriculture conduct their activities under the auspices of the Ministry of Agriculture. The Ministry of Forestry and Natural Resources maintains forestry and fisheries research units. The University of Malawi includes Bunda College of Agriculture and Kamuzu College of Nursing, both at Lilongwe; Malawi Polytechnic and the College of Medicine at Blantyre; and Chancellor College at Zomba, which has a faculty of science. The Geological Survey of Malawi, founded in 1921, is headquartered in Zomba. The Medical Association of Malawi, founded in 1967, is headquartered in Blantyre. In 1987–97, science and engineering students accounted for 27% of college and university enrollments.

[30]DOMESTIC TRADE

Domestic trade is concentrated in the larger towns, since transportation of goods to most rural areas is difficult and most rural residents have extremely low incomes. Agriculture is the basis of the economy, with about 90% of the population employed in subsistence farming. Local markets and stands for produce and baked goods prevail.

A small manufacturing sector is located near Blantyre, which is the country's major commercial center. There are a few larger supermarkets and grocery stores in Lilongwe, but with limited inventories. Karonga and Nsanje are the main trading ports. Zomba is a regional commercial center for agriculture. Licenses are required for all persons engaged in trading; fees vary with the nature of the business. In 2001, inflation was at about 28.6%. Per capita GDP was at about $660.

Business hours are 7:30 or 8 AM to noon and 1 or 1:30 PM to 4:30 or 5 PM, Monday through Friday, and 7:30 or 8 AM to noon or 12:30 PM on Saturday. Banks are open weekdays from 8 to 12:30 PM (to 11:30 AM on Wednesday and 10:30 AM on Saturday).

[31]FOREIGN TRADE

Malawi mostly exports tobacco (66%). Other commodity exports include tea (7.6%), sugar (6.0%), coffee (4.0%), and woven cotton fabrics (2.5%). Tea is sold primarily to the United Kingdom while sugar exports go to the EU and the United States. In 1995 Malawi's imports were distributed among the following categories:

Consumer goods	12.5%
Food	7.7%
Fuels	11.1%
Industrial supplies	39.2%
Machinery	13.7%
Transportation	15.0%
Other	0.8%

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
South Africa	99	308	-209
United States	59	16	43
Germany	57	19	38
Netherlands	49	6	43
Japan	42	32	10
United Kingdom	16	24	-8
Zambia	11	25	-14
France	8	8	0
Zimbabwe	7	156	-149
Botswana	6	10	-4

[32]BALANCE OF PAYMENTS

Malawi runs an annual deficit on current accounts, which is generally mitigated but not annulled by capital inflows, mostly in the form of development loans.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Malawi's exports was $415.5 million while imports totaled $463.6 million resulting in a trade deficit of $48.1 million.

The International Monetary Fund (IMF) reports that in 1994 Malawi had exports of goods totaling $363 million and imports totaling $639 million. The services credit totaled $22 million and

debit $234 million. The following table summarizes Malawi's balance of payments as reported by the IMF for 1994 in millions of US dollars.

Current Account	**-450**
Balance on goods	-276
Balance on services	-212
Balance on income	-86
Current transfers	124
Capital Account	**...**
Financial Account	**122**
Direct investment abroad	...
Direct investment in Malawi	...
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	...
Other investment liabilities	122
Net Errors and Omissions	**293**
Reserves and Related Items	**35**

[33]BANKING AND SECURITIES

The Reserve Bank of Malawi was established in Blantyre in 1964. It took over, by stages, the functions in Malawi of the former Bank of Rhodesia and Nyasaland until that bank wound up its affairs in June 1965. The main duties of the Reserve Bank are to maintain currency stability and to act as banker to the government and to the commercial banks. The Reserve Bank administers exchange control and acts as registrar for local registered stock. The Reserve Bank also handles the issue of treasury bills on behalf of the government.

Malawi's financial services are unsophisticated and basic. Aside from the central bank; there are five licensed commercial banks, which are dominated by the two government-owned banks, the National Bank of Malawi and the Commercial Bank of Malawi. In 1999, the NBM was 48% owned by Press Corporation Limited (PCL), and 39% by ADMARC; CBM was 23% owned by PCL, 22% by the Malawi government in direct shareholding, and 17% by the Malawi Development Corporation. The Malawi government owns MDC, ADMARC, and is PCL's largest shareholder (49%). As of 31 March 1999, total assets of the five banks reached about $300 million. The other three commercial banks are the First Merchant Bank Limited, the Finance Bank of Malawi, and Indefinance.

The Investment and Development Bank of Malawi (Indebank), formed in 1972 with foreign and local participation, provides medium- and long-term credit. Although the country's financial market has been liberalized, the sole mortgage finance institution, the New Building Society (NBS), which came into operation at independence in March 1964, faces no competition. The New Building Society's assets stood at $244.5 million in 1995.

A subsidiary of Indebank, the Investment and Development Fund (Indefund), finances small and medium-sized enterprises. The Malawi Development Corporation (MDC), which services the needs of large-scale industry, is state-owned. The Post Office Savings Bank (POSB) was restructured in 1994 and licensed as a commercial bank, the Malawi Savings Bank (MSB). Other major financial institutions include Loita Investment Bank, the Leasing and Financing Co. of Malawi (LFC), the Malawi Rural Finance Company (MRFC), and the Finance Corporation of Malawi (FINCOM).

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $136.1 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $268.3 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 46.8%.

The Malawi Stock Exchange (MSE) was established in December 1994 along with Stockbrokers Malawi to deal with listed company shares and to act as a broker in government and other securities approved by the Reserve Bank of Malawi (RBM). The stock exchange had no listings until November 1996, when shares in NICO were put up for sale. Since November 1994, the RBM has marketed Treasury bills of varying maturities (30, 61, 91, and 182 days) in an attempt to encourage greater participation by the private sector.

[34]INSURANCE

Most insurance firms operating in Malawi are owned or sponsored by parent companies in the UK. However, the leading company, the National Insurance Co. (NICO), is owned by Malawi interests. There were seven insurance companies in operation in 1997. Motor vehicle insurance is compulsory.

[35]PUBLIC FINANCE

Government current revenues derive from import duties, income taxes on companies and individuals, income from government enterprises, excise duties, licenses, and value-added taxes. The fiscal year runs from 1 April to 31 March. Government consumption, which had an average annual growth rate of 7.0% during the 1980s, declined by 4.0% annually during the 1990s, and by 9.5% in 1998. Education, health, and agriculture were the three biggest items on the budget for 2000.

The US Central Intelligence Agency (CIA) estimates that in 1999/2000 Malawi's central government took in revenues of approximately $490 million and had expenditures of $523 million. Overall, the government registered a deficit of approximately $33 million. External debt totaled $2.8 billion.

[36]TAXATION

There were allegations of widespread corruption in the areas of customs and excise tax in 1999. Individuals pay taxes on all income from Malawi, whether they are residents or nonresidents. Most operating businesses are required to prepay estimated tax on a quarterly basis. The corporate income tax in 2002 was 30%, down from 38% in 1999. Branches of foreign companies were taxed at 35%, but reduced rates applied to insurance businesses (21%), and to ecclesiastical, charitable or educational institutions or trusts (25%). Companies operating in export processing zones (EPZs) are exempt from corporate tax, and companies operating in priority areas can qualify for, variously, a ten-year exemption or a reduced 15% tax rate. Other tax allowances are offered-for mining companies, for manufacturers, for exports, for training, among others-as investment incentives.

The income of individuals and partnerships is taxed according to a graduated scale with rates from 0% to 30%. For 2004, the government introduced a new top rate of 40%, and raised the threshold for taxable income from 30,000 Kwacha to 36,000 Kwacha (about $340 to $410). Municipal taxes are based on property valuations.

Malawi's main indirect tax has been a 20% turnover tax which it calls a surtax. The surtax applies to goods and selected services, including luxury goods and electronics. The government is planning to introduce a value-added tax (VAT) system.

[37]CUSTOMS AND DUTIES

Trade licenses are required for the import and export of certain goods, including military uniforms, wild animals, some food, and military equipment. Malawi is a member of the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA), granting trade preferences to member states. The establishment of a free trade area is scheduled for 2004. The country also has bilateral trade agreements with Zimbabwe and South Africa, granting the duty-free exchange of goods.

In 1998, the government eliminated export taxes on tobacco, sugar, tea, and coffee. Machinery, basic foodstuffs, and raw materials are admitted with a 10% to 5% tax. In July 1999, the maximum tariff rate was reduced from 30% of value to 25%. Tariffs on intermediate goods and raw materials were reduced from 10% to 5% and from 5% to 0%, respectively.

Luxury goods are assessed at higher rates than ordinary consumer items. Excise duties are levied for revenue purposes on spirits, beer, cigarettes and tobacco, petroleum products, and certain other items.

[38]FOREIGN INVESTMENT

The government actively encourages foreign investment, particularly in agriculture and in import-substitution and labor-intensive industries. Incentives such as exclusive licensing rights, tariff protection, and liberal depreciation allowances are offered. These incentives also include a tax allowance of 40% for new buildings and machinery, 20% for used buildings and machinery, and a 100% deduction for a manufacturing company's operating expenses for the first two years. Other incentives are: no import duty on heavy goods vehicles, raw materials for manufacturing, a maximum import tariff rate of 25%, no withholding tax on dividends, and tax holidays. Exporters do not have to pay the normal taxes or import duties. Repatriation of dividends and profits are freely permitted.

Encouraged by the formation of the Malawi Development Corp. and the implementation of a development plan, foreign investment increased in the mid-1960s. A sugar scheme on the lower Shire River was financed to a great extent by foreign investment, as were a distillery and a brewery. In 1987, Lever Brothers, Portland Cement, and David Whitehouse and Sons had industrial plants in Malawi. The large plantation enterprises were originally established with capital largely from the United Kingdom. Exploration for oil under Lake Malawi began in 1999.

Foreign direct investment (FDI) in Malawi was $22 million in 1997, but rose to $70 million in 1998. Annual FDI inflow averaged between $45 million and $60 million 1999 to 2001.

[39]ECONOMIC DEVELOPMENT

During the first decades of independence, agricultural development was emphasized. The government sought to implement this policy by providing the family farmer with basic agricultural support facilities, such as extension services, training, irrigation, and research, and by increasing the output of fertile areas through farm credit, marketing, and processing facilities. During this period, four major agricultural developments were sponsored: the Shire Valley Agricultural Development Project in the south; the Lilongwe Land Development Program and the Central Region Lakeshore Development Project, both in the Central Region; and the Karonga Rural Development Project in the north.

More recently, improvements in the transportation infrastructure, especially in roads, have been emphasized. In the manufacturing sector, the government has stressed diversification. With major constraints on its foreign exchange, Malawi aims to reduce the trade gap, encourage exports, and reduce government expenditures.

The United Kingdom has traditionally been Malawi's principal aid donor. South Africa has been a significant source of aid as well, especially in financing construction in the capital at Lilongwe and the railway extension from Lilongwe to Mchinji. Other significant aid donors have included the European Union, France, Canada, Germany, Japan, the United States, Denmark, the African Development Bank, and the World Bank/IDA. In 1998, Malawi started a six-month International Monetary Fund (IMF) macroeconomic program aimed at reigning in the almost 60% inflation rate, with little success as of 1999.

In 2000, Malawi was approved for $1 billion in debt service relief under the IMF/World Bank's Heavily Indebted Poor Countries (HIPC) initiative, to support poverty reduction efforts through expenditures on health, education, and rural development, among other areas. Also in 2000, Malawi negotiated a three-year $58 million Poverty Reduction and Growth Facility (PRGF) Arrangement with the IMF, which was to expire in December 2003. In September 2002, the IMF approved $23 million in emergency relief to support large imports of food due to shortages that year, and to fight malnutrition and starvation, particularly among those affected with HIV/AIDS. Recent government initiatives have targeted improvements in roads, and with participation from the private sector, improvements in railroads and telecommunications.

[40]SOCIAL DEVELOPMENT

The Ministry of Community Services is responsible for social welfare generally. Pensions systems exists for public employees only. Government hospitals and clinics provides some medical services free to residents. Employers are required to obtain private worker's injury insurance. Worker's compensation is provided for disability and survivor benefits.

The Constitution specifies equal rights for women and minorities, but women face widespread discrimination in the home and in employment opportunities. Spousal abuse is common, and the authorities rarely intervene. Inheritance practices often leave widows without their share of the family's assets. There is a growing recognition of women's rights, however, due in part to the growing number of nongovernmental organizations that promote the rights of women.

Some human rights abuses continued to occur under the democratic government. The use of excessive force and the mistreatment of prisoners is reported. Human rights organizations are free to operate openly and without restrictions.

[41]HEALTH

Health services, which rank among the poorest in Africa, are under the jurisdiction and supervision of the Ministry of Health and are provided to Africans free of charge. In the mid-1990s, 80% of the population had access to health care services. As of 1999, it was estimated that there were fewer than 0.05 physicians and 1.3 hospital beds per 1,000 people. In 2000, 57% of the population had access to safe drinking water and 77% had adequate sanitation. Access to safe water and sanitation at times has been severely impeded by war.

The major health threats are malnutrition, malaria, tuberculosis, measles, (4,218 cases in 1995), dysentery, and bilharzia. Hookworm and schistosomiasis are widespread. At the end of 2001, the number of people living with HIV/AIDS was estimated at 850,000 (including 65% of the adult population) and deaths from AIDS that year were estimated at 80,000. HIV prevalence in 1999 was 15.96 per 100 adults. Malawi has taken an aggressive approach to AIDS prevention and allocates a substantial portion of its health budget on treatment.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 37.13 and 23.2 per 1,000 people. About 31% of married women were using contraceptives as of 2000. The infant mortality rate in 2000 was 103 per 1,000 live births, one of the highest in Africa. The major cause of infant death in Malawi is diarrheal disease. In 1995, 26,000 children died before the age of five. The maternal mortality rate was 580 per 100,000 live births in 1995. As of 1999, an estimated 48% of children under five years old were considered malnourished. Immunization rates in 1997 for children up to one year old were: tuberculosis, 100%; diphtheria, pertussis, and tetanus, 95%; polio, 94%; and measles, 87%. Life expectancy was 39 years in 2000.

[42]HOUSING

Government-built houses are either rented or sold. The Malawi Housing Corp. has also developed housing plots in order to relocate urban squatters. According to 1998 census figures, about 86% of the population lived in rural areas. Nearly 65% of the population lived in traditional housing, defined as a dwelling with mud walls and a thatched roof. About 16% lived in permanent structures, which were made with concrete, stone, or burnt brick walls and iron sheet, conrete, or asbestos roofs. About 18% lived in semi-permanent dwellings built with a combination of concrete, stone, mud brick and thatch. Most dwellings have two or three rooms and the average household size is 4.3 people. At least 86% of dwellings are owner occupied. Only about 2.5% of residences have access to indoor piped water. Most drinking water is taken from boreholes, unprotected wells, and/or rivers and streams. About 74% of the population (both urban and rural) use pit latrines. About 22% have no toilets at all. Only 4.9% of the population has access to electricity. Wood is typically used for cooking fuel and parrafin is used for lighting.

[43]EDUCATION

Control of education, including mission schools, is in the hands of the Ministry of Education. Attendance is compulsory for eight years at the primary level. Secondary education lasts for four years. Projected adult illiteracy rates for the year 2000 stand at 39.7% (males, 25.5%; females, 53.3%). As of 1999, 69% of primary-school-age children were enrolled in school. Most children in remote rural areas do not attend school. As of 1999, public expenditure on education was estimated at 4.6% of GDP.

In 1996, Malawi's 3,706 primary schools had 2,887,107 pupils and 49,138 teachers, with a student-to-teacher ratio of 59 to 1. Secondary schools had 141,911 students and 3,172 teachers in the same year. The pupil-teacher ratio at the primary level was 46 to 1 in 1999. The University of Malawi, inaugurated at Zomba on 6 October 1965, has four constituent colleges at Zomba, Lilongwe, and Blantyre. A new medical school was established in Blantyre. In 1996 there were 531 teachers and 5,561 pupils at the University and equivalent post-secondary institutions. Females accounted for only 30% of university students. In 1996 females accounted for 18% of secondary students.

[44]LIBRARIES AND MUSEUMS

The Malawi National Library Service, founded in 1968, has more than 804,000 volumes and maintains a nationwide interloan system. The largest library is that of the University of Malawi (375,000 volumes). The US Information Agency maintains a small library in Lilongwe, and the British Council has libraries in Blantyre and in the capital. The National Archives are in Zomba and contain 40,000 volumes. The Museum of Malawi (1959), in Blantyre, has a collection displaying the nation's archaeology, history, and ethnography. Other museums include the Lake Malawi Museum in Mangochi and a regional museum in Mzuzu. There is also a postal museum in Namaka housed in a traditional postal carrier's rest hut.

[45]MEDIA

Postal and telecommunications services are the responsibility of the government; there were 38,000 mainline telephones in use in 1999 with an additional 49,000 cellular phones in use in 2000. Radio broadcasting services are provided in English and Chichewa by the Malawi Broadcasting Corp. In 2001 there were 9 AM and 5 FM radio stations and 1 television station. In 2000 there were about 499 radios and 3 television sets for every 1,000 people. Seven Internet service providers were serving 15,000 people in 2000.

The Daily Times, published in English in Blantyre, appears Monday through Friday and had a circulation of 22,000 in 2002. The other major daily publications were *Computer Monitor, Michiru Sun, The Enquirer*, and *U.D.F. News* (United Democratic Front). *The Malawi News*, a weekly, had a circulation of 30,000. Other weeklies include *The Independent, The Nation*, and *The New Express*.

Though previously strictly controlled by the government, the media now enjoy new constitutional provisions suspending censorship powers. The government is said to respect these new provisions.

[46]ORGANIZATIONS

A branch of the British Medical Association has been organized in Zomba. In the larger towns, musical societies and theater clubs have been established. Service clubs include the Rotary and the British Empire Service League. The League of Malawi Women and the League of Malawi Youth are active. Other national youth organizations include the Catholic Students Community of Malawi, Malawi Young Pioneers, Student Alliance for Rural Development, and the Student Christian Organization of Malawi. The Malawi Chamber of Commerce and Industry has its headquarters at Blantyre. Some social welfare and economic development groups have organized under the umbrella of the Council for Nongovernmental Organizations in Malawi, established in 1985. International organizations with active chapters include the Salvation Army and the Red Cross.

[47]TOURISM, TRAVEL, AND RECREATION

The major tourist attraction in Malawi is Lake Niassa; the visitor is well served there by hotels and recreational facilities, and eight-day excursions around the lake are available. Game parks, Mt. Mulanje, and Mt. Zomba also attract the tourist trade. In 2000, 228,106 tourists visited Malawi. There were 4,150 hotel rooms with an occupancy rate of 39%. Receipts from tourism that year were estimated at $27 million. Visitors from Commonwealth nations, the US, and many other countries do not need visas.

In 1999, the UN estimated the cost of staying in Blantyre at $115–$206 per day depending upon the choice of hotel. Daily expenses are estimated at $166 in Salima and $148 in Mzuzu.

[48]FAMOUS MALAWIANS

The dominant historic political figure is Dr. Hastings Kamuzu Banda (1906–1997). After a long period of medical practice in England, and a brief one in Ghana, he returned to Nyasaland in 1958 to lead the Malawi Congress Party. Following the declaration of a state of emergency, Banda was detained from March 1959 to April 1960. He became Malawi's first prime minister in 1963, and in 1966 he became Malawi's first president; he was named president for life in 1971 and ruled without interruption until ousted in a 1994 election mandated by constitutional reform. Bakili Muluzi (b.1943) was elected president in 1994.

[49]DEPENDENCIES

Malawi has no territories or colonies.

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MALI

Republic of Mali
République du Mali

CAPITAL: Bamako

FLAG: The flag is a tricolor of green, yellow, and red vertical stripes.

ANTHEM: National Anthem begins "At thy call, O Mali."

MONETARY UNIT: The Malian franc (MF), a paper currency that had been floating with the French franc, was replaced in June 1984 by the French Community Franc (CFA Fr) at a ratio of MF2 = CFA Fr1. There are coins of 1, 2, 5, 10, 25, 50, and 100 CFA francs and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr6597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Armed Forces Day, 20 January; Democracy Day, 26 March; Labor Day, 1 May; Africa Day, 25 May; Independence Day, 22 September; Christmas, 25 December. Movable religious holidays include 'Id al-Fitr, 'Id al-'Adha', Milad an-Nabi, and Easter Monday.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

A landlocked country in West Africa, Mali has an area of about 1,240,000 sq km (478,767 sq mi), extending 1,852 km (1,151 mi) ENE–WSW and 1,258 km (782 mi) NNW–SSE. Comparatively, the area occupied by Mali is slightly less than twice the size of the state of Texas. Bounded on the N and NE by Algeria, on the E and S by Niger, on the S by Burkina Faso and Côte d'Ivoire, on the SW by Guinea, on the W by Senegal, and on the W and NW by Mauritania, Mali has a total boundary length of 7,243 km (4,661 mi). Mali's capital city, Bamako, is located in the southwestern part of the country.

[2]TOPOGRAPHY

There are few prominent surface features in Mali, which is crossed by two river systems–the Niger and the Senegal. In the southwest are low mountains deeply notched by valleys formed by the coursing of water. A second upland, in the circle formed by the Niger River, is virtually a plateau and contains Hombori Tondo, 1,155 m (3,789 ft), the highest point in Mali. In the northeast is Adrar des Iforas, an extension of Algeria's Ahaggar Mountains. The republic is divided into three natural zones: the Sudanese, an area of cultivation covering some 200,000 sq km (77,200 sq mi) in the south and in the inland delta (a pre-Tertiary lake bed into which the upper Niger once flowed); the Sahelian; and the Saharan.

[3]CLIMATE

Southern and western Mali have a Sudanese climate with a short rainy season from June to September. Rainfall averages 140 cm (55 in) at Sikasso in the far south. To the north is the Sahelian zone, a semiarid region along the southern border of the Sahara. At Gao, in Mali's northeast Sahel, rainfall is about 23 cm (9 in) a year. Actual year-to-year rainfall, however, is extremely erratic. In the Sahelian zone there are considerable variations of temperature, especially in April, May, and June, the period of maximum heat, and in December, when the hot, dry harmattan blows. Continuing north, one gradually enters into a Saharan climate, marked by the virtual absence of rain and an extremely dry atmosphere. Over 40% of the country is, in fact, desert, and unsuitable for agriculture. The year is divided into three main seasons varying in length according to latitude: October–January, a cool and dry season; February–May, a hot and dry season; and June–September, a season of rains characterized by lower temperatures and an increase in humidity. Between 1968 and 1974, Mali, with neighboring Sahel states, experienced the worst drought in 60 years. Drought returned during 1982–85, and there is continuing concern over the southward advance of the desert.

[4]FLORA AND FAUNA

The Saharan zone of Mali, an area of fixed dunes and false steppes, contains vegetation made up of thick-leaved and thorny plants (mimosas and gum trees). The vegetation of the Sahelian zone resembles that of the steppes, with thorny plants and shrubby savannas. The Sudanese zone is an area of herbaceous vegetation; its trees are bastard mahogany, kapok, baobab, and shea.

In the Saharan, or desert zone, animal life includes dorcas, cheetah, and maned wild sheep, the latter in the mountains. In the Sahelian region are found oryx, gazelle, giraffe, wart hog, ostrich, bustard, red monkey, and cheetah, as well as lion, jackal, fox, hyena, and cynhyena. In the Sudanese zone there are large and small antelope, buffalo, elephant, lion, and monkey, plus such small game as hare, bustard, guinea fowl, quail, pigeon, and such water birds as duck, teal, sandpiper, peetweet, godwit, and woodcock. Other birds include pelican, marabou, ibis, egret, heron, eagle, and vulture.

[5]ENVIRONMENT

The major environmental problem in Mali is the increasing desertification of the country. Soil erosion, deforestation, and loss of pastureland pose additional problems for the environment. Mali also has an inadequate water supply: only 74% of city dwellers and 61% of people living in rural areas have access to pure water. The country has 60 cu km of renewable water resources, of which 97% is used for farming and 1% is used for

industrial purposes. Mali's cities produce about 0.4 million tons of solid waste.

The nation's wildlife is threatened by drought, poaching, and the destruction of the environment. Mali has a national park and four animal reserves that cover a total of 808,600 ha (1,998,100 acres), as well as six forest reserves covering 229,400 ha (566,900 acres). In addition, the Sahel has an elephant reserve of 1,200,000 ha (2,965,000 acres) and a giraffe reserve of 1,750,000 ha (4,324,000 acres). However, the authorities lack the means to prevent poaching of protected animals or cutting down of trees for firewood. In 2001, 13 of Mali's mammal species and 6bird species were endangered. There were also 5 species of plants threatened with extinction. Threatened species include the addax, cheetah, and barbary sheep. The Sahara oryx has become extinct in the wild.

[6]POPULATION

The population of Mali in 2003 was estimated by the United Nations at 13,007,000, which placed it as number 64 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 47% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 3.00%, with the projected population for the year 2015 at 18,986,000. The population density in 2002 was 9 per sq km (24 per sq mi), but the western quarter of the country has three-quarters of the population, and along the Niger River, population density exceeds 500 per sq km (1,300 per sq mi). By contrast fewer than 1.5 people per square km (4 per sq mi) live in the northern three-fifths of Mali.

It was estimated by the Population Reference Bureau that 30% of the population lived in urban areas in 2001. About 10% of the inhabitants are nomadic, and the remainder rural. The capital city, Bamako, had a population of 1,083,000 in that year. Other important towns are Ségou, Mopti, Sikasso, and Kayes. According to the United Nations, the urban population growth rate for 2000–2005 was 4.6%.

[7]MIGRATION

The Fulani, Tuareg, and other nomadic groups of northern Mali move freely across desert borders to and from neighboring countries. As many as 2 million Malians migrate seasonally to Côte d'Ivoire, Senegal, and Libya. In addition, 150,000 Malians fled to Algeria, Burkina Faso, and Mauritania in the early 1990s to escape government repression. Between June 1995 and 1999, 131,780 Malian refugees returned home from Algeria, Burkina Faso, Mauritania, Niger, and Senegal. Malian refugees of Tuareg and Moor ethnic origin continue to return. There is also increasing migration from rural to urban areas.

As of 1999, about 6,000 Mauritanians were refugees in Mali's Kayes region. There were also 1,924 urban refugees from 17 African and Middle Eastern countries, predominantly Sierra Leone and Liberia. Of the 16,800 initial Mauritanian refugees, UNHCR helped to repatriate some 10,800. In 2000, the net migration rate was -4.7 migrants per 1,000 population. The total number of migrants was 48,000 in that year. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The main ethnic groups of Mali are the Mande, including the Bambara, Malinke, and Sarakole, accounting for 50% of the total population. Other groups include the Peul (or Fulani), accounting for 17%; the Voltaic, making up 12%; the Songhai, constituting 6%; the Tuareg and Moor 10%; and other groups 5%. The Bambara, mostly farmers, occupy all of central Mali bounded by the Côte d'Ivoire frontier in the south and Nara and Nioro in the north. Malinke live chiefly in the regions of Bafoulabé, Kita, and Bamako. The Peul (or Fulani), semi-sedentary herdsmen, are to be found throughout the republic, but mainly in the region of Mopti. The Songhai—farmers, fishermen, and merchants—live along the banks and islands of the Niger River, east of the inland delta. The nomadic Tuareg, of Berber origin, are mainly in the north, in the Adrar des Iforas. The Minianka, largely farmers, populate the region of Koutiala, and the Senufo, also farmers, are found principally in the region of Sikasso. The Dogon, often considered to be the first occupants of Mali, are believed to have survived owing to the inaccessibility of their villages in the Hombori cliffs. The Dogon have won international esteem for their unique ceremonial artifacts. The majority of the peoples in Mali are Negroid; the Tuareg are classified as Caucasoid; and the Puel (Fulani) are of mixed origin.

[9]LANGUAGES

French, the official language, is the language of administration and of the schools and is the main unifying tongue for the country's diverse population elements. There are virtually as many languages as there are ethnic groups. However, Bambara—widely spoken in western, central, and southern Mali—is understood by about 80% of the population. The Semitic-speaking Arabs and Hamitic-speaking Tuareg are the only groups with a traditional written language, although in recent years other languages, most of which belong to the Niger-Congo group of African languages, have come to be written. Fulani is spoken in the Niger delta, and Songhai in the east and northeast.

[10]RELIGIONS

It is estimated that about 90% of the people are Muslims, the vast majority being Sunnis. About 5% of the population are Christian, with a fairly even split between Protestants and Catholics. Most of the remainder practice indigenous religions. The constitution provides for freedom of religion and defines the country as a secular state.

[11]TRANSPORTATION

Transportation is controlled by the government's Malian Transport Authority. Mali has some 729 km (453 mi) of railroad, served by diesel electric locomotives. The main line, from Dakar in Senegal to Bamako, runs a twice-weekly passenger service. There is more frequent service between Bamako and Koulikoro, the last stop on the line, and between Bamako and Kayes. The IBRD has helped finance the modernization of the Malian rail system. Mali's road network includes about 15,100 km (9,383 mi) of highways of which some 1,827 km (1,135 mi) were paved as of 2002. A major project, completed in 1986, was the construction of a 558-km (347-mi) road between Gao and Sévare, near Mopti, to be part of a trans-Sahara highway linking Algeria and Nigeria. In 2001, there were about 18,900 passenger cars and 31,700 commercial vehicles in Mali.

Mali is landlocked; it is served by the port of Dakar in Senegal. The Niger River, which in Mali is 1,782 km (1,107 mi) long, is navigable except for a 59-km (37-mi) stretch between Bamako and Koulikoro (the main river port), where it is cut by rapids. The Bani River, a tributary of the Niger, is navigable for 224 km (139 mi) between San and Mopti. Regular service on the Niger is generally maintained from July through January. The Senegal is navigable between Kayes and Saint-Louis, Senegal. Mali, Senegal, and Mauritania make up the Senegal River Development Organization.

There were 27 airports in 2001, only 7 of which had paved runways. An international airport is at Senou, 14 km (9 mi) from Bamako. Air Mali, the state-owned airline, flies to Gao, Mopti, Kayes, Nioro, Tombouctou, Nara, Yelimané, and Goundam. There are also airports at Ségou, Tessalit, Bourem, and Kidal. In 1992, Mali joined the ten other signatories of the Yaounde Treaty and became a partner in Air Afrique. In 2001, 46,400 passengers

LOCATION: 10°10′ to 25°N; 4°15′ E to 12°15′ W. BOUNDARY LENGTHS: Algeria, 1,376 kilometers (855 miles); Niger, 821 kilometers (510 miles); Burkina Faso, 1,202 kilometers (747 miles); Côte d'Ivoire, 515 kilometers (320 miles); Guinea, 932 kilometers (579 miles); Senegal, 418 kilometers (260 miles); Mauritania, 2,237 kilometers (1,390 miles).

were carried on scheduled domestic and international airline flights.

12 HISTORY

The recorded history of the area now called Mali begins with the empire of Ghana, which is said to date from the 4th century AD. At its height in the 10th century, it occupied eastern Senegal, southwest Mali, and southern Mauritania and carried on a steady trade across the Sahara with Arab states. The Ghana Empire disintegrated by the 13th century and was succeeded by the Mali Empire, from which the independent republic takes its name.

The Mali Empire reached its peak in the 14th century under Mansa Musa (r.1312–37), who captured Tombouctou and made Mali a center of Muslim scholarship. Tombouctou and Djenné became key centers for trans-Sahara trade. By the 17th century, however, the empire had ceased to exist, and the Tuareg took much of the northern area.

Meanwhile, to the east, the Songhai Empire was founded around AD 700 on the middle Niger. Later centered at Gao, the empire was at its zenith after the capture of Tombouctou in 1468. The chief rulers in this period were Sonni 'Ali Ber (r.1464–92) and Askia Muhammad I (r.1492–1528). In 1591, the Songhai fell to an invading Moroccan army, which established secure bases at Gao, Tombouctou, and Djenné. Under Moroccan rule, a military caste known as the Arma developed, which controlled the countryside, but by 1780, the area had become fragmented into petty states.

In the 19th century, al-Hajj 'Umar, a member of the Tukulor tribe, waged a Muslim holy war against the pagans of the area. In 1862, he conquered Ségou and Macina, and the next year he

plundered Tombouctou. He was killed in 1864 trying to put down a rebellion. Around 1880, the French began their advance into what was to become the Republic of Mali. They were opposed from 1882 to 1898 by Samory Touré, a Malinké (Mandingo) leader who was ultimately captured and exiled. The capture of Sikasso in 1898 completed the French conquest.

Under French administration, the area became known as French Sudan (Soudan Français) and was a part of French West Africa. Achievements of French rule included the building of the Dakar-Bamako railway and a Niger Delta development scheme. In 1946, the Sudanese became French citizens, with representation in the French parliament. Under the constitution of 1946, the franchise was enlarged and a territorial assembly was established. Universal suffrage was established in 1957, when enlarged powers were conferred on the territorial assembly, which was also given the right to elect a council of ministers responsible for the administration of internal affairs. In 1958, under the constitution of the Fifth French Republic, French Sudan became an autonomous republic, called the Sudanese Republic, within the French Community.

Independence

In January 1959, in Dakar, representatives of the Sudanese Republic, Senegal, Dahomey (now Benin), and Upper Volta (now Burkina Faso) drafted a constitution of the Federation of Mali (named after the medieval African empire), but only the assemblies of the Sudanese Republic and Senegal ratified it and became members of the federation. Later that year the new Mali Federation asked the French Community to grant it complete sovereignty while permitting it to remaining a member of the Community. The Mali Federation became a sovereign state in June 1960.

Discord soon arose over external and internal policy, and on 20 August 1960, the federation was dissolved. On 22 September 1960, the Sudan declared itself independent as the Republic of Mali. Modibo Keita, a cofounder of the African Democratic Assembly and political secretary of the Mali Federation's African Federation Party, took control of the government. The break with Senegal was followed by the decision to leave the French Community. All ties between Senegal and Mali were severed, and Mali embargoed trade with or through Senegal until 1963, when an accord was reached.

The one-party dictatorship led by President Keita evolved into a socialist regime modeled on that of the People's Republic of China. However, by 1968, economic problems and discontent became severe. On 19 November, Keita was overthrown in a bloodless coup led by Lt. (later Gen.) Moussa Traoré. The 1960 constitution was abolished, and a 14-member Military Committee for National Liberation took command. The junta brought Mali back into the franc zone in 1968 and opened its doors to investment from nonsocialist as well as socialist countries.

Lt. Traoré became president in 1969, following an interim period of Yoro Diakité's presidency. (Diakité was expelled from the Military Committee in 1972 and died in the prison salt mines of Taoudenni in 1973.)

The military regime's efforts to improve the economic situation in Mali were frustrated by the prolonged period of drought that began in 1968 and peaked in 1972–73. It was estimated that, during that time, one-third of the population was rendered destitute. Severe drought conditions also prevailed in 1982–85.

In 1978, 29 army and police officers were convicted of plotting against the regime, and political unrest continued in later years. Traoré was elected president in 1979 under a new constitution, which also confirmed Mali as a one-party state. He was reelected in 1985. Fighting broke out between Mali and Burkina Faso on 25 December 1985 over possession of the Agacher Strip, an arid tract of land along their common border. About 65–70 men were killed before a cease-fire on 30 December. On 22 December 1986 the International Court of Justice, to which the dispute had been submitted in 1983, divided 2,952 sq km (1,140 sq mi) between the two countries in roughly equal parts.

Democratization

On 26 March 1991, Lt. Col. Amadou Toumani Touré engineered a coup that toppled the Traoré government. Following bloody confrontations between youth groups and the army in 1990 and 1991 in which more than 200 were killed, Touré immediately set up a National Reconciliation Council which appointed a broad-based Transitional Committee for Popular Salvation to oversee the transition to civilian democracy. In May 1991, a public trial broadcast over Malian radio eventually resulted in the conviction (February 1993) of former President Traoré and three associates, who received a death sentence for the March 1991 massacres.

A crisis was averted by a National Conference, which included 48 political parties and some 700 civic associations. The participants met from 29 July to 14 August 1991, drafting new electoral rules, party statutes and a new constitution, which was adopted by referendum in January 1992, and established an agenda for the transition. There were elections for municipal councilors and National Assembly deputies and, finally, presidential elections on 12 and 26 April 1992. Dr. Alpha Oumar Konaré, the leader of the Alliance for Democracy in Mali (ADEMA) became Mali's first democratically elected president with 69% of the vote. The Third Republic was launched. ADEMA also won 76 of the 116 National Assembly seats.

One of the last acts of the Touré transitional government was to negotiate (with Algerian mediation) a peace treaty in April 1992 with rebel Tuaregs in the north. The government acknowledged the Northerners' special status, and the Tuaregs renounced their claims to independence. Algeria agreed to guarantee the truce, which ended two years of fighting. In 1992 and 1993, between 60,000 and 100,000 Tuareg refugees returned from abroad. In February 1993, the government and the rebel group, the Unified Movements and Fronts of Azawad (MFUA) agreed to integrate MFUA guerrillas into the national army and, in May 1994, arrived at a further agreement to implement the 1992 National Pact. In May 1995, President Konaré personally visited refugee camps in bordering states in an effort to assure Tuareg refugees that it was safe to return home. In March 1996, after 3,000 Tuareg rebels had been integrated into the military, there was a massive ceremonial burning of their surrendered weapons in downtown Tombouctou. In January 2000, some 1,000 Tuareg returned home to northern Mali from Niger.

A culmination of pressures led to a new government in April 1993. Abdoulaye Sekou Sow replaced Younoussi Touré as prime minister, and the National Congress of Democratic Initiative (CNIT) took a portion of the ministerial portfolios. However, this government was short-lived. Student disgruntlement with the economy, high unemployment, the negative effects of structural adjustment, and the devaluation of the CFA franc contributed to much popular dissatisfaction, and to the fall of the Sow government in February 1994. In the subsequent government, ADEMA took 11 of the 16 ministries. Several ADEMA members left the party following Ibrahim Boubakar Keita's election as secretary of ADEMA and his appointment as prime minister. The detractors formed the Movement for Independence, Renaissance, and African Integration (MIRIA). The Patriotic Movement for Renovation (MPR) was also formed at this time, along with a splinter from the CNID, the Party for National Liberation (PARENA). Upset with the pace of reforms, students continued their violent unrest, resulting in the January 1996 arrest of several student leaders. The crackdown was widely criticized, and in late January 1996, the CNID introduced a motion of no confidence in Parliament, which the government this time was able to survive.

Malians took a step toward national healing in January 1999 when President Alpha Oumar Konaré commuted death sentences imposed on Traoré and his wife after they were convicted of embezzlement. The successful rural community elections of May/June 1999 strengthened Mali's quest for decentralized democracy. In spite of the low voter turnout caused by the boycott of the radical left, opposition groups won nearly 40% of the 10,000 council seats, though none of the parties won more than 10% of the seats. Given this new avenue for political participation, observers felt that the radical left, grouped under the Collectif des Partis Politiques de l'Opposition (COPPO), marginalized by its boycott, would want to contest future elections.

In February 2000, President Alpha Konaré announced a new national government spearheaded by Prime Minister Mande Sidibe, whose main task was to relaunch the economy. Konaré's cabinet included seven women, and seven colonels. Six former ministers remained in government, including Foreign Minister Modibo Sidibe. Despite criticisms of corruption and failed economic policies, under Konaré, government became more representative and responsive to citizens. Society also became more open to debate. More than 40 newspapers including 4 of 5 daily papers were privately owned. Although the state controlled television, some 15 private radio stations operated in Bamako, and more than 40 stations broadcast freely up-country. Having served as chairman of ECOWAS, and being one a few African heads of state to stand down after completing his constitutional term of office, Alpha Konaré enhanced Mali's reputation internationally.

On 28 April 2002, Amadou Toumani Touré, nicknamed "ATT," emerged the leader of the first round presidential election with 29% of the vote, defeating former prime minister and rival, Ibrahim Boubacar Keita. In the run-off election on May 12, he obtained 64% of the vote, defeating Soumalia Cissé to become the second democratically elected president of the Republic of Mali. Eleven francophone African leaders witnessed the transfer of power from one constitutionally elected president to another—the first in Mali's history.

13 GOVERNMENT

After independence, Mali was governed by the 1960 constitution, which provided for a national assembly. This body was abolished by the Keita regime in January 1968. Following the military coup of November 1968, the constitution itself was abolished and a provisional regime, the Military Committee for National Liberation, was established.

A long-awaited constitution was drawn up by the Military Committee in 1974 and endorsed in a public referendum on 2 June 1974. In this first national ballot since 1964, 99% of the electorate voted for acceptance. The constitution, which took full effect in 1979 and was amended in 1981, provided for a president with a six-year term, an 82-member national assembly, and a one-party system. The assembly was elected for a three-year term. There was universal suffrage at age 21. The 1979 constitution was replaced by a new constitution adopted by referendum in January 1992.

In 1997, the national assembly had 116 deputies with 10 parties represented. Presently, the total number of seats is 147 with members popularly elected serving five-year terms. Led by ATT, the Hope 2002 coalition holds 66 seats to 51 for ADEMA, and 30 held by other parties with the next rounds of elections scheduled for 2007.

The president, elected by popular vote, chooses the prime minister who selects a cabinet. Attempting to remain above party politics, ATT insisted that all of the main parties having won seats in the parliament in the July 2002 elections have cabinet members in the government.

14 POLITICAL PARTIES

The first political party in Mali, the Sudan Progressive Party (Parti Soudanais Progressiste—PSP) was an affiliate of the French Socialist Party. It dominated political activity in French Sudan for 10 years. It was followed by the Sudanese Union, a revolutionary, anticolonial party, which had its main strength in the towns. In the two elections of autumn 1946, the Sudanese Union won 32% and 38% of the total votes.

The PSP continued to maintain its majority in the Territorial Assembly until the end of 1955, when a split in its ranks enabled the Union to capture a majority. By March 1957, the Sudanese Union won 60 of the 70 seats in the new Territorial Assembly, and in the Legislative Assembly election of March 1959 it obtained 76.3% of the votes and all the seats. After the break with Senegal, it emerged as the only party in the Republic of Mali, one with control that extended even to the smallest Muslim villages through its national political bureau. In the parliamentary elections of April 1964, the single list of 80 deputies presented by the Sudanese Union was elected by 99.5% of the voters. The party was disbanded at the time of the 1968 coup d'état.

The Democratic Union of Malian People (Union Démocratique de Peuple Malien—UDPM) was created as the sole legal political party in 1979. It chose the presidential candidate and the single list of candidates for the National Assembly. In National Assembly elections in 1979, UDPM candidates received 99.89% of the votes cast; in 1982, 99.82%; and in 1985, 99.47%; The party's general secretary since 1979 has been Gen. Moussa Traoré.

Shortly after the military coup in March 1991, some 48 parties were functioning, of which 23 contested the 1992 elections and ten elected deputies to the National Assembly. The Alliance for Democracy in Mali (ADEMA) was the majority party, but with the change in prime minister and government on 12 April 1993, opposition parties were brought into cabinet; the National Committee for a Democratic Initiative (CNID) gained three cabinet posts.

In 1997, ADEMA held 76 seats in parliament, CNID held nine. Other parties represented in the National Assembly included the Sudanese Union/African Democratic Rally (US/RAD) with eight seats; the Popular Movement for the Development of the Republic of West Africa with six seats; Rally for Democracy and Progress (RDP) and the Union for Democracy and Development (UDD) with four seats each; and four other parties with the remaining seats. The UDPM, the former ruling party, attempted to relaunch itself in mid-1993, but the Supreme Court rejected its application for official recognition. It applied again in 1995 and was again rejected. Splits in ADEMA and CNID in 1995 resulted in the formation of the Movement for Independence, Renaissance, and African Integration (MIRIA)—headed by former vice president Traoré, the Patriotic Movement for Renovation (MPR), and the party for National Renovation (PARENA). In anticipation of the 1997 elections, PARENA announced it would form an alliance with ADEMA. However, flaws in the electoral process led to cancellation of the results by the Constitutional Court. The repeat elections, though ruled free and fair by international observers, were boycotted by 18 opposition parties.

In 2000, ADEMA had not lost its grip on the National Assembly, holding 130 of 147 seats, with 12 more held by allied parties, and only 5 by the opposition. Despite the tradition of male domination in Mali, 18 seats were held by women, and women held six held cabinet posts in the government.

Elections to the Assembly were last held 14 July and 28 July 2002 giving ATT's government a substantial show of popular support with the following breakdown of seats: Hope 2002 coalition 66, ADEMA 51, other parties 30. Despite ATT's

attempt to ensure balance in the cabinet, the two main coalitions Espoir 2002 (Hope 2002) and Alliance pour la République et la démocratie (ARD) criticized the new cabinet as being unrepresentative. L'Espoir 2002 objected to having received only two positions more than the ARD, even though they had backed the president in the second round of the elections. Nevertheless, Espoir did take most of the non-ministerial parliamentary positions.

One 1 June 2003, in the presence of over 5,000 people gathered from around the country and abroad, Soumaila Cisse, vice president of ADEMA, who lost against ATT in the presidential election, announced the creation of a new party, Rally for Republic and Democracy (URD). The URD was expected to welcome an outflow of ADEMA supporters, perhaps as many as 25 deputies. ADEMA was working hard to stem the flow and estimated that no more than 10 of its deputies would defect to the UDR.

[15]LOCAL GOVERNMENT

In recent years, Mali has undertaken an ambitious decentralization program, which involves the capital district of Bamako, seven regions subdivided into 46 *cercles*, and 682 rural community districts (*communes*). The state retains an advisory role in administrative and fiscal matters, and it provides technical support, coordination, and legal recourse to these levels. Opportunities for direct political participation, and increased local responsibility for development have been improved.

In August-September 1998, elections were held for urban council members, who subsequently elected their mayors. In May/June 1999, citizens of the communes elected their communal council members for the first time. Female voter turnout was about 70% of the total, and observers considered the process open and transparent. With mayors, councils, and boards in place at the local level, newly elected officials, civil society organizations, decentralized technical services, private sector interests, other communes, and donor groups began partnering to further development.

Eventually, the cercles will be reinstituted (formerly grouping arrondissements) with a legal and financial basis of their own. Their councils will be chosen by and from members of the communal councils. The regions, at the highest decentralized level, will have a similar legal and financial autonomy, and will comprise a number of cercles within their geographical boundaries. Mali needs to build capacity at these levels, especially to mobilize and manage financial resources.

[16]JUDICIAL SYSTEM

Mali's legal system derives from French civil law and customary law, and provides for judicial review of legislative acts in a Constitutional Court (which was formally established on 9 March 1994). Mali has not accepted compulsory ICJ jurisdiction.

A Supreme Court was established in Bamako in 1969. It is made up of 19 members, nominated for five years. The judicial section has three civil chambers and one criminal chamber. The Supreme Court has both judicial and administrative powers. The administrative section deals with appeals and fundamental rulings.

The Court of Appeal is also in Bamako. There are two magistrate courts of first instance, courts for labor disputes, and a special court of state security. Customary courts have been abolished. The 1992 constitution established a separate constitutional court and a High Court of Justice charged with responsibility for trying senior government officials accused of treason.

The 1992 constitution guarantees independence of the judiciary, and constitutional provisions for freedom of speech, press, assembly, association, and religion are generally respected. Nonetheless, the executive has considerable influence over the judiciary. The president heads the Superior Judicial, the body that supervises judicial activity, and the Ministry of Justice appoints judges and oversees law enforcement. Trials are public, defendants have the right to an attorney of their choice, and court-appointed attorneys are available to indigent defendants in criminal cases. However, the judicial system has a large case backlog resulting in long periods of pretrial detention.

[17]ARMED FORCES

As of 2002, armed forces strength was 7,350, of whom 6,900 were in the ground forces, 50 in the marine forces, and 400 in the air forces, (all considered part of the army). The army was equipped with 33 main battle tanks, the air force had 16 combat aircraft and no armed helicopters, and the navy possessed 3 river patrol boats. Paramilitary forces number 4,800, including a gendarmerie of 1,800, a republican guard of 2,000, and a national police force of 1,000. Mali participated in peacekeeping efforts in the DROC and Sierra Leone. In 2001, Mali spent $50 million on defense, or 2% of GDP.

[18]INTERNATIONAL COOPERATION

Mali was admitted to the UN on 28 September 1960, and is a member of ECA and all the nonregional specialized agencies except IMO. It also belongs to the African Development Bank, G-77, the AU, and the WTO. Mali is a member of the West African Economic Community (CEAO), which came into existence on 1 January 1974 as a formal economic community embracing the Côte d'Ivoire, Senegal, Mali, Niger, Burkina Faso, and Mauritania.

The nation was a signatory to the Lomé Convention, which covered aid and trade relations between developing countries and the EC. With Senegal and Mauritania, it comprises the Senegal River Development Organization, and it is also a partner in the Liptako-Gourma regional development scheme with Burkina Faso and Niger. Mali is a member of the International Committee for the Control of the Drought in the Sahel (CILSS).

As a member of ECOWAS, Mali is participating in the six-nation group mediating the conflict in neighboring Côte d'Ivoire. In 2003, Mali contributed 200-300 troops for peacekeeping operations in this war-torn country.

[19]ECONOMY

Economic activity in Mali centers on domestic agricultural and livestock production. Vast stretches of Sahara desert limit Mali's agricultural potential and subject the country to severe, prolonged, recurrent drought. In periods of adequate rainfall, Mali approaches food self-sufficiency. The GDP growth rates are affected by the rainfall as well. GDP has gone to a high of 12.5% in 1989 when rainfall was good to negative growth in dry years. The growth rate of GDP in 2001 was estimated to be -1.2%.

About 80% of the population was engaged in agriculture as of 2001. Irrigated lands along the Niger River have been the focus of infrastructure development loans designed to increase the production of rice. Historically, livestock production was a mainstay of the Malian economy. About 10% of the population is nomadic. The dry savannah plains are tsetse free, and production has been oriented to serve the growing market in Côte d'Ivoire to the south. Unfortunately, the severe droughts in the 1980s reportedly wiped out upwards of 80% of Malian herds.

State-centered policies pursued in the years following independence were largely unsuccessful and led to a reintegration of the Malian economy into the CFA franc zone. Subsequent economic plans imposed on Mali, first by the French and then by the IMF, sought to dismantle the parastatals, privatize industry, and disengage the government from manipulative agriculture policies and price controls. These measures were hindered by the influential Malian civil service, the drought in the early 1980s and, in 1986, the fall in cotton prices, which led the government

to suspend its debt-servicing obligations and to a suspension of IMF and World Bank credits. However, deficits fell sharply in 1990 and 1991 as a result of higher taxes and reduced civil service and parastatal demands. Unfortunately, the political repercussions of the government's austerity measures led to its downfall in 1991. The new government, however, continued the structural adjustment process, and the effort to reduce the budget deficits was intensified.

In January 1994 France devalued the CFA franc, cutting its value in half. The devaluation was designed to encourage new investment, particularly in the export sectors of the economy, and discourage the use of hard currency reserves to buy products that could be grow domestically. Unlike exporting countries, however, Mali imported most of its food, had little to export, and therefore, benefited little from the devaluation. A period of inflation, where the rate approached 35%, followed devaluation in 1994, but by 2001 it had moderated to a level of approximately 5%.

The country remains heavily dependent upon foreign aid, which amounted to 20% of GNP in 2002, mostly from France. Key sectors of economic growth in recent years have been in cotton production and gold: Mali as of 2003 was the leading producer and exporter of cotton in sub-Saharan Africa, and the second-largest producer of gold in West Africa.

[20] INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Mali's gross domestic product (GDP) was estimated at $9.2 billion. The per capita GDP was estimated at $840. The annual growth rate of GDP was estimated at -1.2%. The average inflation rate in 2001 was 4.5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 45% of GDP, industry 17%, and services 38%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $77.4 million. Worker remittances in 2001 totaled $66.98 million. Foreign aid receipts amounted to about $32 per capita and accounted for approximately 14% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $246. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 1%. Approximately 53% of household consumption was spent on food, 7% on fuel, 4% on health care, and 5% on education. The richest 10% of the population accounted for approximately 40.4% of household consumption and the poorest 10% approximately 1.8%. It was estimated that in 2001 about 64% of the population had incomes below the poverty line.

[21] LABOR

Of the total estimated workforce of 3.9 million in 2001, 80% were engaged in agriculture. In that year, the estimated unemployment rate was 14.6% in urban areas. In rural regions, unemployment was an estimated 5.3%.

With the breakup of the Mali Federation in 1960, all the unions in the country joined together to form the National Union of Malian Workers (Union National des Travailleurs du Mali—UNTM). The UNTM was disbanded at the time of the 1968 coup, but was reestablished in 1970. Most workers organized in Mali belong to a union that is a member of UNTM federation. A second federation, the Syndicated Confederation of Malian Workers, was formed following a split in the UNTM in 1997. The two groups divide the nation's 12 unions between them. In 2002, essentially all wage-earners were union members. The constitution provides for the right to strike within certain limitations in some sectors. For instance, civil servants and state-employed workers must engage in mediation and give two weeks notice of an intent to strike.

Workers in the formal industrial sector may start to work as young as 12, with parental permission. However, this provision does not apply to the millions of children working in rural areas or in the urban informal economy. Wage workers are given extensive protection under the labor laws, including a maximum workweek, a minimum wage, and a specified number of days of paid annual leave. In 2002, the minimum wage was about $40 per month. The legal maximum workweek was set at 40 hours in industry, and 45 hours for agricultural laborers. Foreign, even illegal, workers are provided with the same protections.

[22] AGRICULTURE

Only the southern part of Mali is suited to farming, and less than 2% of Mali's area is cultivated. Agriculture accounted for about 45% of GDP, 21% of exports, and over 80% of the active labor force in 2001. Millet, rice, and corn are the basic food crops. Millet and sorghum are cultivated mainly in the areas around Ségou, Bandiagara, and Nioro. Paddy rice is cultivated on irrigated farms in the area around Mopti, Ségou, and Niafounké. Cereals are produced for subsistence by 90% of farmers. Peanuts are grown in the Sudanese zone, as are cotton, fruits, vegetables, and henna. The shea tree nut, which grows wild, is exploited by Malians for its oil.

Output fluctuates widely as a result of the amount and distribution of rainfall. In 1999, cereal production was estimated at 2,149,000 tons. Production estimates in 1999 for principal agricultural crops grown for domestic use included millet, 641,000 tons; sorghum, 559,000 tons; sugarcane, 303,000 tons; corn, 341,000 tons; cassava, 10,000 tons; and sweet potatoes, 16,000 tons. The rice production figure was 589,000 tons.

Cotton is Mali's major foreign exchange earner. In 1999, Mali had a production of 218,000 tons. Buoyant world prices have increased foreign exchange earnings from cotton. In 2001, Mali's trade surplus in agricultural products was $46.7 million.

The Niger Office, now a state-controlled agency, was set up in 1932 to aid in improving cotton and rice production. It developed the irrigation and modern cultivation of some 81,000 ha (200,000 acres) in the dry inland delta of the Niger; in 1998, about 138,000 ha (341,000 acres) in Mali were irrigated. The infrastructure includes a dam (2.6 km wide/1.6 mi), irrigation canals, ditches and dikes, and such installations as housing stores, warehouses, rice and oil mills, cotton-ginning factories, sugar refineries, soap factories, research stations, schools, and dispensaries. Growing cotton in irrigated fields did not succeed and was abandoned in 1970. All cotton is now grown in nonirrigated fields in the regions of Bamako, Ségou, and Sikasso.

[23] ANIMAL HUSBANDRY

In 2001, there were an estimated 8,690,000 goats, 6,039,000 sheep, 6,735,000 head of cattle, 680,000 donkeys, 467,000 camels, 165,000 horses, 83,000 hogs, and 23,364,000 chickens in Mali.

Virtually all cattle are owned by nomads. Cattle herding is centered in the Sahel (Nioro-Nara), the central Niger Delta (Ségou-Mopti-Bandiagara-Niafounké-Goundam), and the curve of the Niger (Tombouctou-Gao). A significant portion of trade in live animals is clandestine, because of higher prices in neighboring countries. Principal clients for cattle are Côte d'Ivoire and Ghana, and for sheep and goats, Côte d'Ivoire and Algeria. Meat and cattle are also exported to other African neighbors, such as Guinea, Senegal, Niger, and Benin.

There are two modern slaughterhouses, in Bamako and Gao. Total meat production was estimated at 213,000 tons in 2001.

Livestock exports are the second largest source of foreign exchange after cotton. Milk production was estimated at 438,000 tons (41% goat, 38% cow, 21% sheep), and the production of hides and skins at 24,000 tons.

[24]FISHING

The Niger and its tributaries are extensively fished, and the Mopti region, where the Niger and Bani rivers flood the delta during the rainy season, accounts for 90% of the catch. The Senegal River accounts for most of the rest. Fishermen use nets, harpoons, and snares. About 90% of the fishing catch is dried or smoked for domestic consumption and export; Nile tilapia and North African catfish are the main species. River fishing was severely affected by the 1968–74 and 1982–85 droughts. The total catch was 109,870 tons in 2000.

[25]FORESTRY

Forest and woodland are estimated to cover some 13.1 million ha (35.6 million acres), or about 10.8% of the total land area. A total of six forest reserves cover 229,400 ha (566,900 acres). Mali's Water and Forests Service works to preserve and increase the amount and quality of general and classified forest domain and to assure reasonable exploitation. However, wood is Mali's primary energy source, and overcutting for fuel is a serious problem. Roundwood production in 2000 amounted to 5,143,000 cu m (181,550,000 cu ft), with 87% used for fuel.

[26]MINING

Mali became Africa's third-largest gold producer, behind South Africa and Ghana, and gold accounted for 95% of the value of Mali's mineral production, and 40% of Mali's exports in 2001. Total gold mine output (metal content) was 25,000 kg in 2000, up from 4,329 in 1996. The Sadiola Hill open-pit mine produced 19,000 kg in 2000—making it the largest gold mine in West Africa—from a resource of 120,000 kg. The Syama mine, which produced 8,000 kg, was mothballed in 2001, pending higher gold prices; it had the country's largest resources, 196,000 kg. The Morilla gold mine, opened by Mali's president in 2001, expected to produce 15,550 kg per year during a minimum nine-year period, from a resource of 140,000 kg. The Loulo (105,000-kg resource), Yatela, Segala, and Alamoutala deposits were in development. Since 1997, Mali has attracted $850 million in new gold development investments, and expected to produce 50,000 kg per year by 2006. Large-scale gold mining began in 1984, at Kalana, southwest of Bougouni, with aid from the former USSR.

Construction was Mali's second-leading industry in 2002, behind food processing, and phosphate and gold mining comprised the third-leading industry. In 2000, Mali also produced 1,000 kg of silver (content of doré bullion) in 2000, up from 270 in 1996, as well as hydraulic cement, clays, diamond, gypsum, marble, sand and gravel, salt, stone, and tin. No phosphate was produced in the past several years.

Salt mining provided an evocative link between Mali's present and past. Two salt caravans, each including thousands of camels, annually transported salt, in 30 kg–40 kg bars, from the famous salt city of Taoudenni, 700 km south, to Tombouctou, and, from there, to Nioro and other distribution centers. Output was 6,000 tons.

Bauxite, iron, calcium, kaolin, copper, manganese, phosphate, tin, zinc, lead, diamond, marble, and lithium deposits have been located; their exploitation depended on improved transportation, among other factors. Manganese reserves were 7.5 billion tons, of 30%–40% grade ore. Western Mali had numerous bauxite deposits, ranging from 10 to 580 million tons, at 2%–48% aluminum content. Phosphate reserves were estimated at 10 million tons, with anhydrous phosphate content of 31%. There was a marble quarry at Sélinkégni, a limestone quarry at Diamou, and a phosphate complex at Bourem. Mineral exploration interest was focused on diamond, gold, and oil.

All mines were owned by the state; some quarries were privately owned. At the request of mining companies, the government set up a regional mining office in Kayes, to eliminate the 500 km journey between Bamako and the primary mining region, in western Mali, for routine administrative operations. The government eliminated the tax on insurance for vehicles used on mining sites, and reduced taxes on sales by mining companies (from 6% to 3%), and on proceeds from the transfer of shares in mining companies (from 20% to 10%). The government also lengthened the tenure for medium-scale mining permits, and introduced a four-year permit for small-scale mining. To address Mali's underdeveloped transportation network, the Africa Development Fund approved a loan to finance the multinational Kankan-Kouremale-Bamako road project in Guinea and Mali.

[27]ENERGY AND POWER

Petroleum exploration was conducted in the early 1980s, but without success. The Senegal River Development Organization's dam at Manantali on the Senegal River, begun in 1981 and inaugurated in 1992, provides power and irrigation water for Mali, Mauritania, and Senegal. It has the capacity to add some 400 million kWh annually to the Malian grid. In 2000, Mali's total electricity production reached 462 million kWh, of which 43.3% was from fossil fuels and 56.7% from hydropower. Consumption of electricity in 2000 was 429.7 million kWh. Installed capacity in 2001 was 114,000 kW. A 44.8 MW hydroelectric facility at Selingué, southwest of Bamako on the Sankarani River, was completed in 1982. Given Mali's drought-prone circumstances, hydroelectric production is unreliable, and production at the Selingué plant is suspended when reservoir levels are low.

[28]INDUSTRY

Mali has a small industrial sector, mostly enterprises producing textiles and consumer goods. There is growing local demand for consumer goods. Textiles account for about 50% of export value. In 2001, industry accounted for 17% of GDP. In 2002, the government was undertaking a program of privatization and restructuring of state-owned enterprises.

Groundnut-oil, rice-polishing, fruit-preserving, sugar-distilling, tea, and cottonseed-oil and cottonseed-cake plants are in operation, as are slaughterhouses. Industrial facilities include a vinegar factory, a cigarette factory, a soft-drink plant, a flour mill, a shoe factory, a tannery, and two textile plants. Other plants make tiles, furniture, farm implements, batteries, paint, and cosmetics and assemble radios, bicycles, and motorcycles. There are a few construction related facilities, including a brick factory, a ceramics factory, and a cement plant. Mali has no known oil or natural gas reserves.

[29]SCIENCE AND TECHNOLOGY

Mali has a shortage of trained scientists and technicians and relies heavily on foreign, chiefly French, assistance. A French tropical agronomy research center is located in Bamako. The National Directorship for Meteorology, also in Bamako, publishes bulletins on agrometeorology and climatology. National centers for fruit and zootechnical research are located in Bamako. A national association for mineral research and mining is located in Kati. The National Center of Scientific and Technological Research in Bamako coordinates all research activity in Mali. National schools of engineering and of medicine and pharmacology are also in Bamako. The Rural Polytechnic Institute of Katibougou provides instruction and conducts research in agronomy, agricultural economics, stockbreeding, forestry, veterinary science, and rural technology. In 1987–97,

science and engineering students accounted for 12% of college and university enrollments.

[30]DOMESTIC TRADE

Following independence, the government initiated an extensive program for the organization of rural cooperatives in the villages, with central purchasing organizations in the chief towns of the administrative districts. However, Mali's post-independence socialism has recently given way to emphasis on free trade and private enterprise. Agriculture is the basis of the economy with about 70% of the population employed in farming.

Since 1988, the government has been working on economic reforms that include a large scale privatization process and legal changes to encourage domestic commerce. For instance, business applications can generally be processed through a single ministry, a program which is called *guichet unique,* or "one window." This reform allows businesses to open sooner and with far less red tape than before. The government has also eliminated price controls on consumer goods and developed both a commerce code and commercial courts to encourage fair business development.

Normal business hours are from 8 AM to noon and from 3 to 5 PM, Monday–Saturday. On Fridays, most businesses close at noon. Banks are open from 8 AM to 2:30 PM, Monday–Thursday, and from 8 AM to 12:30 PM, Friday and Saturday.

[31]FOREIGN TRADE

Cotton, gold, and livestock are Mali's leading exports. Increased cotton production and rising world prices have increased foreign exchange receipts, as has increased gold production. The 50% devaluation of the CFA franc in 1994 helped boost cotton, livestock, and other exports but doubled the cost of imports. Comparing 1994 to the index year of 1987, export activity decreased by 5% while import activity rose by 10%. Machinery and equipment, construction materials, petroleum, foodstuffs, and textiles are imported.

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Italy	55	25	30
Thailand	45	3	42
Belgium	7	52	-45
China (inc. Hong Kong)	5	54	-49
France	5	221	-216
Germany	5	28	-23
United States	4	28	-24
Côte d'Ivoire	2	234	-232
United Kingdom	1	29	-28
Senegal	n.a.	47	n.a.

[32]BALANCE OF PAYMENTS

Mali's chronic deficit in trade and other goods and services is largely offset by aid from other governments and international organizations. The balance of payments is sharply influenced by the volume in cotton exports and the world price of cotton, the price of gold, the volume of official livestock exports, and the value of government-purchased imports. The value of exports covers only about 75% of imports. Mali's minimal industrial base and its dependence on imported machinery and petroleum negatively impact its balance of payments.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Mali's exports was $575 million while imports totaled $600 million resulting in a trade deficit of $25 million.

The International Monetary Fund (IMF) reports that in 1997 Mali had exports of goods totaling $562 million and imports totaling $552 million. The services credit totaled $82 million and debit $346 million. The following table summarizes Mali's balance of payments as reported by the IMF for 1997 in millions of US dollars.

Current Account	**-178**
Balance on goods	10
Balance on services	-264
Balance on income	-51
Current transfers	126
Capital Account	**108**
Financial Account	**53**
Direct investment abroad	…
Direct investment in Mali	39
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	-12
Other investment liabilities	26
Net Errors and Omissions	**8**
Reserves and Related Items	**9**

[33]BANKING AND SECURITIES

In 1959, the Central Bank of the West African States (Banque Centrale des États de l'Afrique de l'Ouest-BCEAO) succeeded the Currency Board of French West Africa and Togo as the bank of issue for the former French West African territories, known now as the franc zone: Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo. Foreign exchange receipts of the member states went into the franc zone's exchange pool, which in turn covered their foreign exchange requirements. In July 1962, however, Mali withdrew from the BCEAO and West African Monetary Union and established a bank of its own, the Bank of the Republic of Mali, which issued a new currency, the Malian franc.

In 1967, Mali returned to the franc zone, with its franc set at half the value of the CFA franc. In March 1968, the banking system was reorganized, and the Central Bank of Mali was established as the central issuing bank. In December 1982, Mali's application to rejoin the West African Monetary Union was rejected, as Upper Volta (now Burkina Faso), which had a border dispute with Mali, continued to oppose Mali's readmission until 1983. In 1984 it rejoined the BCEAO and the monetary union.

In addition to the Central Bank, commercial banks in 1997 included: the Bank of Africa, Banque Commerciale de Sahel, Banque Malienne de Crédit et du Depots, and the Financial Bank Mali. Development banks in Mali include the Banque de Développment du Mali and the Banque Nationale de Développment Agricole. Domestic savings have increased since 1994. Along with other members of the Union économique at minétaire ouest-africaine (UEMOA), Mali now faces the problem of diversifying credit instruments in favor of small and medium-sized enterprises, which have historically relied upon informal sources of investment.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $514.6 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $664.6 million. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4.95%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

[34]INSURANCE

There were at least six insurance companies in Mali in 1995, the largest being the National Fund of Insurance and Reinsurance, a state company. Third-party motor insurance is compulsory.

[35]PUBLIC FINANCE

Foreign aid accounted for 20% of Mali's budget in 1999. In order to fulfill its IMF responsibilities, the country has been privatizing companies for the past several years. Only about 14 companies remain in the hands of the government. Mali was judged eligible for the Heavily Indebted Poor Countries (HIPC) initiative and has been benefiting from it since 2000 as a budgetary support.

The US Central Intelligence Agency (CIA) estimates that in 2002 Mali's central government took in revenues of approximately $764 million and had expenditures of $828 million. Overall, the government registered a deficit of approximately $64 million. External debt totaled $3.3 billion.

[36]TAXATION

Elements of a progressive taxation system were introduced in 1992. There is a tax on business profits and a general income tax with a graduated rate. There is also a value-added tax (VAT) with a standard rate in 2003 of 15% for most goods and services, as well as an excise tax on alcoholic beverages, fuels and lubricants, cartridges and bullets, tobacco, and other goods. In addition, there are taxes on property, livestock, motor vehicles, and firearms and a head tax, among others. There are also registration and stamp fees.

[37]CUSTOMS AND DUTIES

Customs duties constitute the leading source of government income and are imposed on both imports and exports. Import policies have been liberalized and import licensing eliminated since 1988. However, imports from Israel and South Africa are banned.

Duties on most goods range from 5–30% for imports from countries that do not belong to the West African, Economic Community (CEAO), except for taxes on luxury goods, including cars and videocassette recorders, which vary from 80–100%. Duties for imports from CEAO members are approximately half the rate charged nonmembers.

In 1999, a proposed free trade zone between the European and West Africa (including Mali) was expected to increase the value of imports from Europe while lowering the value of Mali's exports.

[38]FOREIGN INVESTMENT

Foreign investment in Mali is relatively small and is mainly in retail trade or light industry. With independence and Mali's announcement of an economic policy aimed at "planned socialism," private foreign investment came to a standstill in 1961. By 1968, after seven years of almost no private foreign investment, the trend was reversed and Mali specifically requested private foreign investment to aid its development. The parastatal sector was to be dismantled, although it has remained a significant part of the economy.

The 1991 investment code offers certain incentives, mostly in the form of tax holidays of five to ten years to companies prepared to invest in certain areas. In the three free zones, companies are granted permanent exemption from all fees and taxes, but must sell 20% of their production on the national market. Foreign and national investors are treated equally by law.

In 1998, annual foreign direct investment (FDI) inflows to Mali fell to $35.8 million, down from $74.3 million in 1997. FDI inflow increased to $51.3 million in 1999, and for 2000 and 2001, averaged $104.6 million. Mali's share of world FDI inflows during the period 1998 to 2000 was only 70% of its share of world GDP, although this was an improvement on its performance a decade earlier when its share of world inward FDI was only 30% of its share of world GDP.

[39]ECONOMIC DEVELOPMENT

Fiscal management reform and continued dependence on foreign aid into the foreseeable future are the hallmarks of the economic development effort in the coming years. The 1994 devaluation of the CFA (Communauté Financière Africaine) franc resulted in increased exports of cotton, livestock, gold, and other products, but raised the price of imports. Strong prices for cotton worldwide, combined with record production in Mali in 1995, were both positive factors for the Mali economy. However, the agricultural sector is still highly vulnerable to drought and, in spite of its natural potential, unlikely to produce at self-sufficiency levels. In 1999, the EU provided $82 million for the development of roads and bridges in Mali, and the West African Development Bank offered a loan to upgrade urban roads.

The government has taken steps to liberalize the regulatory climate in order to encourage foreign investment. Price controls on consumer goods (including on petroleum products), import quotas, and export taxes have all been eliminated. Privatization of state-owned enterprises continued throughout the 1990s and into the 21st century. In 1999, Mali negotiated a $64 million four-year Poverty Reduction and Growth Facility (PRGF) Arrangement with the International Monetary Fund (IMF). In 2003, Mali was granted $675 million in debt service relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative, to improve governance, strengthen social services, and develop infrastructure and key productive sectors. Economic development has been hindered by drought and falling world cotton prices.

[40]SOCIAL DEVELOPMENT

Social welfare services are available mainly in urban areas, basically as an extension of labor benefits and medical aid under the labor code, which includes provisions for medical care, workers' compensation, and retirement benefits. Pensions were paid for by employee contributions of 3.6% and employer contributions in the amount of 5.4%. A system of family allowances for wage earners provides small maternity and children's allowances, along with classes in prenatal and infant care. Employers are required to provide free sick leave to their employers, as well as maternity benefits equal to 100% of earnings for 14 weeks. These programs are administered by the National Social Insurance Institute. Under tribal organization, the individual's basic welfare needs are traditionally cared for by the group. This system, however, is breaking down as the country develops.

The government has made a special effort to improve the status of women, and a few women have entered government employment. Yet, social and cultural factors still sharply limit educational and economic opportunities for most women. Despite legal protections, most women face active discrimination in the areas of divorce, inheritance and child custody. Domestic abuse and violence against women is a common and tolerated problem. Women have little access to legal services. Female genital mutilation, a painful and often life-threatening procedure, is also commonly performed on young girls. Child labor persists.

Human rights are generally respected although prison conditions remain poor.

[41]HEALTH

Most health care is provided by the public medical services. At Bamako are the Institute of Tropical Ophthalmology and the Marchoux Institute for Leprosy, which, in addition to treating patients, carry out research. The number of private doctors and well-equipped medical institutions is small. In 1985–95, only 30% of the population had access to health care services. As of 1999, total health care expenditure was estimated at 4.3% of GDP. The pharmaceutical policies adopted in recent years have

resulted in the destruction of the public network of drug distribution. Despite the high level of health care investment, lack of organization and misappropriation of money has impaired the effectiveness of the health care system.

The principal diseases are malaria, leprosy, tuberculosis, enteritis and other intestinal diseases, cholera, pneumonia, and infectious and parasite-related diseases such as schistosomiasis, onchocerciasis, and trypanosomiasis. Anemia, malnutrition, and tetanus are also widespread. In 1995, there were 2,048 new cases of cholera reported. At the end of 2001, the number of people living with HIV/AIDS was estimated at 110,000 (including 1.7% of the adult population) and deaths from AIDS that year were estimated at 11,000. HIV prevalence in 1999 was 2.03 per 100 adults.

Malaria is widespread, as is guinea worm. In 2000, 65% of the population had access to safe drinking water and 69% had adequate sanitation. In 1997, immunization rates for children up to one year old were: tuberculosis, 76%; diphtheria, pertussis, and tetanus, 52%; polio, 52%; and measles, 56%. Only 3% of children under one year old received a yellow fever vaccine in 1994. Diarrheal diseases claimed the lives of 22,400 children under the age of five in 1995.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 48.37 and 18.32 per 1,000 people. About 7% of married women (ages 15 to 49) used contraception as of 2000. The fertility rate was 6.3 in 2000. In 2000, the infant mortality rate was 120 per 1,000 live births; the maternal mortality rate in 1998 was high at 580 per 100,000 live births. The average life expectancy was 42 years in 2000. An estimated 4.3 million women, or 80% of women, underwent female genital mutilation in 1996.

[42]HOUSING

Housing structures in Bamako are mainly like those of a European city. Elsewhere, housing ranges from similar urban structures to the tents of Tuareg nomads, the circular mud huts with thatched roofs characteristic of the indigenous African villages, and traditional Sudanese architecture. The latter employs a common building material called banco, a mixture of wet mud and straw that dries into a hard, almost cementlike consistency. This is applied over wooden frames and can be used for buildings of several stories. The buildings resemble those in North Africa and the Middle East.

Since World War II, the growth of Bamako and other towns has been rapid, with government activity largely concentrated on improvement of urban housing and sanitation. The Real Estate Trust, a public corporation established in 1949, provides housing loans to persons wishing to build on their own land.

As of 1990, 100% of urban and 36% of rural dwellers had access to a public water supply, while 94% of urban and 5% of rural dwellers had access to sanitation services.

[43]EDUCATION

Projected adult illiteracy rates for the year 2000 stand at 59.7% (males, 52.1%; females, 66.8%). The Malian school system begins with an initial primary cycle of six years, followed by a six-year cycle of secondary schooling (divided into two three-year stages). As of 1999, public expenditure on education was estimated at 2.9% of GDP.

In 1998, there were 2,511 primary schools with 10,853 teachers and 862,875 pupils. In the same year, there were 188,109 pupils enrolled in secondary schools. The pupil-teacher ratio at the primary level was estimated at 62 to 1 in 1999. In the same year, an estimated 43% of primary-school-age children were enrolled in school.

In Koulikoro is the Rural Polytechnic Institute of Katibougou. There are schools of business, administration, engineering, medicine and dentistry, and education in Bamako. All higher-level institutions had a total of 13,847 pupils and approximately 800 teachers in 1998. Only 20% of university students were female.

[44]LIBRARIES AND MUSEUMS

In Bamako are located the National Library (20,000 volumes) and archives, a municipal library, and the library of the Islamic Center, opened in 1987. In addition, the French Cultural Center, with 27,000 volumes, serves as a public library, and there is a US Information Service library as well as several other privately run libraries. Timbucktu has a center of historic research with valuable Arabic manuscripts, which also serves as a museum. The National Museum, which also has a library, is in Bamako, as is the Sudanese Museum, detailing the country's history as the former French Sudan. Regional museums are located in Gao and Sikasso, and there is a historical museum in Timbuktu.

[45]MEDIA

In 2000, there were 45,000 mainline telephones in use, with an additional 40,000 cellular phones in use in 2001. The government controls one television station and one of many radio stations, but all operate semi-independently. In 2001 there were 1 AM and 28 FM radio stations. Two private television stations broadcast in French and English. In 2000 there were 56 radios and 14 television sets in use for every 1,000 people. There were about 13 Internet service providers serving 10,000 people in 2000.

There are more than 60 newspapers throughout the country. *L'Essor,* which is controlled by the government, had a circulation of 3,500 in 2002. *Les Echos*, affiliated with the ruling party, has a circulation of about 25,000. The *Bulletin Quotidien* is a daily paper published by the Chamber of Commerce and the *Journal Officiel de la Republique du Mali* serves as the official publication of the president and the secretary general. Several government and privately published periodicals are also available

The constitution also provides for free speech and a free press, and the government is said to respect theses rights in practice.

[46]ORGANIZATIONS

There is a Chamber of Commerce and Industry in Bamako and a Chamber of Commerce in Kayes. There are youth and women's affiliates of the UDPM. The government is hoping to increase food production through the formation of village cooperatives. The Committee for the Coordination of NGOs In Mali works with organizations involved with emergency relief, environmental improvement and preservation, and community development. The Red Cross is active in the country.

[47]TOURISM, TRAVEL, AND RECREATION

A government tourist organization was created in April 1974 to develop hunting, fishing, and sightseeing in Mali, particularly in the areas around Mopti, Tombouctou, and Gao. There are modern motels in Bamako and in Tombouctou, the ancient capital of Muslim learning and culture, previously forbidden to foreigners. Also of interest to the tourist are Mali's national park and game reserves. Football (soccer) is a popular sport.

A visa must be obtained for entry into Mali. A vaccination certificate for yellow fever is also needed, and cholera immunization is recommended. In 2000 there were a 84,469 tourist arrivals in Mali. That year there were 2,748 hotel rooms with 3,076 beds. Tourism receipts came to about $71 million. The estimated daily cost of staying in Bamako is $120, according to 2002 US Department of State estimates.

[48]FAMOUS MALIANS

Early figures associated with the area of present-day Mali include Mansa Musa (r.1312–37), ruler of the Mali Empire, and Sonni 'Ali Ber (r.1464–92) and Askia Muhammad I (r.1492–1528), rulers of the Songhai Empire. Later figures include al-Hajj 'Umar

(1797–1864), who plunged the entire area into a bloody holy war before he was killed while trying to put down a rebellion, and Samory Touré, (1835–1900), who fought the French at the head of a Malinké (Mandingo) army for 16 years (1882–98). Modibo Keita (1915–77) was, until November 1968, a leading figure in the political life of the country. He became the first president of the Republic of Mali in 1960. Moussa Traoré (b.1936) was president of Mali from 1969 to 1991. Alpha Oumar Konaré (b.1947) was elected president in 1992. Brigadier Gen. Amadou Toumani Touré is considered the founder of Mali's democratic movement.

49 DEPENDENCIES

Mali has no territories or colonies.

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MAURITANIA

Mauritanian Islamic Republic
[French] *République Islamique de Mauritanie*
[Arabic] *Al-Jumhuriyah; al-Islamiyah al-Muritaniyah*

CAPITAL: Nouakchott

FLAG: The flag consists of a gold star and crescent on a light green field.

ANTHEM: *Mauritania* (no words).

MONETARY UNIT: The ouguiya (UM), a paper currency of 5 khoums, issued by the Central Bank of Mauritania, replaced the Communauté Financière Africaine franc on 29 June 1973. There are coins of 1 khoum and 1, 5, 10, and 20 ouguiyas, and notes of 100, 200, 500, and 1,000 ouguiyas. UM1 = $0.00374 (or $1 = UM267) as of January 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; African Liberation Day, 25 May; Anniversary of the Proclamation of the Republic, 28 November. Movable religious holidays include Laylat al-Miraj, 'Id al-Fitr, 'Id al-'Adha', 1st of Muharram (Muslim New Year), and Milad an-Nabi.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated in West Africa, Mauritania has an area of 1,030,700 sq km (397,955 sq mi). Mauritania extends 1,515 km (941 mi) NE–SW and 1,314 km (816 mi) SE–NW. Comparatively, the area occupied by Mauritania is slightly larger than three times the size of the state of New Mexico. It is bordered on the NE by Algeria, on the E and S by Mali, on the SW by Senegal, on the W by the Atlantic Ocean, and on the NW and N by the Western Sahara, with a total estimated boundary length of 5,828 km (3,621 mi), of which 754 km (469 mi) is coastline.

Mauritania's capital city, Nouakchott, is located on the Atlantic Coast.

[2]TOPOGRAPHY

There are three distinct geographic regions in Mauritania: a narrow belt along the Senegal River valley in the south, where soil and climatic conditions permit settled agriculture; north of this valley, a broad east-west band characterized by vast sand plains and fixed dunes held in place by sparse grass and scrub trees; and a large northern arid region shading into the Sahara, advancing south several kilometers each year, and characterized by shifting sand dunes, rock outcroppings, and rugged mountainous plateaus that in a few places reach elevations of more than 500 m (1,640 ft). The high point, Mount Ijill at about 915 m (3,002 ft), is near Fdérik. The country is generally flat.

[3]CLIMATE

Although conditions are generally desertlike, three climatic regions can be distinguished. Southern Mauritania has a Sahelian climate; there is one rainy season from July to October. Annual rainfall averages 66 cm (26 in) in the far south; at Nouakchott the annual average is 14 cm (5.5 in).

Trade winds moderate the temperature in the coastal region, which is arid. The average maximum temperature at Nouadhibou for January is 26°C (79°F), and for October 32°C (90°F); average minimums are 13°C (55°F) for January and 19°C (66°F) for July.

Most of Mauritania north of Atar—about two-thirds of the country—has a Saharan climate. Daytime temperatures exceed 38°C (100°F) in most areas for over 6 months of the year, but the nights are cool. Average annual rainfall at Atar is 10 cm (4 in).

[4]FLORA AND FAUNA

In the desert there are some cacti and related species; oases support relatively luxuriant growth, notably date palms. In the south are grasses and trees common to the savanna regions, particularly the baobab tree, but also palms and acacias. The far south, in the Senegal River valley, has willows, jujube, and acacias. Lions, panthers, jackals, crocodiles, hippopotami, hyenas, cheetahs, otters, and monkeys survive in the south; in the north there are antelopes, wild sheep, ostriches and other large birds, and ducks.

[5]ENVIRONMENT

Deforestation is a severe problem because of the population's growing need for firewood and construction materials. Slash-and-burn agriculture has contributed to soil erosion, which is aggravated by drought. The expansion of the desert into agricultural lands is accelerated by limited rainfall, deforestation, the consumption of vegetation by livestock, and wind erosion. The expansion of domestic herds onto grazing land formerly restricted to wildlife has also taken a serious toll on the environment, both in erosion and in encroachment on wildlife species. As of 2001, only 1.7% of Mauritania's total land area is protected. The nation also has a problem with water pollution, resulting from the leakage of petroleum and industrial waste along with sewage into the nation's ports and rivers. The government plans to build a dam on the Senegal River to alleviate the country's water problems and stimulate agriculture.

In 2001, 14 of Mauritania's mammal species and 3 bird species were endangered, as well as 2 of its plant species. Threatened species include the African gerbil, African slender-snouted crocodile, and barbary sheep. The Sahara oryx has become extinct in the wild.

[6]POPULATION

The population of Mauritania in 2003 was estimated by the United Nations at 2,893,000, which placed it as number 133 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.98%, with the projected population for the year 2015 at 3,988,000. The population density in 2002 was 3 per sq km (7 per sq mi). More than 90% of the population lives in the southern quarter of the country, including the Senegal River Valley.

It was estimated by the Population Reference Bureau that 58% of the population lived in urban areas in 2001. The capital city, Nouakchott, had a population of 881,000 in that year. According to the United Nations, the urban population growth rate for 2000–2005 was 4.3%.

[7]MIGRATION

In seasonal grazing migrations, cattle are moved every year, and they are also led down to Senegal for sale. The droughts of the 1970s and early 1980s led to mass migrations to the towns. The population was 12% nomadic in 1988, compared to 83% in 1963. Some tribesmen of the Senegal River valley go to Dakar in Senegal for seasonal work or to engage in petty trade. A few thousand Mauritanians live in France. There were 6,000 Mauritanian refugees in Mali as of 1999.

Between June 1995 and 1997, 36,000 Malian refugees in Mauritania returned home. There were still 6,782 Malian refugees remaining in Mauritania in March 1997. In 2000 the net migration rate was 3.4 migrants per 1,000 population. That year the number of migrants in the country was 63,000. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

Moors (Maures), the main ethnic group, constitute between three-fifths and four-fifths of the population. The Moors are a Caucasoid people of Berber and Arab stock, with some Negroid admixture. Other groups, all black, are the Tukulor, Sarakolé, Fulani (Fulbe), Wolof, and Bambara. The black population is found largely in southern Mauritania and in the cities. In the latter half of the 1990s, 40% of the total population was a Moor/black admixture; 30% was Moor; and 30% was all black. There were also small numbers of Europeans, mainly French and Spanish (the latter from the Canary Islands), and a small colony of Lebanese traders. Freed slaves or the descendants of freed slaves are known as *haratin*.

[9]LANGUAGES

Arabic is the official language. The Arabic spoken in Mauritania is called Hasaniya. Wolof, Peular, and Soninke are spoken in southern Mauritania and recognized as national languages; Wolof is also recognized as an official language. French is widely used, particularly in business, but its status as an official language was eliminated in the 1991 constitution.

[10]RELIGIONS

The constitution declares Islam to be the religion of both the state and its people. As such, over 99% of the population is Muslim, most of whom are Sunnis. The Qadiriya and the Tijaniya are influential Islamic brotherhoods. The few thousand Christians and a very small number of Jews are mostly foreigners. Though proselytizing is not legally prohibited, it is discouraged, particularly through restrictions on the publishing and distribution of materials that contradict or threaten the tenets of Islam.

[11]TRANSPORTATION

Modern forms of transport are still undeveloped. There are few paved roads, only one freight railroad, two deep-water ports, and two airports that can handle international traffic.

In 2002, of some 7,720 km (4,797 mi) of roads, 830 km (516 mi) were paved; there were only three paved highways, from Nouakchott north to Akjoujt and south to Rosso, continuing to Saint-Louis, Senegal. A 1,000-km (620-mi) east-west road between Nouakchott and Néma, started in 1975, was completed in 1985. A track continues north from Akjoujt to Bir Mogreïn, then branches northwest into Western Sahara and northeast into Algeria. Mauritania had about 12,200 passenger cars and 18,700 commercial vehicles in 2000.

The 704-km (437-mi) railway links the iron mines at Zouérate, near Fdérik, with the port at Point-Central, 10 km (6 mi) south of Nouadhibou. A 40-km (24-mi) spur was built in 1981 to accommodate the planned new mine at El-Rhein. There is a wharf at Nouakchott; work on the construction of a deepwater port, financed by China, was completed in 1986. This "Port of Friendship" is the main commercial port and receives about 90% of imported goods. Nouadhibou, also a port, underwent extensive reconstruction, restoration, and equipment renewal in 1991. Other important ports and harbors include Bogue, Kaedi, and Rosso. The Senegal River offers over 220 km (137 mi) of year-round transport.

In 2001, there were 26 airports, 10 of which had paved runways. The only airports that can handle long-distance jets are at Nouakchott and Nouadhibou. There are smaller airports at Ayoûn-el-'Atroûs, Akjoujt, Atar, Fdérik, Kaédi, Kifa, and Néma. Air Mauritanie (60% state owned) provides domestic flights as well as service to the Canary Islands and Senegal. The multinational Air Afrique also operates within Mauritania. In 2001, 155,700 passengers were carried on scheduled domestic and international airline flights.

[12]HISTORY

Tens of thousands of years ago, the Sahara was verdant and filled with game. Desiccation eventually forced the inhabitants southward, a process that in the 3rd and 4th centuries AD was speeded by the Berbers, who had domesticated the camel. As the Berbers pressed down from the north toward the Senegal River valley, black Africans who lived in the path of the invaders were pushed southward. From the 9th century, a Berber tribe, the Lamtuna, and two other Berber groups cooperated in control of a thriving caravan trade in gold, slaves, and ivory from the south, in exchange for desert salt and north African goods.

The Almoravids, a group of fervent Muslim Mauritanian Berbers conquered Northwest Africa and much of Spain in the 11th century. They had, in turns, hostile and peaceful trade relations with the black African empire of Ghana. Their authority in the Mauritanian region had declined by the late 11th century. After the Almoravid empire was destroyed in the 12th century, the Mali kingdom, successor to Ghana, extended over southeastern Mauritania and dominated trade in the area. Later Mali was succeeded by the Songhai of Gao, whose empire fell to Moroccan invaders in 1591. Meanwhile, during the 14th and 15th centuries nomadic Arab tribes of Yemeni extraction, the Banu Ma'qil, moved into Mauritania; during the 17th century, they established complete dominance over the Berbers. They called themselves the Awlad-Banu Hassan. The Arabs and Berbers in Mauritania have since thoroughly intermingled into an Arabized Mauritania.

The Portuguese were the first Europeans to arrive, attracted in the 15th century by the trade in gold and slaves; later, the gum arabic trade became important. Competition for control was keen among Portuguese, French, Dutch, and English traders. The issue was resolved in 1815 when Senegal was awarded to France

LOCATION: 14°42′ to 27°N; 4°30′ to 17°7′ W. BOUNDARY LENGTHS: Algeria, 463 kilometers (288 miles); Mali, 2,237 kilometers (1,390 miles); Senegal, 813 kilometers (505 miles); Atlantic coastline, 754 kilometers (468 miles); Western Sahara, 1,561 kilometers (970 miles). TERRITORIAL SEA LIMIT: 12 miles.

in the post-Napoleonic war settlement. During the 19th century, the French explored the inland regions and signed treaties with Moorish chieftains. Penetration of the desert zone was accelerated around the turn of the century in attempts to thwart Moorish raids on the Senegal River tribes. A Frenchman, Xavier Coppolani, was responsible for the signing of many treaties, and played a key role in the extension of French influence in the area. By 1903, he was in control of Trarza, the Moors' main base for raids on the river tribes. Coppolani was killed in 1905, but his work was completed by Gen. Henri Gouraud, who gained effective control of the Adrar region by 1909. Mauritania was established as a colony in 1920, but its capital was located at Saint-Louis in Senegal. Mauritania thus became one of the eight territories that constituted the French West Africa federation.

In 1946, a Mauritanian Territorial Assembly was established, with some control over internal affairs. During the next 12 years, political power increasingly passed to local political leaders. Mauritania voted for the constitution of the Fifth French Republic at the referendum of 28 September 1958. It thus became a self-governing member of the French Community, and the Islamic Republic of Mauritania was proclaimed in November 1958. Complete independence was attained on 28 November 1960.

Since independence, Mauritania has experienced two successful coups in at least six attempts due in part to human and civil rights abuses committed by the government. The black minority, located largely in the south, has staged anti-discrimination protests and elicited the attention of the world human rights community regarding the alleged continuation of slavery in Mauritania. In foreign affairs, the government has turned increasingly toward the Arab world. Mauritania joined the Arab League in 1973 and withdrew from the franc zone during the same year, but ties with Europe, especially France, and the United States remain strong. The disastrous drought that struck Mauritania and the rest of the Sahel region during 1968–74 elicited substantial aid from the EC, the United States, Spain, France, and the Arab countries.

On 14 November 1975, the governments of Spain, Morocco, and Mauritania reached an agreement whereby Spain agreed to abandon control of the Spanish Sahara by 28 February 1976 and to share administration of the territory until then with Morocco and Mauritania. On 14 April 1976, Morocco and Mauritania announced a border delimitation agreement under which Morocco received more than two-thirds of the region (including the richest phosphate deposits). The annexation of Western Sahara was opposed by the Popular Front for the Liberation of Saguia al-Hamra and Río de Oro (generally known as Polisario), which proclaimed the region as the Saharan Arab Democratic Republic. When Polisario forces, supported by Algeria, launched a war in Western Sahara, guerrilla raids on the Mauritanian railway, iron mines, and coastal settlements, including Nouakchott, forced Mauritania to call French and Moroccan troops to its defense. The effects of the war weakened the government both economically and politically, and in July 1978, Moktar Ould Daddah, Mauritania's president since 1961, was overthrown by a military coup. On 5 August 1979, Mauritania formally relinquished its portion of the disputed territory, except for the military base of LaGuera, near Nouadhibou; its share was occupied and annexed by Morocco. Mauritania thereafter pursued a policy of strict neutrality in the Morocco-Polisario conflict, a policy that strained relations with Morocco.

In the wake of the 1978 coup, the constitution was suspended and the National Assembly and the ruling Mauritanian People's Party (PPM) were dissolved. After a period of political uncertainty, Lt. Col. Khouna Ould Haydalla became chief of state and chairman of the ruling Military Committee for National Salvation as of 4 January 1980. There were unsuccessful attempts to overthrow his government in 1981 and 1982. Amnesty International claimed in 1983 that more than 100 political prisoners, including a former president and former prime minister, were being held in total darkness in underground cells in the desert. These prisoners were freed shortly after a military coup on 12 December 1984 brought Col. Moaouia Ould Sidi Mohamed Taya to power as chief of state.

However, as the economy faltered, racial, ethnic, and class tensions increased between the Maurs or Moors—aristocrats, who have dominated government—and black African slaves or descendents of slaves, who have adopted Moorish culture, but remain second-class citizens. Although the government refuses to release census data, it is estimated that Maurs account for 30–60% of the population. The black population, which is concentrated along the Senegal River border, has organized an underground Front for the Liberation of Africans in Mauritania (FLAM); grievances were linked with an unsuccessful coup attempt in 1987.

Inter-ethnic hostilities in 1989 exploded when a border dispute with Senegal led to race riots that left several hundred "Senegalese" dead in Nouackchott. The "Moorish" trading community in Senegal was targeted for retaliation in Senegal. Thousands of refugees streamed across the border in both directions. Mass deportation of "Mauritanians of Senegalese origin" fueled charges that Mauritania was trying to eliminate its non-Moorish population. Africa Watch estimated that at least 100,000 black slaves were being held in Mauritania.

Against this backdrop, the military conducted a bloody purge from September 1990 through March 1991 during which some 500 mostly black soldiers were murdered. Taya legalized opposition parties in July 1991, but he also stepped up Arabization policies. Parliament granted the perpetrators of the purge legal immunity in May 1993.

On 26 January 1992, Taya was elected in Mauritania's first multi-party presidential election, with 63% of the vote. Ahmed Ould Daddah, the strongest of the four rivals and half-brother of Mauritania's first president, gained 33% of the vote. However, the election was marked by fraud. The legislative elections that followed in March were boycotted by six of the 14 opposition parties. Taya's Democratic and Social Republican Party (PRDS) easily won 67 of 79 Assembly seats.

Multi-party municipal elections were held in 1994, and the PRDS won control of 172 of the nation's 208 administrative districts. Presidential elections were held on 12 December 1997. Main opposition parties claimed that campaign conditions favored the reelection of Taya to a second six-year term and called for a boycott of the elections. Kane Amadou Moctar, the first black African ever to run for the presidency, presented himself as a non-aligned candidate with a platform promising to fight slavery, assist the return of Mauritanian refugees from Senegal, and reform the fisheries policy. The elections took place without incident, and Taya was declared the winner, taking 90% of the votes. Turnout was estimated at 70%, despite the opposition boycott. Moctar received less than 1% of the vote. Opposition leaders described the poll as a "masquerade," citing reports of widespread irregularities that included children casting ballots and polls remaining open as late as 11 pm.

Elections were held in April 1998 for 18 of the Senate's 56 seats. The PRDS won 17 of the 18 contested seats, with an independent gaining the remaining seat. In January 1999 the PRDS again won most of the 208 districts contested in municipal elections, though it is estimated that only 16% of the registered votes went to the polls.

Despite multi-party elections, Mauritania is far from a free society. Opposition politicians are harassed and arrested. In 1994 and again in 1998, Cheikh Sadibou Camara of the UDP was arrested for suggesting that the slave trade was continuing—publicly stating the suggestion is considered a crime in the country. Anti-Slavery International, based in London, presented

an annual anti-slavery award to Camara in November 1998. The government also harasses journalists and has suspended publication of newspapers and magazines on numerous occasions in recent years. Since 1993, Mauritania has been denied US trade privileges because of its poor human rights record. Ahmed Ould Daddah continues to confront the Taya regime, being arrested in April 2000 and released a few days later, without charges. In May 2000 demonstrations by opposition parties in Nouakchott demanded an independent electoral commission.

Despite opposition protests, the PRDS has maintained its monopoly on power in the Senate and in the National Assembly. In Senate elections held 12 April 2002 (next to be held April 2004), the PRDS maintained its commanding majority of 54 seats to one for the RFD, and one for the UNDD. In National Assembly elections held 19 and 26 October 2001 (next to be held 2006), the PRDS garnered 79% of the vote to 3.5% for the RDU, 3.5% for the UDP, 5% for the AC, 4% for the RDF, 3.5% for the UFP, 1.5% for the FP 1.5%. The breakdown by number of seats was as follows: PRDS 64, UDP 3, RDU 3, AC 4, RFD 3, UFP 3, and FP 1. The 2001 Assembly elections were generally considered free and fair by outside observers, but were subject to the usual incumbent advantages in sub-Saharan Africa.

In June 2003, the government was dealing with a coup attempt that nearly overthrew Taya. As many as 40 people were injured and six killed in two days of heavy fighting in the capital on 8–9 June. Sala Ould Henena, who was fired from the army because of his opposition to the government's ties with Israel, was accused of leading former and mid-ranking army officers in the putsch. In response to the coup, the United States sent a 34-member military assessment team to Nouakchott to analyze US Embassy security needs. Analysts suspected that the cabal may have been provoked by a government crackdown earlier in the month against 32 Islamic leaders for their alleged ties to a foreign network of Islamic extremists, and to former Iraqi leader, Saddam Hussein.

However, Taya's links to Israel and his pro-Western, pro-US foreign policy have come under increasing criticism in the largely Muslim country. In 1999, Mauritania became only the third Arab League state to establish full diplomatic relations with Israel. Indications were that Taya intended to go ahead with presidential elections scheduled for November 2003.

[13]GOVERNMENT

The constitution of 20 May 1961 declared Mauritania to be an Islamic republic. This constitution, which placed effective power in the hands of a president who was also head of the only legal political organization, the Mauritanian People's Party, was suspended in 1978 by the new military regime. Subsequently, executive and legislative powers were vested in the Military Committee for National Salvation. A draft constitution was published in 1980 but later abandoned; like the 1961 document, it called for a popularly elected president and National Assembly.

The July 1991 constitution delegates most powers to the executive. The president is to be elected by universal suffrage for a six-year term. The prime minister is appointed by the president and designated head of government. Parliament is composed of a bicameral legislature. The Senate or Majlis al-Shuyukh has 56 seats with 17 up for election every two years. Its members are elected by municipal leaders to serve six-year terms. The National Assembly or Majlis al-Watani has 79 seats with members elected by popular vote to serve five-year terms. These institutions pose no serious challenge and, moreover, are controlled by the president's party, though competing political parties were legalized in July 1991.

[14]POLITICAL PARTIES

As elsewhere in French West Africa, formal political movements developed in Mauritania only after World War II. Horma Ould Babana, the leader of the first party to be established, the Mauritanian Entente, was elected to the French National Assembly in 1946. His party was considered too radical by the traditional chiefs, who organized a more conservative party, the Mauritanian Progressive Union (UPM). The UPM won 22 of 24 seats in the 1952 elections for the Territorial Assembly. In the 1957 elections, the first under universal adult suffrage, 33 of 34 persons elected to the Territorial Assembly were UPM members. In 1958, the UPM absorbed the weakened Entente into its organization, forming a single party, the Mauritanian Regroupment Party (PRM).

After independence, Prime Minister Moktar Ould Daddah in May 1961 set up a presidential system of government, and in the subsequent presidential election he was the only candidate. In December 1961, a new single party was formed, the Hizb Sha'b, or Mauritanian People's Party (Parti du Peuple Mauritanien—PPM). The PPM included minority parties as well as the PRM. By 1965, the single-party system had been established by law. President Ould Daddah was reelected in 1966, 1971, and 1976, but the PPM was dissolved after his ouster in 1978. No political parties functioned openly from 1978 until the 1991 military coup.

The Front for the Liberation of Africans in Mauritania (FLAM) was instrumental in stirring the 1989 unrest that ultimately led to multiparty elections. During this period of partisan organization, Taya formed the Democratic and Social Republican Party (Parti Republicain et Democratique Social—PRDS).

Chief among some 14 opposition parties has been the Union of Democratic Forces-(UFD), which supported the runner-up in the January 1992 presidential election and boycotted the March parliamentary election. In May 1992, the UFD changed its name to UFD-New Era. In March 1993, it was weakened by the departure of eight centrist leaders to form a new political grouping. Also active are the Rally for Democratic and National Unity (RDU), the Union for Progress and Democracy (UPD), the Mauritanian Renewal Party (PMR), the People's Progressive Party (PPP), the Socialist and Democratic People's Union (SDPU), the Democratic Center Party (DCP), the Popular Front or FP, and El Har, a 1994 splintering of the UFD-New Era. The technically illegal Islamist party Ummah is very popular. The Action for Change (AC) party, which held four seats in the National Assembly following the October 2001 elections, was banned in January 2002.

The current Assembly is overwhelmingly dominated by the President's party, the PRDS. The prime minister since 1998 has been Cheikh El Avia Ould Mohamed Khouna.

[15]LOCAL GOVERNMENT

Mauritania is divided into the city of Nouakchott and 12 regions, each with a governor and a commission. The regions are subdivided into 49 departments. Elections to municipal councils were held in December 1986 and again in 1992. The January–February 1994 municipal elections led to PRDS control of around 170 of the 208 municipalities, a majority retained by the PRDS in 1999. The next municipal elections are due in 2004.

[16]JUDICIAL SYSTEM

The 1991 constitution completely revised the judicial system, which had previously consisted of a lower court in Nouakchott, labor and military courts, a security court, and a Supreme Court in addition to qadi courts, which handled family law cases.

The revised judicial system includes lower, middle, and upper level courts, each with specialized jurisdiction. The security court was abolished, and 43 department-level tribunals now bridge the traditional (*qadi*) and modern court systems. These courts are staffed by qadis or traditional magistrates trained in Koranic law. General civil cases are handled by 10 regional courts of first instance. Three regional courts of appeal hear challenges to

decisions at the department level. A supreme court, headed by a magistrate named by the president to a five-year term, reviews appeals taken from decisions of the regional courts of appeal.

The 1991 constitution also established a six-member constitutional court, three members of which are named by the president, two by the national assembly president, and one by the senate president.

While the judiciary is nominally independent, it is subject to pressure and influence by the executive, which controls the appointment and dismissal of judges. The system is strongly influenced by rulings and settlements of tribal elders based on Shari'ah and tribal regulations.

The Codes of Civil and Criminal Procedure were revised in 1993 to bring them into line with the guarantees of the 1991 constitution, which provides for due process of law.

[17]ARMED FORCES

In 2002 the active armed forces of Mauritania numbered approximately 15,750. The army had 15,000 personnel armed with 35 main battle tanks. The navy numbered 500 with seven patrol boats. The air force consisted of 250 personnel flying eight combat aircraft. Paramilitary personnel numbered 5,000 with 3,000 in the gendarmerie and a national guard of 2,000. Defense expenditures were $37.1 million or 3.7% of GDP.

[18]INTERNATIONAL COOPERATION

Admitted to UN membership on 27 October 1961, Mauritania is a member of ECA and all the non-regional specialized agencies except IAEA. It is also a member of the African Development Bank, ECOWAS, G-77, the Arab League, AU, and the WTO. Mauritania is a signatory to the Lomé Convention and the Law of the Sea. In April 1975, it joined the Association of Iron Ore Exporting Countries. Mauritania has joined with Senegal and Mali to form the Organization for the Development of the Senegal River (Organisation pour la Mise en Valeur du Fleuve Sénégal—OMVS) and is a member with neighboring states of the Interstate Committee to Combat Drought in the Sahel (CILSS).

[19]ECONOMY

While Mauritania is an agricultural country, historically largely dependent on livestock production, its significant iron ore deposits have been the backbone of the export economy in recent years. The droughts of the 1970s and 1980s transformed much of Mauritania, as the herds died off and the population shifted to urban areas. In 1960, 85% of the population lived as nomadic herders. By 1999, that percentage had fallen to 5%, and nearly one-third of the population lives in the district of Nouakchott. Offshore oil reserves have been identified, but have not yet been developed and their precise amount is not known. Gold and diamond prospecting hold potential as growth areas.

Most of Mauritania is desert or semiarid. Less than 1% of Mauritania receives sufficient rain for crop production, and that 1% is drought-prone. Leading staple crops are millet, sorghum, rice, corn, sweet potatoes and yams, pulses, and dates. The country is not agriculturally self-sufficient, and this situation has been aggravated by increasing urbanization.

In 2002, iron ore sales accounted for approximately 60% of exports. Fish exports contributed around 40% of exports. The contribution of livestock herding and agriculture was 25% of GDP and employed about half of the workforce, but covered only a small percentage of the country's needs. The droughts of the 1970s and 1980s devastated the herds, but the FAO estimates that they had returned to pre-drought numbers by 1991. The recomposition of the Mauritanian herd and the development of water supplies have been a prime objective of the government.

The droughts have led to a buildup of foreign debt leaving the country dependent on financial aid flows from international donors. Mauritania became eligible for debt relief under the IMF/World Bank's Heavily Indebted Poor Countries (HIPC) initiative in 2000, and debt service relief was to reach $1.1 billion over time. Foreign assistance accounted for 90% of investment from 1998–2001.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Mauritania's gross domestic product (GDP) was estimated at $5 billion. The per capita GDP was estimated at $1,800. The annual growth rate of GDP was estimated at 4%. The average inflation rate in 2001 was 4.4%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 25% of GDP, industry 29%, and services 46%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $2 million or about $1 per capita and accounted for approximately 0.3% of GDP. Worker remittances in 2001 totaled $1.669 million. Foreign aid receipts amounted to about $95 per capita and accounted for approximately 27% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $324. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 11%. The richest 10% of the population accounted for approximately 28.4% of household consumption and the poorest 10% approximately 2.5%. It was estimated that in 2001 about 50% of the population had incomes below the poverty line.

[21]LABOR

The estimated labor force numbered 786,000 in 2001. In that year agriculture provided work for 50% of the labor force, with services accounting for 40% and the remaining 10% in industry. In 1999, the estimated unemployment rate was 21%.

Trade unions are grouped into three federations, of which the oldest is the Union of Mauritanian Workers (Union des Travailleurs de Mauritanie), which is affiliated with the ICFTU. The newer ones are the General Confederation of Mauritanian Workers, formed in 1994, and the Free Confederation of Mauritanian Workers. Approximately 90% of the formal segment of the economy is unionized. The right to strike is guaranteed by law. Collective bargaining is also permitted.

Children under the age of 14 are prohibited by law from engaging in non-agricultural work. In practice this regulation is not enforced. The guaranteed minimum workweek for most non-agricultural laborers is 40 hours with guaranteed overtime pay. However, domestic employees may work for up to 56 hours per week. The minimum wage was $38.71 per month in 2002 for adult workers. There are minimum occupational health and safety standards, but they are inadequately enforced due to a lack of government funding.

[22]AGRICULTURE

Settled agriculture is restricted to the strip of land along the Senegal River and to oases in the north; only 0.2% of Mauritania's total land area is classified as arable. In general, landholdings are small. Overall agricultural development has been hampered not only by unfavorable physical conditions but also by a complicated land-tenure system (modified in 1984) that traditionally rested on slavery, inadequate transportation, and the low priority placed on agriculture by most government developmental plans. The country's traditional dependence on food imports has been heightened by drought. Agriculture's share

of GDP has been steadily falling; in 2001 it stood at 21%, down from 29% in 1987.

Millet and sorghum production reached 10,000 and 75,000 tons, respectively, in 1999. Other crop production in 1999 included paddy rice, 102,000 tons; and corn, 8,000 tons. Date production was 22,000 tons in 1999.

The Mauritanian government is encouraging agricultural development of the Senegal River valley. The OMVS began in 1981 to build a dam at Manantali, in Mali, for purposes of river transport, irrigation, and hydroelectric power. In conjunction with this OMVS project, Mauritania initiated an irrigation and development scheme in 1975 for the Gorgol River valley, involving construction of a dam; the scheme would increase arable land by over 3,600 ha (9,000 acres). This project was to be followed by other dams that together would add 30,000 ha (74,100 acres) for food production. Another OMVS project, begun in 1981, was designed to block salt water from entering the fertile Senegal River delta. From 1989 to 1991, a series of measures aimed at stimulation and rationalization of agricultural production were initiated, including producer price increases, marketing and distribution liberalization, and streamlining of government-owned agricultural organizations.

[23]ANIMAL HUSBANDRY

Animal husbandry, a major activity in the traditional economy, grew rapidly during the 1960s because of a successful animal health campaign and, prior to 1968, favorable weather conditions. Indeed, cattle herds grew well beyond the number that could be supported by the natural vegetation. Thus, the land was already vulnerable when the drought years of 1968–74 reduced the cattle population from 2.6 million head in 1970 to 1.6 million in 1973. There were only 1.5 million head in 2001, while sheep and goats numbered 12.7 million and camels 1.2 million.

The Moors tend to regard their cattle as symbols of wealth and prestige; this attitude discourages the herders from selling or slaughtering the animals. Total meat production in 2001 was estimated at 65,500 tons, with mutton accounting for 27% and beef for 16%. Reported figures are incomplete, however, since animal smuggling is common and much trade is unrecorded.

[24]FISHING

With a potential catch of 600,000 tons, fishing employs 1.2% of the labor force and contributes about 5% to GDP. It is estimated that more than $1 billion worth of fish is netted each year within the 320-km (200-mi) exclusive economic zone, but little of this sum benefits the treasury because the government lacks means of control and enforcement.

Since 1980, any foreigners wishing to fish in Mauritanian waters have been required by law to form a joint venture in which Mauritanian citizens or the government holds at least 51% of the capital. All of the catch must be landed in Mauritania for process and export, and each joint venture must establish an onshore processing facility. By 1987, over a dozen fishing companies had been established in Nouadhibou, including public and private interests from Algeria, France, Iraq, the Republic of Korea, Kuwait, Libya, Nigeria, Romania, Spain, and the former USSR. In May 1987, Mauritania signed a three-year fishing agreement with the EC, allowing all EC members to fish in Mauritanian waters; in return, Mauritania received approximately $23 million. Since the mid-1980s, however, depletion of the stocks has made Mauritanian fishing increasingly uneconomical. Mauritania's boats have been in poor condition. In spite of the ship repair service in Nouadhibou, which opened in 1989, only about 50% of the fleet was up and running in 1992.

Traditional fishing is carried out along the Senegal River, and traditional sea fishing at Nouakchott and Nouadhibou. The national catch was estimated at 38,096 tons in 2000. Principal species caught included octopus, meagre, sardine, squid, and grouper. Exports of fish products were valued at $73.7 million in 2000.

[25]FORESTRY

Sizable tree stands found in the southern regions are not fully exploited. The principal forest product is gum arabic, which is extracted from wild acacia trees that grow in the south. Until 1972, private traders collected and exported the gum; since 1972, it has officially been a monopoly of the state trading company, Société Nationale d'Importation et d'Exportation (SONIMEX). Nevertheless, much gum continues to be smuggled across the borders, particularly to Senegal. Roundwood removals were estimated at 1,434 cu m (50,620 cu ft) in 2000, 99% for fuel.

[26]MINING

Iron ore mining and processing accounted for more than 50% of Mauritania's export earnings in 1999. Iron ore output (metal content) was 7.5 million tons in 2000—from open pits at the Guelb El Rhein, the Kedia d'Idjill, and the 'Haoudat mine, in the Tiris region, northern Mauritania. Declining reserves and technical difficulties have hindered production at the Guelb El Rhein. The Iron Mines Co. of Mauritania (MIFERMA), formed in 1951 and nationalized in 1974, began production at three mines in 1963, and, since then, iron has been a primary source of foreign exchange earnings. Port facilities and a rail link to the mine were constructed during the peak mining period, 1960–1974.

Gypsum output, from some of the greatest reserves in the world, was 100,000 tons in 2000; technical problems brought production to a halt in 1993, but it was resumed in 1996. In 2000, Mauritania also produced cement, clays, gypsum, petroleum refinery products, salt, sand and gravel, and stone. Mauritania was rich in copper; in the 1980s, the mine at Akjoujt was estimated to contain 100 million tons of ore averaging 2.25% copper, with trace amounts of gold. In 1996, gold recovery from tailings at the mine was discontinued, because the stockpile was depleted. The nearby Guelb Moghrein Project, which contained resources of 23.7 million tons (144 grams per ton of cobalt, 1.88% copper, and 1.41 grams per ton of gold), continued to be delayed, because of low gold and copper prices, and problems at the pilot plant. Phosphate deposits, and reserves of platinum, palladium, and nickel, have been identified, and prospecting continued for petroleum, tungsten, and uranium. Mineral exploration efforts were focused on diamond (on the Archean Reguibat craton), gold (in the Inchiri region), oil (offshore), and continued evaluation of copper-gold, kaolin, and peat deposits.

[27]ENERGY AND POWER

The national utility company, SONELEC, manages the water and electricity supply for the urban areas of Nouakchott, Nouadhibou, Kaédi, Rosso, Akjoujt, Autres, and Atar. National installed capacity was 105,000 kW in 2001. Production increased from 49.9 million kWh in 1969 to 154 million kWh in 2000, with 84.4% was from fossil fuels and 15.6 % from hydropower. Consumption of electricity in 2000 was 143.2 million kWh. Mauritania gains a portion of its power from dams built on the Senegal River in a joint venture with Senegal and Mali. In 1999, 99% of Mauritania's primary energy came from oil. The only oil refinery, at Nouadhibou, is owned by the Société Mauritarienne d'Industrie de Raffinage (SOMIR) and operated under the technical management of Naftal, an Algerian oil corporation. Significant oil discoveries were made off Mauritania's southwest coast in 2001 and 2002.

[28]INDUSTRY

Fish processing, the principal industrial activity, is carried out in Nouadhibou. By far the largest fish processor is Mauritanian Fish Industries (IMAPEC), a Spanish company in which the Mauritanian government acquired a 51% share in 1980. IMAPEC has facilities for salting, drying, canning, and freezing fish, and for producing fish flour; virtually all of its output is exported. Overfishing is a problem, however, as is mismanagement of the fishing sector and the lack of an effective governmental fisheries policy. The government is modernizing the fisheries sector, through port extension and the development of warehouses. Other small industries in 2002 included chemical and plastic plants, food and beverages, metal products, building materials, and cookie factories.

The first desalination plant in Africa was completed at Nouakchott in January 1969, with a capacity of 3,000 cu m (106,000 cu ft) a day. A rolling mill at Nouadhibou, built in 1977, produced small quantities of iron rods and steel. A petroleum refinery in Nouadhibou, with an annual capacity of 1 million tons, opened in 1982, shut down in 1983, and resumed operation in 1987 with help from Algeria. In 1995, the refinery produced 2 million barrels (about 270,000 tons) of refined petroleum products. Algeria also helped revitalize a sugar refining plant. Similarly, Kuwaiti and Jordanian interests reopened the steel mill after a shutdown. Each of these operations represents a drain on state revenues, and the government has shifted policy toward the promotion of less ambitious industrial development.

The government has signed exploration contracts with the Canadian Rex Diamond Mining Corporation, the American BHP Minerals and Bab-Co, the French La Source, and the Australian Ashton West Africa Property Limited in order to find gold, oil, phosphate, aluminum, and copper in Mauritania. Although the country has no known hydrocarbon reserves, exploration is ongoing. Mauritania is one of four countries in West Africa with an operating oil refinery.

[29]SCIENCE AND TECHNOLOGY

A research institute for mining and geology, founded in 1968, is at Nouakchott. The Economic Community of West Africa has an institute in Nouadhibou-Cansado conducting research in the fisheries industry. The Higher Scientific Institute, founded in 1986 at Nouakchott, has departments of mathematics, physics, chemistry, biology, geology, computer studies, natural resources, and ecology. In 1987–97, science and engineering students accounted for 41% of college and university enrollments.

[30]DOMESTIC TRADE

Most trade is done at or near the "Friendship Port" of Nouakchott. The seaport of Nouadhibou is a main center for fishing operations. Most consumer goods are sold through small shops or boutiques, although some medium-sized supermarkets are becoming more common. There are a number of small and medium-sized family-owned retail and wholesale firms. Private exchange offices were created in 1994 and 1995. A new investment code put into place in 2001 is expected to attract foreign investment. Arabic is the official language, but French is the business language. Normal business hours are from 8 AM to 3 PM, Sunday through Thursday, though it is somewhat common for businesses to open a little later in the morning than scheduled. Banks are open weekdays from 8 AM to 1 PM.

[31]FOREIGN TRADE

In 1998, iron ore contributed 56% to export revenues, while export revenues from fish products amounted to about 37% of the total that year. Exports of fish decreased from $268 million in 1987 to $151 million in 1998, due to overexploitation, while iron ore exports rose from $133 million in 1987 to $217 million in 1998, but are expected to decline because of lowered demand. Leading imports were foodstuffs ($94 million), consumer goods, petroleum products ($81 million) and capital goods ($71 million). Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Japan	91	19	72
France	85	156	-71
Italy	79	17	62
Spain	53	40	13
Belgium	36	52	-16
Germany	22	43	-21
United Kingdom	13	14	-1

[32]BALANCE OF PAYMENTS

An external debt of $2.6 billion in 1998 resulted in debt servicing that rose 38.5% from 1997 to 1998, causing a leap in the balance of payments deficit. External trade increased in the late 1990s, due to the creation of private exchange offices and the liberalization of exchange systems. Foreign investment began to resume as well. The country's outstanding foreign debt in 2000 was estimated at 220% of GDP, but due to debt cancellation and rescheduling, debt service payment problems were somewhat alleviated. Mauritania's external debt had declined to $1.6 billion by 2000. In the same year, Mauritania qualified for $1.1 billion in debt service relief from the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative, and in 2001 it received strong support from donor and lending countries. In 2003, the IMF approved a three-year $8.8 million loan to the country.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Mauritania's exports was $359 million while imports totaled $335 million resulting in a trade surplus of $24 million. The International Monetary Fund (IMF) reports that in 1998 Mauritania had exports of goods totaling $359 million and imports totaling $319 million. The services credit totaled $34 million and debit $153 million. The following table summarizes Mauritania's balance of payments as reported by the IMF for 1998 in millions of US dollars.

Current Account	77
Balance on goods	40
Balance on services	-119
Balance on income	-32
Current transfers	188
Capital Account	**...**
Financial Account	**-26**
Direct investment abroad	...
Direct investment in Mauritania	0
Portfolio investment assets	...
Portfolio investment liabilities	-0
Other investment assets	190
Other investment liabilities	-216
Net Errors and Omissions	**-8**
Reserves and Related Items	**-43**

[33]BANKING AND SECURITIES

At independence, Mauritania became a member of the West African Monetary Union (Union Monétaire Ouest Africaine—UMOA), but withdrew in 1973 to demonstrate its independent economic identity. When it withdrew, the government also relinquished membership in the African Financial Community (Communauté Financière Africaine—CFA), whose currency—the CFA franc—was freely convertible to French francs. Mauritania then created its own currency, the ouguiya, and a national bank, the Central Bank of Mauritania (Banque Centrale de Mauritanie), which was established in 1973.

After privatization in 1989, banks in Mauritania included Banque Arbe Libyene-Mauritanienne pour le Commerce

Extérieur et le Développement (BALM). BALM, founded in 1990, was 51% owned by Libyans and 49% owned by the state. Other banks included Banque Al-Baraka Mauritanie Islamique (BAMIS), Banque Mauritanie pour le Commerce Internationale (BMCI), and Banque Nationale de Mauritania (BNM). BAMIS, established in 1990, was 50% Saudi owned and 10% BCM owned. BMCI, founded in 1990, was 10% BCM owned, and 90% of the bank was held by private interests. BNM, established in 1988, was 50% state owned.

In 2001, there were seven commercial banks, among them BAMIS, BMCI, BNM, Generale de Banque de Mauritanie (GBM), and the World Bank Representative in Mauritania. There are also three credit agencies and four insurance companies. The Saudi Al-Baraka firm owned 85% of BAMIS, and the Belgium Belgolaise bank was the second largest shareholder in commercial banks. There was also one bank specializing in housing construction, and three credit agencies (Credit Maritime, Credit Agricole, and Mauritanie Leasing).

A significant drawback for the Mauritanian economy, partly due to the small number and low income of the population, was a dearth of domestic capital. The poor reputation of the domestic banking system, notwithstanding its recent overhaul, discouraged local savings. In 1997, the government encouraged the creation of popular saving agencies to revitalize the financial sector; and in 1998, the government introduced incentives to encourage fish exporters to keep their assets in the country.The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $108.6 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $151.4 million.

[34]INSURANCE

Insurance was handled by 13 foreign companies until July 1974 when the Mauritanian government assumed full control of insurance and reinsurance. All insurance business was controlled by the Mauritanian Insurance and Reinsurance Co. There were two insurance companies in 1999.

[35]PUBLIC FINANCE

Mauritania's budget is habitually in deficit. Mismanagement of public enterprises and an abundance of public sector employees led to large deficits in the early 1980s. In 1985, the government began an IMF-sponsored adjustment program to stabilize the economy and diminish the role of the public sector. The overall fiscal cash deficit (excluding debt forgiveness) fell from 12% GDP in 1985 to 5.4% in 1989. From 1989 to 1992, however, due to the Persian Gulf Crisis and turmoil with Senegal, the adjustment effort was set back. In 1994, the government instituted fiscal reform designed to broaden the tax base and reduce exemptions. Goals in 1999 included increasing public revenues, decreasing spending, and increasing the performance of public companies. Privatization continued through the 1990s, and state-owned companies accounted for approximately 20% of GDP at the end of 1997.

The US Central Intelligence Agency (CIA) estimates that in 2000 Mauritania's central government took in revenues of approximately $421 million and had expenditures of $378 million including capital expenditures of $154 million. Overall, the government registered a surplus of approximately $43 million. External debt totaled $1.6 billion.

[36]TAXATION

The major indirect taxes are import duties, a turnover tax on exports and mining companies, a value-added tax (VAT), excise levies on petroleum, tobacco, a service tax, and a tax on vehicles. In 2003, the standard VAT rate was set at 14%. The major direct tax is an income tax on wages and salaries; a general income tax and a tax on the profits of industrial and commercial corporations are also imposed.

[37]CUSTOMS AND DUTIES

Along with other members of the West African Economic Community (CEAO), Mauritania imposes a revenue duty (*droit fiscal*) and a customs duty (*droit de douane d'entrée*) on most imported goods. The average tax rate for imports was 43% in 1999. Customs duty ranged from a minimum of 9% to a maximum of 18% for essential goods; to a maximum of 43% for cigarettes and vehicles. A value-added tax on imports was implemented in 1995, ranging from 5% for essential goods to 14% for nonessential goods. Exports were not restricted, although both imports and exports require a license. The government planned to reduce taxes on imports to an average of 25%, and was considering the creation of free trade zones.

Since 1970, Mauritania has had a trade agreement with Senegal, allowing primary products to be traded between the two countries duty-free. Mauritania is also a member of ECOWAS.

[38]FOREIGN INVESTMENT

With the nationalization of the mining sector in 1974, private foreign investment dropped drastically. Extension of government control over imports and domestic trade further curtailed the activity of foreign capital, as did ethnic clashes in 1989–91. In 1993, the government started to privatize parastatals, and by 1999, only 17% of GDP was accounted for by state-owned companies; 20% of Mauritanian companies were state-owned, including the telephone and postal services, utilities, transportation, radio and television, and mining production.

An investment code, approved in 1979, provided for tax holidays of up to 12 years on exports, imports of raw materials, and reinvested profits. The 1989 Investment Code guaranteed equal and free movement of capital in and out of Mauritania, in all sectors. It also provided incentives to new enterprises like a temporary tax reduction. Amendments have been made to the code to require hiring of Mauritanians. Tax preferences are offered for using local materials and investing in priority sectors, like agriculture, minerals and fish processing.

Foreign investment has been small since the ethnic violence of 1989 to 1991. However, in 1999 the government introduced new initiatives to attract foreign investment. From 1997 to 1999, the average annual inflow of foreign direct investment (FDI) was negligible, ranging from $100,000 to $900,000. In 2000, inflows increased to $9.2 million and then, in 2001, to $30 million. Foreign private investors include Mobil Oil of the United States, NAFTAL of Algeria, and Elf Aquitaine of France, in the petroleum sector; MINPROC, IFC of Australia in the gold sector; and CNF of China, the Al-Baraka Group of Sa'udi Arabia, and IFAFOOD of France, in the fishing sector.

[39]ECONOMIC DEVELOPMENT

Until the export earning capacity of Mauritania improves, its economy will remain fragile. External deficit management dominates the public investment horizon. In 1999, Mauritania obtained financing from the IDA, AFESD and World Bank, for its economic and social development projects. The IDA funded a mining sector capacity building project, with $500,000 co-financing from the government. The AFESD gave an $11.6 million loan to upgrade and develop small dams. The World Bank approved a $15 million load to support access to the country's mining sector.

In 2000, Mauritania was approved for $1.1 billion in debt service relief under the International Monetary Fund (IMF)/ World Bank Heavily Indebted Poor Countries (HIPC) initiative. That year, the country withdrew its membership in the Economic Community of West African States (ECOWAS), and increased commercial ties with Morocco and Tunisia (members of the Arab

Maghreb Union), particularly in telecommunications. In July 2003, the IMF approved an $8.8 million three-year Poverty Reduction and Growth Facility (PRGF) Arrangement, to support the government's economic reform policies geared to reduce poverty. The IMF stressed the need for banking and exchange rate reform, and improved governance.

[40]SOCIAL DEVELOPMENT

The National Social Security Fund administers family allowances, industrial accident benefits, insurance against occupational diseases, and old age pensions. Pensions are paid for by 1% contributions from employees and 2% contributions from employers. Employers either provide medical benefits to workers on their own or through a joint program for companies with fewer than 750 employees. The program covers employed persons and students enrolled in trade schools, but excludes agricultural workers and subsistence farmers.

Opportunities for Mauritanian women are severely limited by social and cultural factors. Although they have the right to vote, women face considerable legal discrimination. According to Shari'a law, the testimony in court of two women equals that of one man. Polygyny exists, and female genital mutilation is widely practiced among ethnic groups. The law mandates equal pay for equal work, and in the public sector, this law is respected and applied. Most young girls undergo female genital mutilation by the age of six months, although the incidence is decreasing among the urban population. Education is not compulsory, and dire financial circumstances force many children to work. Laws prohibiting child labor are rarely enforced.

Slavery was abolished many times in Mauritania, the most recent law having been passed in 1980. Despite this, there are still slaves in Mauritania in the rural areas of the east. The slaves have no property or marriage rights, and parents have no rights over their children. Slavery is based on race, with the lighter-skinned Moors from the north enslaving darker-skinned farmers in the south.

Some human rights abuses are reported including the use of excessive force to disperse demonstrators and inadequate prison conditions. Nongovernmental organizations are generally allowed to operate freely, but some local human rights organizations, such as the Mauritanian Association for Human Rights, have been denied legal recognition.

[41]HEALTH

Mauritania's public health system consists of administrative units and health facilities organized in pyramid style. As of 1999, total health care expenditure was estimated at 4.8% of GDP. In the same year, there were an estimated 0.1 physicians and 0.7 hospital beds per 1,000 people. In the mid-1990s, there were approximately 300 basic health units at the village level, about 130 health posts, and some 50 health centers. The health system is mostly public, but liberalization of private practice in the past several years has led to marked increase in the number of practitioners in the private sector—up to eight clinics in 1990. Mauritania's only major hospital is in Nouakchott. In 1985–95, only about 63% of the population had access to health care services. Private participation in the pharmaceutical sector has increased since 1987. Public facilities receive stocks from the Ministry of Health and Social Affairs. Drugs are distributed to patients at public facilities at no cost, but only 40% of demand can be met. Importation of narcotics is prohibited. In 2000, 37% of the population had access to safe drinking water and 33% had adequate sanitation.

The main health problems include malaria, tuberculosis, measles, dysentery, and influenza. Guinea worm was a major problem in 1995 with 1,762 reported cases. Pregnancy complications are common due to unhygienic conditions and lack of medical care. In non-drought years, the staple diet of milk and millet is nutritionally adequate, if somewhat deficient in vitamin C. In 1990–94, immunization rates for children up to one year old were: tuberculosis, 93%; diphtheria, pertussis, and tetanus, 50%; polio, 50%; and measles, 53%. The rates for DPT and measles in 1999 were, respectively, 40% and 62%. Forty-four percent of children under five were malnourished as of 1999. The goiter rate in 1996 was 31 per 100 school-age children.

The average life expectancy is among the lowest in the world—an estimated 52 years for both men and women in 2000. The fertility rate was 5.7 in 2000. Only 3% of married women aged 15–49 were using some form of contraceptive in 1990. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 42.54 and 13.34 per 1,000 people. The infant mortality rate was 101 per 1,000 live births. The maternal mortality rate was 550 per 100,000 live births in 1998. Twenty-five percent of women, or approximately 300,000 women, underwent female genital mutation in 1994. No specific law has been issued against it.

As of 1999, the number of people living with HIV/AIDS was estimated at 6,600 and deaths from AIDS that year were estimated at 610. HIV prevalence was 0.5 per 100 adults.

[42]HOUSING

Construction accounts for a small fraction of GDP. The chief construction company, the Building Society of Mauritania, is hampered by inadequate manpower and capitalization. To encourage housing development, the government introduced new regulations in 1975 to encourage builders and to compel civil servants to purchase their own property and thus relieve the demand for public housing. The phenomenal growth of Nouakchott and the effects of rural migration, impelled by drought, have strained housing resources. In 1998, over 25% of residents in Nouakchott lived in substandard housing, such as tents, huts, or shacks, as did about 35% of Kiffa residents and 44% of Aioun residents.

[43]EDUCATION

Projected adult illiteracy rates for the year 2000 stand at 60.1% (males, 49.4%; females, 70.5%). Education is not compulsory. In 1997, there were 312,671 students in 2,392 primary schools, with 6,225 teachers and a student-to-teacher ratio of 50 to 1. In 1996, 51,765 students were enrolled in secondary schools, with 2,067 secondary teachers. As of 1999, 61% of primary-school-age children were enrolled in school. The National Institute of Higher Islamic Studies was established in Boutilimit in 1961, and the National School of Administration was founded in 1966 at Nouakchott. The University of Nouakchott, founded in 1981, has a faculty of letters and human sciences and a faculty of law and economics. All higher-level institutions had a total of 270 teachers and 8,496 pupils in 1996. Only 17% of these post-secondary students were female. As of 1999, public expenditure on education was estimated at 4.3% of GDP.

[44]LIBRARIES AND MUSEUMS

The National Library at Nouakchott (10,000 volumes) and the National Archives (3,000) were both founded in 1955. The National Library is the depository for all the country's publications. There is a small university library in the capital as well as a French cultural center. The National Museum is also located in Nouakchott and has archaeology and ethnography collections. There are several Arab libraries in the major towns.

[45]MEDIA

Many of Mauritania's post offices have telephone or telegraph services; by 2001 there were about 26,500 mainline telephones in use and about 35,000 cellular phones. There are direct telephone communications from Nouakchott to Paris. Administrative

contact within the country is maintained by radiotelephone. Two earth-satellite stations came into service in 1985–86.

The government-owned national radio and television networks broadcast in French, Arabic, and several African languages. In 2001 there were 1 AM and 14 FM radio stations, with 1 television station reported in 2002. Residents with satellite receivers and dish antennas receive television broadcasts from Franc and other Arab countries. Telecasts are in French and Arabic. In 2000, there were about 149 radios and 96 television sets for every 1,000 people. In 2001, five Internet service providers were serving 7,500 users.

In 2001 there were about 25 privately owned newspapers with a publication regular schedule, usually weekly. A government-operated daily, *Ach Chabb,* is published in French and Arabic.

The constitution provides for freedom of speech and the press; however, by law copies of every newspaper must be submitted to the Ministries of Interior and Justice for approval before distribution.

46 ORGANIZATIONS

The Chamber of Commerce, Industry, Agriculture, and Ranching is in Nouakchott. Youth organizations include the National Union of Students and Pupils of Mauritania and the Association of Scouts and Guides of Mauritania. The Lion's Club has active programs. The International Association of French-Speaking Women has a base in the country. The Red Crescent Society is active as well.

47 TOURISM, TRAVEL, AND RECREATION

There are few facilities for tourists, except in the capital, and travel is difficult outside of Nouakchott. Most visitors need a valid passport and visa; the visa requirement is waived for French and Italian nationals, citizens of Arab League countries, and citizens of the former French territories in Africa. Yellow fever and cholera immunizations are recommended.

Tourists are attracted to Atar, the ancient capital of the Almoravid kingdom, and Chinguetti, with houses and mosques dating back to the 13th century. In 1999, tourism brought in about US$28 million.

According to 2002 US government estimates, the daily cost of staying in Nouadhibou is $57. The cost of staying in Nouakchott is about $95 per day.

48 FAMOUS MAURITANIANS

Abu Bakr ibn Omar (Boubakar), paramount chief of the Lemtouna, defeated Ghana in 1076. His lieutenant and cousin, Yusuf ibn Tashfin, conquered Morocco in 1082 and most of Spain in 1091. The best-known contemporary Mauritanian is Moktar Ould Daddah (b.1924), president from 1961 until 1978; after being ousted, he was eventually allowed to go to France. Lt. Col. Khouna Ould Haydalla (b. Spanish Sahara, 1940) became prime minister and chief of staff of the armed forces in 1978 and assumed the presidency in 1980. Col. Maaouya Ould Sid Ahmed Taya (b.1941), who had been prime minister (1981–84), became president in 1984.

49 DEPENDENCIES

Since relinquishing its claim to Western Sahara, Mauritania has no territories or colonies.

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MAURITIUS

Republic of Mauritius

CAPITAL: Port Louis

FLAG: The national flag consists of four horizontal stripes of red, blue, yellow, and green.

ANTHEM: *Glory to Thee, Motherland, O Motherland of Mine.*

MONETARY UNIT: The Mauritius rupee (R) is a currency of 100 cents. There are coins of 1, 2, 5, 10, 25, and 50 cents and 1 rupee, and notes of 5, 10, 20, 50, 100, 200, 500, and 1,000 rupees. R1 = $0.03787 (or $1 = R26.4) as of May 2003.

WEIGHTS AND MEASURES: The metric system is in general use; traditional weights and measures also are employed.

HOLIDAYS: New Year, 1–2 January; National Day, 12 March; Labor Day, 1 May. Christian, Hindu, and Muslim holidays also are observed.

TIME: 4 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Mauritius is situated in the Indian Ocean, about 900 km (559 mi) E of Madagascar and 2,000 km (1,250 mi) off the nearest point of the African coast. The island of Rodrigues, an integral part of Mauritius, is located about 560 km (350 mi) off its northeastern coast. The two islands of Agalega lie 1,122 km (697 mi) to the north of Mauritius; also to the north is the St. Brandon Group (Cargados Carajos Shoals). Mauritius has a total area of about 2,040 sq km (7788 sq mi), of which the island of Mauritius occupies 1,860 sq km (720 sq mi); the island of Rodrigues, 110 sq km (42.5 sq mi); and the other offshore islands, 71 sq km (27 sq mi). Comparatively, the area occupied by Mauritius is slightly less than 10.5 times the size of Washington, DC. Mauritius extends 61 km (38 mi) N–S and 47 km (29 mi) E–W, and has a coastline of 177 km (110 mi). The nation also claims Diego Garcia, a British dependency about 1,900 km (1,200 mi) to the northeast, and a French possession, Tromelin Island, about 555 km (345 mi) to the northwest. The OAU has supported Mauritius' claim to Diego Garcia.

The capital city of Mauritius, Port Louis, is located on the island's northwest coast.

[2]TOPOGRAPHY

Mauritius is mostly of volcanic formation and is almost entirely surrounded by coral reefs. A coastal plain rises sharply to a plateau 275 to 580 m (900–1,900 ft) high. Piton de la Rivière Noire, the highest peak, reaches 828 m (2,717 ft). The longest river is the Grand River South East.

[3]CLIMATE

The subtropical maritime climate is humid, with prevailing southeast winds. The temperature ranges from 18° to 30°C (64–86°F) at sea level, and from 13° to 26°C (55–79°F) at an elevation of 460 m (1,500 ft); the warmest season lasts from October to April, the coolest from June to September. From October to March, southeast trade winds bring heavy rains to the central plateau and windward slopes, which have a yearly average rainfall of over 500 cm (200 in). On the coast, rainfall averages about 100 cm (40 in) annually. Daily showers occur from April to September and occasional tropical cyclones between December and April.

[4]FLORA AND FAUNA

Mauritius originally was covered by dense rain forest, which included heath and mossy forest at higher elevations and coastal palm savanna. Present vegetation consists chiefly of species brought by the settlers. Mauritius is the home of two indigenous snakes, the *Boleyria multicarinata* and *Casarea dussumieri*; also indigenous to Mauritius was the now extinct dodo bird, one of many exotic animal species that thrived in isolation from predators, including man. European settlers introduced dogs, cats, rats, monkeys, wild pigs, sambur deer, and mongoose.

[5]ENVIRONMENT

The main environmental problems facing Mauritius are water pollution, soil erosion, and preservation of its wildlife. The sources of water pollution are sewage and agricultural chemicals. Mauritius cities produce 0.1 million tons of solid waste annually. The erosion of the soil occurs through deforestation.

The Ministry of Housing, Lands, and the Environment has principal responsibility in environmental matters. As of 2001, only about 1.8% of the nation's total land area is protected. According to UN reports, Mauritius ranked third in the world on the list of countries with the most endangered species in the mid-1990s. In 2002, there were 44 extinct species. As of the mid-1990s, 3 of Mauritius' mammal species and 10 of its bird species were endangered, as well as 269 of its plant species.

Endangered species on the island of Mauritius include the pink pigeon, Round Island boa and keel-scaled boa, green sea turtle, and Mauritius varieties of kestrel, parakeet, and fody. Endangered species on Rodrigues include distinctive varieties of brush warbler, fody, flying fox, and day gecko. Extinct species include the Mauritian duck, the Mauritius blue pigeon, the red rail, Rodrigues little owl, and the giant day gecko.

[6]POPULATION

The population of Mauritius in 2003 was estimated by the United Nations at 1,221,000, which placed it as number 149 in population among the 193 nations of the world. In that year approximately 6% of the population was over 65 years of age, with another 26% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 0.96%, with the projected population for the year 2015 at 1,340,000. The population density in 2002 was 595 per sq km (1,540 per sq mi).

It was estimated by the Population Reference Bureau that 41% of the population lived in urban areas in 2001. The capital city, Port Louis, had a population of 172,000 in that year. Other cities and their estimated populations were Beau Bassin/Rose Hill, 93,684; Quatre-Bornes, 70,997; Curepipe, 74,214; and Vacoas–Phoenix, 91,114. According to the United Nations, the urban population growth rate for 2000–2005 was 1.6%.

[7]MIGRATION

A small number of Mauritians emigrate each year, principally to Australia, Europe, and Canada. The net migration rate was -2.0 per 1,000 population in 2000. In that year the number of migrants living in Mauritius was 8,000. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The largest group on Mauritius—about 68% of the population—is Indo-Mauritian, consisting of immigrants from India and their descendants. About 27% of the islanders are Creole (mixed European and African), 3% Sino-Mauritian, and 2% Franco-Mauritian.

[9]LANGUAGES

English and French are the official languages; however, Creole, derived from French, is most widely spoken. On Rodrigues, virtually the entire population speaks Creole. Bojpoori, Hindi, Urdu, and Hakka are also widely spoken. Only a small minority speak English as a first language.

[10]RELIGIONS

According to a 2000 census, Hindus constitute about 50% of the total population. Christians make up about 32%, with a vast majority (about 85% of all Christians) affiliated with the Roman Catholic church. Other Christian denominations include Adventists, Assembly of God, Christian Tamil, Church of England, Pentecostal, Presbyterian, Evangelical, Jehovah's Witnesses, and the Church of Jesus Christ of Latter-Day Saints. Most Christians live in the southern portion of the country while the north tends to be predominantly Hindu. About 16% of the population are Muslims, with a majority being Sunni. There are a small number of Buddhists.

Throughout the country, there is a strong correlation between religious affiliation and ethnicity. Those of Indian descent are primarily Hindu or Muslim. Those of Chinese descent are often nominally Buddhists, but practicing Catholics, since they often admit their children to Catholic schools. Creoles and Europeans are primarily Catholic.

Though there has been some social and political tension between the Hindu majority and the Christian, Muslim, and Creole minorities, there are few reports of violence or blatant discrimination.

[11]TRANSPORTATION

Mauritius had an estimated 1,860 km (1,156 mi) of roads in 2002, of which 1,786 km (1,109 mi) were paved. As of 2000, there were 28,200 commercial vehicles and 77,000 private passenger cars. The 8 merchant ships in service had a combined capacity of 66,004 GRT in 2001. In 1999 the Port Louis harbor completed a major expansion and modernization. Also in 2001 there were five airports, only two of which had paved runways. Air Mauritius provides about four flights weekly to Rodrigues from the main airport at Plaisance, as well as, over 40 weekly international flights. In early 2001 Air Mauritius concluded an alliance with Delta Airlines. Other major airlines serving Mauritius are Air France, British Airways, Air India, Air Zimbabwe, Lufthansa (Condor), Singapore Airlines and South African Airways. In 2001, 996,500 passengers were carried on scheduled domestic and international flights.

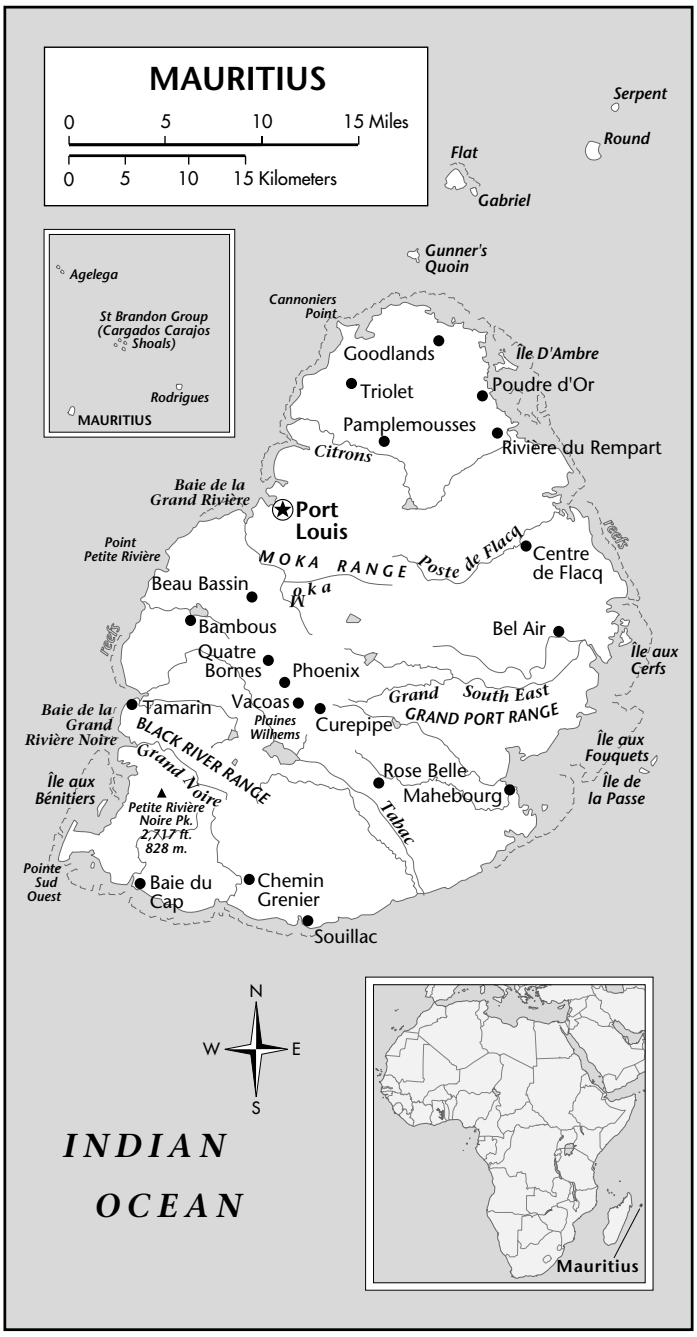
[12]HISTORY

Long uninhabited, Mauritius was probably visited by Arab and Malay seamen and later by Portuguese and other European voyagers. However, significant contact did not take place until the Dutch, under Admiral Wybrandt van Warwijck, arrived in 1598. They named the island after their stadtholder, Prince Maurice of Nassau. Settlers arrived in 1638; their settlements were abandoned in 1710, however, and the French took possession in 1715, sending settlers from Réunion in 1721. The island was governed by the French East India Company until 1767, and by the French government for the next 43 years, except for a brief period of independence during the French Revolution. During the Napoleonic wars, French-held Mauritius became a major threat to British shipping in the Indian Ocean, and Britain occupied it in 1810.

Under British rule, Mauritius became a sugar-producing island. The French community secured major control of the cane fields and sugar refineries; lacking any appreciable British settlement, the island remained French in culture. Abolition of slavery in the British Empire caused an acute labor problem as the former slaves, African in origin, left the sugar fields to go into other occupations. To offset this loss, the UK, from 1835, allowed the planters to import indentured laborers from India. The system continued until 1907, with 450,000 Indians migrating to Mauritius.

The constitution of 1831 provided for a Council of Government, in which representation was largely by Europeans, although a few Creoles won nomination. The constitution of 1886 provided for a council of 27 members, including 10 elected members. The electorate was limited by property qualifications, which denied the population of Indian descent elective representation until 1926. The constitution of 1947 abolished property qualifications and extended the franchise to both sexes. Since 1948, the Indian population has dominated the elective seats. As a result of a constitutional conference held in London in September 1965, Mauritius was granted full internal self-government.

Mauritius became independent on 12 March 1968 and one month later became a member of the UN. Disturbances at the time of independence between Muslims and Creoles forced declaration of a state of emergency, at which time UK troops from Singapore aided in restoring order. Sir Seewoosagur Ramgoolam, chief minister in the colonial government, became the first prime minister after independence. Ramgoolam's Mauritius Labor Party (MLP) held power alone, or in coalition with others, until June 1982 when an alliance of the Mauritian Militant Movement (MMM) and the Mauritian Socialist Party (PSM) captured all 60 directly elected seats on the island of Mauritius. This coalition, known as the Militant Socialist Movement (MSM) formed a government. MMM leader Aneerood Jugnauth became prime minister. In March 1983, however, 11 of the 19 ministers resigned, all MMM members, and new elections were called. The voting, in August of that year, produced a clear mandate for a new coalition forged by



LOCATION: 19°50′ to 20°5′ S; 57°18′ to 57°48′ E. TERRITORIAL SEA LIMIT: 12 miles.

Jugnauth. The MMM-dominated coalition won another clear-cut victory in August 1987 Legislative Assembly elections.

Jugnauth's coalition received a mandate again in the September 1991 general elections, winning 59 of 62 directly elected seats. As promised, the MSM/MMM alliance amended the constitution making Mauritius a republic within the Commonwealth. Since 12 March 1992, Queen Elizabeth II has been replaced by a Mauritian chief of state.

In 1993, there was trouble in the coalition when a prominent minister in the MMM met officials of the Social Democrats (PMSD). The minister was fired by Jugnauth, but the other MMM members stayed in the coalition. At times, it appeared that the ruling coalition would fray, but they managed to negotiate terms of conciliation and stood united for the 20 December 1995 elections when they took 65% of the vote, or 60 of 62 elected seats. Dr. Navinchandra Ramgoolam became Prime Minister. Cassam Uteem and Angidi Veeriah Chettiar were later elected president and vice president.

Trouble in the coalition resurfaced in June 1997 when Ramgoolam fired MMM's leader, Paul Bérenger, who was Vice-Premier and Minister of Foreign Affairs. Seven cabinet ministers belonging to MMM resigned in protest and, together with other elected MMM candidates, joined the parliamentary opposition group. This precipitated a second cabinet reshuffle since Ramgoolam took power in 1995. This left the labor party in power with only small parties aligned with it. Bérenger's place was now occupied by the vice president of the Labor Party, Kailash Purryag.

This unbalanced configuration provoked fears of a repeat of the ethnic clashes that had rocked Mauritius in 1968; however, ethnic violence did not materialize. After three days of rioting in the capital (Port Louis) and other parts of the country in February 1999, the country gradually returned to normal. Clashes between Rastafarians and police were triggered by the death in police custody of a popular reggae singer, Kaya. Three protesters were killed, a policeman died of heart failure, and over 100 were wounded in the clashes.

Although the country had suffered corruption scandals under the previous administration of Prime Minister Navin Ramgoolam, Mauritius has largely avoided the corruption scourge characterizing much of Africa. After winning the September 2000 elections, the coalition government under Jugnauth and Béringer stated that its priorities were to boost local and foreign investor confidence, and to re-launch the economy.

Mauritius is one of a few sub-Saharan African countries to attain the rank of middle-income status and rule by constitutional process—the country has had only three prime ministers since independence. In February 2002, two presidents—in their mostly ceremonial role—resigned in the space of a week objecting to anti-terror legislation prompted by the 11 September attacks on the World Trade Center. An interim president, Supreme Court Chief Justice Arianga Pillay, signed the bill into law, which was twice passed by the parliament owing to strong support from Prime Minister Anerood Jugnauth. The constitution requires the president either to sign the bill into law or leave office.

13 GOVERNMENT

The Mauritian government is parliamentary, with executive power vested under the constitution in a ceremonial president and an executive prime minister, who is leader of the majority party in parliament. The president and vice president are elected by the National Assembly, to serve five-year terms. The prime minister heads a Council of Ministers, which is responsible to a unicameral Legislative Assembly. Of its maximal 70 members, 62 are elected by universal suffrage (age 18), and as many as eight "best losers" are chosen from runners-up by the Electoral Supervisory Commission by a formula designed to give at least minimal representation to all ethnic groups and underrepresented parties.

In elections last held 25 February 2002 (next to be held 2007), Karl Offmann was elected president and Raouf Bundhun elected vice president. Parliamentary elections were held 11 September 2000 with new elections due in September 2005.

14 POLITICAL PARTIES

The Mauritius Labor Party (MLP), headed by Prime Minister Sir Seewoosagur Ramgoolam, received support during 35 continuous years in office (1947–82) from the Hindu and Creole communities and some Muslims; often sharing power in those years was the Muslim Committee of Action (MCA). The Mauritian Social Democratic Party (Parti Mauricien Social-

Démocratique—PMSD) has long represented the Franco-Mauritian and Creole landowning class.

A new political party, the Mauritian Militant Movement (MMM), was formed in 1970. Its leaders were imprisoned in 1971 after the MMM called for a general strike to protest legislation banning strikes in industries controlled by MMM affiliates. The party leadership was later freed, and in the 1976 elections the MMM won more seats than the MLP, though not enough to achieve power. In the 1982 elections, the MMM captured 42 seats in parliament and joined the Mauritian Socialist Party (Parti Socialiste Mauricien—PSM) in a ruling coalition under Aneerood Jugnauth; unlike the MMM, which had strong Creole representation, the PSM was primarily Hindu.

Jugnauth's government fell apart in the early months of 1983, in the course of a power struggle within the MMM that led to the prime minister's expulsion from his own party. Jugnauth then formed the Mauritian Socialist Movement (Mouvement Socialiste Mauricien—MSM), which, in alliance with the MLP, captured 37 of 62 directly elected seats in the August balloting. The MMM won 19 seats, the PMSD 4, and a Rodrigues-based party, the Organisation du Peuple Rodriguais (OPR), 2. In August 1987 elections, the MSM, in alliance with the MLP and PMSD, won 39 of 62 directly elected seats; a three-party coalition including the MMM won 21 seats; and the OPR won 2 seats.

The legislative elections of 15 September 1991 resulted in the MSM/MMM alliance getting 59 seats (53% of the vote) and the MLP/PMSD alliance three seats (38%). By October 1993, however, the MMM had divided into two factions: one remained in the government and the other, headed by former Foreign Minister Paul Bérenger, took opposition seats in parliament.

Legislative elections held in December 1995 saw a newly solidified MMM/MLP coalition win 60 (35 for MLP and 25 for MMM) seats of the 62 elected seats. The Rodrigues Movement had two seats; two seats were given to the OPR; one to the Gaetan Duval Party; and one to Hizbullah. The MMM/MLP coalition fell apart in June 1997 with the firing of Bérenger from the vice-premiership, leaving MLP in power with small parties aligned with it.

Following the reconfiguration of an opposition alliance comprising Anerood Jugnauth's Militant Socialist Movement and Paul Bérenger's Mauritian Militant Movement, the coalition successfully swept the 11 September 2000 elections winning 52.3% of the vote, and holding the MLP/PMSD to 36.9%, and the OPR to 10.8%. The breakdown of seats was 54 for the MSM/MMM, six for the MLP/PMSD, and two for the OPR.

[15]LOCAL GOVERNMENT

There are nine administrative districts and three dependencies, of which the Island of Rodrigues is one. The other dependencies are Agalega Islands and Carajos Shoals. The lowest level of local government is the village council, composed of elected as well as nominated members; above the village councils are three district councils. Commissions govern the major towns. There are also three dependencies.

[16]JUDICIAL SYSTEM

The statutes are based mainly on old French codes and on more recent laws with English precedents. The Supreme Court has a chief justice and six other judges who also serve on the Court of Criminal Appeal, the Court of Civil Appeal, the Intermediate Court, the Industrial Court, and 10 district courts. Final appeal can be made to the UK Privy Council.

The president, in consultation with the prime minister, nominates the chief justice, and then with the advice of the chief justice also appoints the associate judges. The president nominates other judges on the advice of the Judicial and Legal Service Commissions.

The legal system provides fair public trials for criminal defendants. Defendants have the right to counsel, including court-appointed counsel in case of indigency.

[17]ARMED FORCES

All defense and security duties are carried out by the 10,000 personnel police force. The paramilitary forces within this structure are the 688-member Coast Guard and the 1,400-member Special Mobile Force. There is also an air wing with two air craft. The defense budget for 2001 was $9.1 million or 0.2% of GDP.

[18]INTERNATIONAL COOPERATION

Mauritius joined the UN on 24 April 1968 and belongs to ECA and all the non-regional specialized agencies. The nation participates in the African Development Bank, Commonwealth of Nations, G-77, the ACP and AU. Mauritius is a signatory to the Law of the Sea and a member of the WTO. In 1984, Mauritius joined Madagascar and Seychelles in establishing the Indian Ocean Commission; the Comoros and France (as the representative of Réunion) joined in 1985. Mauritius also is a member of the Southern Africa Development Community (SADC).

[19]ECONOMY

The Mauritius economy, diverse and conservatively managed, is based on export-oriented manufacturing (mainly clothing), sugar, and tourism. Most of production is done by private enterprise, with the government largely limiting its role to providing institutional facilities and incentives for production. Nearly 275 garment factories were operating in the Export Processing Zones (EPZ's) of Mauritius in 1999. The economy grew at an impressive average rate of 6% in the early 1980s. However, economic growth started to decline in 1988 as the economy experienced some of the problems associated with success, including labor shortages, rising inflation, and capacity constraints. In the early 1990s, the economy showed signs of a modest recovery, with solid real growth and low unemployment. Between 1988 and 1998, the economy was estimated to have grown at an annual rate of approximately 5.3%, which is approximately where it stood in 2001.

Important to Mauritius' industrial development is the Export Processing Zone (EPZ) in which imported goods and raw materials are processed for export. EPZ products include textiles and clothing (80%), electrical components, and diamonds. Manufacturing in the EPZ provided nearly 45% of export earnings in 2002. Legislation gives investors in EPZ enterprises tax relief, duty exemption on most imports, unlimited repatriation of capital and profits, and cut-rate electricity. However, some of the country's larger manufacturing industries were moving their labor-intensive production to Madagascar. Preferential access to markets in Europe and the United States is threatened by WTO regulations that do away with textile, clothes, and sugar quotas.

Sugar cane covers approximately 45% of the island's land area, and 85% of cultivated land. Adverse weather conditions reduced the importance of sugar cane to the Mauritian economy in the late 1990s, but exports of cane brought in almost 8% of the GDP. To further enhance its competitive advantage, in 1992 the government passed legislation for the creation of a commercial free port in Port Louis. The free port provides warehousing as well as facilities for processing foods and materials for reexport to destinations around the world. The financial services sector of the economy is expanding, as is the tourism sector. Mauritius is increasing its trade with India and South Africa, largely through more than 9,000 offshore entities.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Mauritius's gross domestic product (GDP) was estimated at $12.9 billion. The per capita GDP was estimated at $10,800. The annual growth rate of GDP was estimated at 5.2%. The average inflation rate in 2001 was 4.2%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 6% of GDP, industry 33%, and services 61%. Foreign aid receipts amounted to about $18 per capita.

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $2,670. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 3%. Approximately 21% of household consumption was spent on food, 13% on fuel, 3% on health care, and 13% on education. It was estimated that in 2001 about 10% of the population had incomes below the poverty line.

[21]LABOR

There were 514,000 workers employed in 1995. The principal employment sectors were: Construction and industry 36%, services 24%, agriculture and fishing 14%, trade, restaurants, and hotels 16%, transportation and communication 7%, and finance 3%. The estimated unemployment rate in 2001 was 8.6%.

Unions have the legal right to organize, strike, and bargain collectively, and the trade union movement is active. There were over 335 labor unions in 2001, with 111,231 members, representing about 22% of the workforce. Workers are granted the right to strike, but this is severely curtailed by a mandatory cooling-off period and compulsory binding arbitration. Antiunion discrimination is prohibited and an arbitration tribunal handles complaints of such discrimination. Although the law protects collective bargaining, there are not enough safeguards in place to protect employees from discriminatory actions by employers.

The minimum working age is 15, with restrictions for those under age 18. However, child labor and exploitation is still practiced and penalties for infractions are minimal. Minimum wages are set by the government, and cost-of-living allowances are mandatory The minimum wage ranged from $3.53 to $12.30 per week in 2002, but due to a labor shortage and contract negotiations, actual wages are about double this figure. The standard legal workweek is 45 hours.

[22]AGRICULTURE

Sugarcane is the major crop. In 2001, 5.8 million tons of cane were produced. Sugarcane occupies 36% of Mauritius' total land area and 70% of its cultivated land. It is an estate economy, with 21 large estates accounting for over half of the land cultivated. The 32,000 small operations account for 25% of the land cultivated and are grouped into cooperatives. In 2001, processing of sugar accounted for 73% of the value added for crop products. Agriculture accounted for 6% of GDP and 21% of exports in 2001. Sugar's importance has diminished in recent years as manufacturing and tourism have grown.

Tea production in Mauritius has been on the decline, disadvantaged by production cost increases, labor shortages, and low world prices. The area under tea cultivation declined from 2,905 ha (7,178 acres) in 1990 to 660 in 2001. Tobacco production was 600 tons in 2001, and now provides the raw material for most locally produced cigarettes. In recent years, horticultural products have been successfully grown for export, including flowers (mainly anthuriums), tropical fruits, and vegetables.

Other crops and 1999 yields were (in thousands of tons): tea, 2; potatoes, 15; tomatoes, 11; bananas, 9; peanuts, 1; tobacco, 1; and coconuts, 1. Almost any crop can be grown on Mauritius, but the shortage of land means almost all cereals must be imported, including rice, the staple food. Potatoes and other vegetables are grown in the sugar fields between rows of cane.

[23]ANIMAL HUSBANDRY

In 2001, Mauritius had 95,000 goats, 28,000 head of cattle, 12,000 pigs, and 7.7 million chickens. That year, 4,700 tons of cow milk, 26,300 tons of meat, and 5,200 tons of hen eggs were produced.

[24]FISHING

The total catch in 2000 was 9,299 tons, a decline from 21,157 tons in 1993. In 2000, about 3% of the catch consisted of skipjack tuna. Exports of fish products were valued at nearly $36.6 million in 2000.

[25]FORESTRY

About 8% of the total land area of Mauritius is classified as forest. Roundwood removals were an estimated 25,000 cu m (882,500 cu ft) in 2000, half of it burned as fuel. Sawn wood production was about 5,000 cu m (176,500 cu ft) in 2000.

[26]MINING

There were few mineral resources in Mauritius. Annual production in 2000 was estimated at 1 million tons of stone, 300,000 tons of sand, 7,000 tons of lime, and 6,000 tons of salt. Chemicals and metal products were leading industries in 2002. Historically, mineral output consisted of the local production and use of basalt construction stone, coral sand, lime for coral, and solar-evaporated sea salt. Concerns have been raised about the impact of coral sand mining on coastal lagoons. Polymetallic nodules occurred on the ocean floor, northeast of Tromelin Island, containing iron, manganese, and cobalt; however, these minerals were abundant on land. The near-term outlook for the exploitation of minerals other than construction materials was negligible.

[27]ENERGY AND POWER

The installed capacity of power plants in 2001 totaled 365,000 kW. Production increased from 136 million kWh in 1970 to 1.3 billion kWh in 2000, of which 91% was from fossil fuels and 9% from hydropower. A significant portion of all primary energy consumed comes from bagasse, or sugarcane waste.

[28]INDUSTRY

Since 1986, Export Processing Zone export earnings have led those of the sugar sector. Investors are primarily from Mauritius itself and Hong Kong. The textile industry is the leading sector in the EPZ, with more than 90% of the EPZ's goods being produced for the US and Europe. Other important products include chemicals, electronics, non-electrical machinery, transportation equipment, precision engineering, skilled crafts, toys, nails, razor blades, and tires. Manufacturing accounts for around 25% of GDP. Mauritius is also emerging as a major business and financial center.

Manufacturing centers on the processing of agricultural products, sugar cane in particular. Of the 20 large sugar-producing estates 17 have their own factory. Normal production varies between 600,000 to 700,000 metric tons, but adverse weather during the late 1990s reduced these figures. Molasses and rum are among the sugar by-products produced in Mauritius. Local tobacco is made into cigarettes, and factories are

maintained to process tea. Other small industries produce goods for local consumption, such as beer and soft drinks, shoes, metal products, and paints.

[29]SCIENCE AND TECHNOLOGY

In 1987–97, 361 scientists and engineers and 158 technicians per million people were engaged in research and experimental development, with expenditures totaling 0.4% of GNP. The Mauritius Institute in Port Louis, founded in 1880, is a research center for the study of local fauna and flora. The Mauritius Sugar Industry Research Institute, founded in 1953, is located at Réduit. The University of Mauritius, founded in 1965 at Réduit, has schools of agriculture, engineering, and science. In 1987–97, science and engineering students accounted for 14% of college and university enrollments. The Regional Sugarcane Training Center for Africa, located in Réduit, is sponsored by the United Nations Development Program. The Port Louis Museum maintains collections of fauna, flora and geology of Mauritius and other islands of the Mascarene region.

[30]DOMESTIC TRADE

Port Louis is the commercial center and the chief port. A wide variety of goods are distributed through the standard channels of importers, wholesalers, retailers, supermarkets, and two hypermarkets. Franchising, mainly in restaurants, has become more popular in the past few years. The nation's first McDonald's opened in 2001.

The government maintains price and markup controls on a number of consumer goods, including rice, onions, iron and steel bars, edible oils, certain appliances, pharmaceuticals, sporting goods, timber, and many others. A 1998 Consumer Protection Act extends government pricing controls to several other basic commodities, such as cheese, butter, canned and frozen meats, and sugar.

The Mauritius Freeport, a customs duty-free zone in the port and airport, has been recently been established to shape the country into a major regional distribution, transshipment, and marketing center. This zone provides facilities for warehousing, transshipment operations and minor processing, simple assembly, and repackaging.

Business hours are from 9 AM to 4:30 PM, Monday–Friday, and 9 AM to 1 PM on Saturday. Banks are open from 9:15 AM to 3:15 PM, Monday–Friday, and 9:15 to 11:15 AM on Saturday. Most business is conducted in English and French.

[31]FOREIGN TRADE

Export revenues from the Export Processing Zone (EPZ) in 2000 amounted to 75% of total exports; and over $1.2 billion in receipts. Over half of Mauritius' exports are comprised of clothes and textiles (69%), while the majority of the remainder belongs to the sugar trade (14%). The breakdown for types of garments (as a percentage of total garment exports) is as follows:

Knitted undergarments	35%
Knit non-elastic outerwear	19%
Non-knit undergarments	17%
Non-knit men's outerwear	17%
Non-knit women's outerwear	13%

In 2000 Mauritius's imports were distributed among the following categories:

Consumer goods	11.6%
Food	13.2%
Fuels	11.7%
Industrial supplies	42.0%
Machinery	14.9%
Transportation	6.6%

Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
United Kingdom	431	90	341
France	327	201	126
United States	305	61	244
Madagascar	76	34	42
Germany	56	79	-23
Italy	58	69	-11
South Africa	9	310	-301
China (inc. Hong Kong)	8	229	-221
Japan	7	85	-78
Australia	4	72	-68
India	3	183	-180

[32]BALANCE OF PAYMENTS

Mauritius imports more than it exports, but the difference is taken care of by revenues from tourism and other services. Mauritius had sufficient international reserves in 2001 to cover 29 weeks of imports.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Mauritius's exports was $1.6 billion while imports totaled $2 billion resulting in a trade deficit of $400 million.

The International Monetary Fund (IMF) reports that in 2000 Mauritius had exports of goods totaling $1.56 billion and imports totaling $1.95 billion. The services credit totaled $1.07 billion and debit $746 million. The following table summarizes Mauritius's balance of payments as reported by the IMF for 2000 in millions of US dollars.

Current Account	**-33**
Balance on goods	-394
Balance on services	325
Balance on income	-28
Current transfers	64
Capital Account	**-1**
Financial Account	**-182**
Direct investment abroad	-13
Direct investment in Austria	266
Portfolio investment assets	23
Portfolio investment liabilities	-143
Other investment assets	-289
Other investment liabilities	338
Net Errors and Omissions	**83**
Reserves and Related Items	**-231**

[33]BANKING AND SECURITIES

The Bank of Mauritius is the central bank. The Development Bank of Mauritius was established in March 1964 to provide loans for agricultural and industrial enterprises. There were 10 commercial banks operating in the country in 2002. Three were locally owned, including The Mauritius Commercial Bank Limited and the Sate Bank of Mauritius Limited, both of which dominated the market. The government-controlled Development Bank of Mauritius Limited provides loans to industry. The other seven banks are offshore, offering attractive tax rates, especially to US investment in India. Foreign exchange reserves at the Bank of Mauritius stood at $840 million in 1997, and were expected to reach $875 million by mid-1998. Total commercial bank assets were estimated at $3.4 billion.

The government made it clear early in the first quarter of 1997 that the Bank of Mauritius would intervene in the foreign exchange market in order to stabilize the value of the rupee. Interventions by the central bank helped the rupee to rebound after its decline against most foreign currencies, during the first nine months of 1996. In 1997, the Mauritian rupee was freely convertible.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $530.5 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $3.6 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 7.25%.

A market for securities or shares was not new to Mauritius when the Stock Exchange of Mauritius opened in 1989. Shares of companies had been traded in Mauritius in a market environment since the nineteenth century. The main difference between the market organized by Chambre de Courtiers de l'île Maurice and the market in its present form is the legal framework within which dealings in shares must now take place and the regular meetings for share dealing. The stock market was opened to foreigners in 1994. In 2001, the market had 40 listed companies, and a capitalization that grew from $55 million in 1989 to $1.8 billion in 1997, but then had declined to $1.1 billion by 2001.

34 INSURANCE

There are at least 20 insurance companies operating in Mauritius. In 2001, there was $112 million in life insurance premiums written in Mauritius.

35 PUBLIC FINANCE

From the mid-1970s to 1981, the ratio of fiscal deficit to GDP increased from under 10% to 14%, due to deficit public spending. During the 1980s, an export-oriented economy caused the fiscal deficit to decline to 3% of GDP by 1989, and to 2% by 1991. In 1997, the deficit reached 4.6%, but the government announced measures that aimed at reducing the figure to 3.6% of GDP. The government's plan did not work; by fiscal year 2001/2002, the deficit had climbed to 6.3%. The new goal is to bring the deficit down to 3% of GDP by fiscal year 2005/2006.

The US Central Intelligence Agency (CIA) estimates that in 1999 Mauritius's central government took in revenues of approximately $1.1 billion and had expenditures of $1.2 billion. Overall, the government registered a deficit of approximately $100 million. External debt totaled $2.3 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**99.9%**	**1,099**
Tax revenue	84.6%	931
Non-tax revenue	14.5%	159
Grants	0.8%	9
EXPENDITURES	**100.0%**	**1,200**
General public services	9.8%	118
Defense	0.8%	10
Public order and safety	7.1%	86
Education	14.8%	177
Health	8.4%	100
Social security	21.4%	257
Housing and community amenities	6.6%	79
Recreation, cultural, and religious affairs	1.3%	16
Economic affairs and services	15.7%	188
Other expenditures	2.8%	34
Interest payments	11.3%	135

36 TAXATION

In 2002, Mauritius' progressive schedule of corporate tax rates 0% to 35% had been replaced by a flat tax of 25%. Companies that are awarded Tax Incentive Certificates by the government are eligible for a reduced tax rate of 15%. Effective 1 July 1998, offshore companies incorporated on or after this date were required to pay tax at a rate of 15%. In addition, mutual funds, unit trusts, and certain other types of companies pay a reduced rate of 15%. Companies granted a Global Business License are taxed at 15% and are eligible for other tax reductions and exemptions. Mauritius has double-taxation prevention treaties with about 30 countries. There are also capital gains and land development taxes assessed.

The progressive scale for individual income tax, ranging from 5% to 30%, has been replaced by a simpler split schedule of two rates on taxable income: 15% on taxable income to 25,000 Rupees (about $860), and 25% on the rest. Social Security taxes are also assessed.

A general sales tax (GST)averaging 5% was imposed in 1983. As of 7 September 1998, the GST was replace by a value-added tax (VAT) with a standard rate of 10%. On 1 July 2001, the standard rate was raised to 12%, and then, as of 7 January 2002, to 15%. The VAT applies to all goods and services except those specifically exempted. The exempt list includes basic foodstuffs, basic services (medical, hospital and dental), basic utilities (water and electricity), and all exported goods and service.

37 CUSTOMS AND DUTIES

Mauritius maintains a list of preferred trading partners to which it gives preferential tariff rates. Taxes on imports from the preferred list are levied at 0% to 80%. Imports of goods from other countries, at the 55% rate or higher, are subject to an additional 10% duty. A value-added tax (VAT) of 12% is levied on all imports. Vehicles, petroleum, alcohol, cigarettes, and furniture are subject to special excise duties of up to 360%.

Most imports require a license and state enterprises control the import of rice, wheat, flour, petroleum, cement, tea, tobacco, and sugar. There are few export controls, except the need for licenses to export sugar, tea, vegetables, fruits, meat, fish, textiles, pharmaceuticals, gold, live animals, coral, and shells.

Mauritius is a member of the South African Development Community (SADC), whose objective is creation of a free trade area by 2005. The country is also a member of the Common Market for Eastern and Southern Africa (COMESA), which gives preferential rates of duty between member states.

38 FOREIGN INVESTMENT

The government offers a variety of investment incentives, including, for industries in the Export Processing Zone, a corporate tax exemption of at least 10 years; an exemption from import duties on capital goods and most raw materials; free repatriation of profits, dividends, and invested capital; and a waiver of income taxes on dividends for 10 years. All foreign investment must obtain approval from the prime minister's office, except in the offshore business center and the stock exchange. Businesses in Freeport receive exemption from company tax and tax on dividends, preferential rates for storage, halved port handling charges, and exemption from import duty and sales tax on finished goods and machinery. Foremost among foreign investors are those from Hong Kong, followed by French, South African, German, and Indian interests.

Foreign ownership of services such as accounting, law, medicine, computer services, international marketing, and management consulting was limited to 30% in 1997. Ownership of investments serving the domestic market was limited to 49%. In December 2000, the Investment Promotion Act was passed, designed to streamline the investment process.

Total foreign direct investment (FDI) was $33 million in 1996 (although because foreign investors have not been registering with the Central Bank since the abolition of exchange controls in 1994, it is generally cautioned that official statistics underestimate the amount of foreign investment in the country. Not included is the increasingly important offshore financial sector.). In 1997, FDI inflow rose to $56 million, mainly due to

investments from South Africa in the banking sector. FDI inflow fell to $12.7 million in 1998, but increased to $55 million in 1999, most investments coming from South Africa. In 2000, FDI inflow reached almost $260 million, mostly due to France Telecom's purchase of a 40% share of Mauritius Telecom as part of their strategic alliance. Most investments in Mauritius' Export Processing Zone (EPZ) have been in low-skilled manufacturing enterprises in textiles, garments, toys, and leather goods.

[39]ECONOMIC DEVELOPMENT

France has backed training for labor, a stock exchange (which opened under the Stock Exchange Act of 1988), and irrigation projects. The EU is supporting efforts at diversifying agriculture. The Mauritius plan to become an international financial center advanced as liberalized currency rules were put into effect in 1986. In 1995, Mauritius became the 12th member of the Southern African Development Community (SADC). Mauritius intended to invest up to $1.5 billion in infrastructure development projects from 1997 to 2007.

The government is putting effort into information and communications technologies, in an effort to diversify the economy away from its reliance upon sugar, textiles and apparel, and tourism. The government developed a five-year Sugar Sector Strategic Plan for 2001–05, to restructure the sugar industry, including reducing the labor force and the number of sugar mills in operation. The country's export processing zone firms have sizeable investments in Madagascar's export processing zone, and have been affected by political upheavals there. Nonetheless, growth in Mauritius was strong in the early 2000s, and social conditions were improving. A rising unemployment rate is a concern, however. Tax reform was being considered in 2002–03, and planned capital projects were being reviewed. The government passed anti-money laundering and anti-terrorism legislation.

[40]SOCIAL DEVELOPMENT

Mauritius has a universal system of pensions that supplements an earnings-related pension system. The universal pension covers all residents, and is financed entirely from government sources. The universal pension pays a fixed sum according to the age of the pensioner. Employee pension benefits are determined by the number of years worked. A program of family allowances assists needy families with more than three children. Employment-related sickness and maternity benefits are provided, as well as worker's compensation and unemployment benefits under a 1993 law.

The constitution prohibits discrimination based on sex. Although women do not face significant legal discrimination, most remain limited to traditional subordinate roles in the household and in the workplace. Domestic violence is pervasive and is often related to drug and alcohol abuse. The government is strengthening laws to protect women, although most stay with abusive spouses for financial and cultural reasons.

The government is committed to promoting the rights of children. The government is collaborating with the United Nation's Children's Fund to help it address the growing problem of domestic violence, including spousal and child abuse.

Ethnic tensions exist between majority Hindus and minority Muslims. Human rights are generally respected, but there are reports of the mistreatment of prisoners and suspects.

[41]HEALTH

As of 1999, there were an estimated 0.9 physicians and 3.1 hospital beds per 1,000 people. In the same year total health care expenditure was estimated at 3.4% of GDP. In 2000, 100% of the population of Mauritius had access to safe water and 100% had adequate sanitation.

The average life expectancy in Mauritius in 2000 was 72 years and the infant mortality rate was 16 per 1,000 live births. As of 2002, the crude birth rate and overall mortality rate were estimated at 16.34 and 6.8 per 1,000 people respectively. The maternal mortality rate was 50 per 100,000 live births in 1998. As of 2000, 75% of married women (ages 15 to 49) were using contraception.

According to World Health Organization reports, 5.3% of children 3–6 years of age were anemic in 1995. Immunization rates for 1997 for children up to one year old were: diphtheria, pertussis, and tetanus, 89%, and measles, 85%.

The island of Mauritius has a high prevalence of non-insulin dependent diabetes. Physical inactivity and glucose intolerance through obesity are suggested culprits.

The high rates of coronary heart disease seen in Asian Indians, African-origin Creoles, and Chinese in this rapidly developing country may point to future problems in this region. Most deaths are cardiovascular-disease related. In the mid-1990s, almost half (47.2%)of Mauritius's male population smoked.

At the end of 2001 the number of people living with HIV/AIDS was estimated at 700 (including 0.1% of the adult population). HIV prevalence in 1999 was 0.08 per 100 adults.

[42]HOUSING

There are three basic types of houses: wattle and daub construction with thatched roofs; galvanized sheet-iron structures; and houses constructed of wood. In 2000, There were 297,671 housing units nationwide. Of theses, about 65% were detached houses, 24.5% were semi-detached homes or blocks of flats. About 99% of all dwellings were privately owned. Most households have three to five people. About 83.7% of all dwellings have indoor piped water, 99% have electricity, 87.8% have an indoor kithcen, and 74.8% have an indoor bathroom.

[43]EDUCATION

Education is free up to college level and is compulsory between the ages of 5 and 12. The educational system is based largely in the British school system. Projected adult illiteracy rates for the year 2000 stand at 15.7% (male, 12.3%; female, 19.0%). In 1997, an estimated 283 primary schools had 127,109 pupils and 6,434 teachers. General secondary schools had a total of 93,839 pupils and 4,710 teachers in the same year. The pupil-teacher ratio at the primary level was 26 to 1 in 1999. In the same year, 94% of primary-school-age children were enrolled in school, while 73% of those eligible attended secondary school. Postsecondary institutions include the University of Mauritius, the Mauritius College of the Air, and the Mahatma Gandhi Institute. In 1997–98, all institutions of higher learning combined had 6,419 pupils, 50% of which were female. Many university students study in Europe, India, Australia, and the United States. As of 1999, public expenditure on education was estimated at 4.2% of GDP.

[44]LIBRARIES AND MUSEUMS

Libraries include the Mauritius Institute Public Library (75,000 volumes), the Mauritius Archives (36,000), the University of Mauritius Library (35,000), and the Port Louis City Library (110,000). The Sugar Industry Research Institute Library maintains a unique collection of 29,870 volumes on all aspects of sugar cane cultivation and manufacture. In 2001, Mauritius had a total of 10 museums. The Mauritius Institute operates the Natural History Museum (1880) in Port Louis. The Historical Museum (1950) is in Mahébourg. The Folk Museum of Indian Migration is in Moka at the Mahatma Gandhi Institute. Port Louis is also home to a historical museum and a natural history museum.

45 MEDIA

All parts of the island are linked by telegraph, telephone, and postal services; as of 1998 there were 245,000 mainline telephones in use and 60,482 cellular phones. The state-owned Mauritius Broadcasting Corp. provides radio and television service in French, English, Hindi, and Chinese. In 2001, the government established the Independent Broadcast Authority, which is intended to formulate regulations for private broadcast licenses. The members of the group are primarily representatives of government ministries and the chair is appointed by the Prime Minister. In 1998, there were 5 AM and 9 FM radio stations. There were 2 television stations in 1997. In 2000 there were 379 radios and 268 television sets for every 1,000 people. The same year, there were about 101 personal computers in use for every 1,000 people. Two Internet service providers served about 87,000 subscribers in 2001.

There are over a dozen privately owned newspapers across the country. Leading daily newspapers (with 2002 circulations) include *L'Express* (35,000), *Le Mauricien* (35,000), *The New Nation* (15,000), and *The Sun* (unavailable), each published in Port Louis in both French and English. There are three major Chinese language newspapers.

Free speech and press are constitutionally provided and said to be respected by the government.

46 ORGANIZATIONS

There are various commercial and scholarly organizations of the Western type, including the Mauritius Chamber of Commerce and Industry; the Indian Traders' Association; the Mauritius Employers' Federation; The Mauritius Cooperative Agricultural Federation (which had 209 member societies in 1993); and the Mauritius Cooperative Union.

National youth organizations include the Young Socialists, the Mauritius Scout Association, the Mauritius Student Association for the United Nations, the Mauritius Union of Students' Councils, the Mauritius World Federalist Youth, the Mauritius Young Communist League, the National Federation of Young Farmers Clubs, and YMCA/YWCA. The International Council of Hindu Youth also has a base in Mauritius. The Institute for Consumer Protection, founded in 1983, offers programs for maternal and infant health.

The multinational Indian Ocean Commission, founded in 1982, is based in Mauritius. International organizations with active chapters in the country include Amnesty International and the Red Cross.

47 TOURISM, TRAVEL, AND RECREATION

The government has made efforts to promote upscale tourism and attract visitors from more countries. In 2000, 656,453 tourists visited Mauritius with receipts totaling $542 million. That year there were 8,657 hotel rooms with 17,776 beds and a 70% occupancy rate.

In addition to the nation's beaches, lagoons, and other scenic sites, tourist attractions include the colonial architecture of Port Louis, an extinct volcano in Curepipe, the fishing port and naval museum at Mahebourg, and the Botanical Gardens at Pamplemousses.

No visas are required for nationals of many European countries and the US, provided a return or onward ticket can be produced on arrival.

The estimated daily cost of staying in Mauritius in 2002 was $205, according to UN estimates. Elsewhere the average cost per day can be around $80 per day.

48 FAMOUS MAURITIANS

Sir Seewoosagur Ramgoolam (1900–85), the first leader of independent Mauritius, was prime minister from 1968 to 1982, when Aneerood Jugnauth (b.1930) succeeded him. The prime minister, Navinchandra Ramgoolam (b.1947), has been in office since 1995.

49 DEPENDENCIES

Dependencies are the Agalega Islands and the St. Brandon Group.

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MOROCCO

Kingdom of Morocco
Al-Mamlakah al-Maghribiyah

CAPITAL: Rabat

FLAG: The national flag consists of a green five-pointed star at the center of a red field.

ANTHEM: The *Hymne Chérifien* is a twentieth-century composition without words.

MONETARY UNIT: The dirham (DH) is a paper currency of 100 Moroccan centimes. There are coins of 1, 5, 10, and 20 Moroccan centimes and ½, 1, and 5 dirhams, and notes of 5, 10, 50, 100, and 200 dirhams. DH1 = $0.1021 (or $1 = DH9.79) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Anniversary of the King's Accession, 3 March; Labor Day, 1 May; National Day, 14 August; Anniversary of the Green March, 6 November; Independence Day, 18 November. Movable religious holidays include 'Id al-Fitr, 'Id al-Adha', 1st of Muharram (Muslim New Year), and Milad an-Nabi.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated at the northwestern corner of Africa, with its northernmost point only 29 km (18 mi) south of Gibraltar, Morocco claims a total area of 446,550 sq km (172,414 sq mi), of which the Western Sahara comprises 252,120 sq km (97,344 sq mi). The Western Sahara is claimed and administered by Morocco, but as of late 2002, sovereignty is unresolved. Comparatively, the area occupied by Morocco is slightly larger than the state of California. Morocco extends 1,809 km (1,124 mi) NE–SW and 525 km (326 mi) SE–NW. Morocco proper is bordered on the N by the Mediterranean Sea and the two Spanish enclaves of Ceuta and Melilla, on the E and SE by Algeria, on the S by Western Sahara, and on the W by the Atlantic Ocean, with a total land boundary length of 2,018 km (1,254 mi) and a coastline of 1,835 km (1,140 mi).

Morocco's capital city, Rabat, is located on the Atlantic coast.

[2]TOPOGRAPHY

Morocco proper is divided into three natural regions: (1) the fertile northern coastal plain along the Mediterranean, which also contains Er Rif, mountains varying in elevation up to about 2,400 m (8,000 ft); (2) the rich plateaus and lowlands lying between the three parallel ranges of the rugged Atlas Mountains, which extend from the Atlantic coast in the southwest to Algeria and the Mediterranean in the northeast; and (3) the semiarid area in southern and eastern Morocco, which merges into the Sahara Desert. The Atlas Mountains, with an average elevation of 3,350 m (11,000 ft), contain some of the highest peaks of North Africa, including Mt. Toubkal (4,165 m/13,665 ft), the highest of all. South of the Atlas are the Anti-Atlas Mountains, with volcanic Mt. Siroua (3,300 m/10,800 ft). The Western Sahara is rocky, sandy, and sparsely populated, unsuited for agriculture but rich in phosphate deposits.

Morocco has the most extensive river system in North Africa. Moroccan rivers generally flow south or westward to the Atlantic or southeastward toward the Sahara; the Moulouya (Muluya), an exception, flows 560 km (348 mi) northeast from the Atlas to the Mediterranean. Principal rivers with outlets in the Atlantic are the Oumer, Rebia, Sebou (Sebu), Bou Regreg, Tensift, Draa, and Sous (Sus). The Ziz (Zis) and Rheris are the main rivers flowing southward into the Sahara.

[3]CLIMATE

The rugged mountain ranges and the Atlantic Ocean moderate the tropical heat of Morocco. Temperatures in Casablanca range from an average minimum of 7°C (45°F) to a maximum of 17°C (63°F) in January and from a minimum of 18°C (64°F) to a maximum of 26°C (79°F) in July. Temperature variations are relatively small along the Atlantic coast, while the interior is characterized by extreme variations. The eastern slopes of the Atlas Mountains, which divert the moisture-laden Atlantic winds, have a rigorous pre-Saharan climate, while the western slopes are relatively cool and well watered. The rainy seasons are from October to November and from April to May. Maximum annual rainfall (75–100 cm/30–40 in) occurs in the northwest. Other parts of the country receive much less; half of all arable land receives no more than 35 cm (14 in) a year.

[4]FLORA AND FAUNA

Extensive stands of cork oak exist in the Atlantic coastal region, while rich evergreen oak, cedar, and pine forests are found on the slopes of the Atlas. In the steppe region, shrubs, jujube trees, and the mastic abound, and along the wadis there are poplars, willows, and tamarisks. The olive tree is widely distributed, but the oil-yielding argan tree, unique to Morocco, grows only in the Sous Valley. The desert is void of vegetation except for occasional oases. Although the lion has disappeared, panthers, jackals, foxes, and gazelles are numerous. The surrounding waters abound in sardines, anchovies, and tuna.

[5]ENVIRONMENT

Livestock overgrazing, clearing of forests for fuel, and poor soil conservation practices have led to soil erosion and desertification. Pollution of Morocco's water and land resources is due to the dumping of industrial wastes into the ocean, the country's inland

water sources, and the soil. Water supplies have also been contaminated by the dumping of raw sewage and coastal waters have been polluted by oil. The nation has about 30 cu km of renewable water resources. Ninety-two percent is used in farming and 3% for industrial activity. About 98% of the nation's cities have pure water, but only 56% of rural dwellers have the same access. Morocco's cities produce about 2.4 million tons of solid waste per year. The nation's environment is further challenged by pesticides, insect infestation, and accidental oil spills. Destruction of wildlife has occurred on a large scale, despite strict laws regulating hunting and fishing. Moreover, the drainage of coastal marshlands to irrigate cultivated land has significantly reduced the numbers of crested coots, purple herons, and marbled and white-headed ducks. The elimination of living areas for Morocco's wildlife threatens 18 of the nation's mammal species and 11 bird species. About 182 plant species are also endangered. Endangered species in Morocco include the Barbary hyena, Barbary leopard, waldrapp, Spanish imperial eagle, Mediterranean monk seal, and Cuvier's gazelle. The Bubal hartebeest is extinct. The Sahara oryx is extinct in the wild. The Ministry of Housing Development and Environment considers environmental impact as an integral part of its development strategy.

[6]POPULATION

The population of Morocco, including Western Sahara, was estimated by the United Nations at 30,566,000 in 2003, which placed it as number 37 in population among the 193 nations of the world. In that year approximately 5% of the population was over 65 years of age, with another 32% of the population under 15 years of age. There were an equal number of males and females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.62%, with the projected population for the year 2015 at 36,496,000. The population density in 2002 was 66 per sq km (172 per sq mi); however, the population density is highest in the plains and coastal areas of northwestern Morocco. Most of the population lives in the fertile plains or near the Mediterranean coast.

It was estimated by the Population Reference Bureau that 56% of the population lived in urban areas in 2001. The capital city, Rabat, had a population of 1,453,000 in that year. Other major cities are Marrakech, 1,517,000; Fès (Fez), 1,012,000; Meknès, 750,000; Tangier, 554,000; Oujda, 962,000; Tétouan, 856,000; Safi, 845,000; and Kénitra, 905,000. According to the United Nations, the urban population growth rate for 2000–2005 was 2.8%.

[7]MIGRATION

The Moroccan government encourages emigration because of the benefit to the balance of payments of remittances from Moroccans living and working abroad. Remittances came to 6.6% of GDP in 2000, amounting to $2,161,000,000. In the first half of the 1990s, about 585,000 Moroccans lived in France, nearly 142,000 in Belgium, some 67,500 in Germany, almost 157,000 in the Netherlands, and 50,000 in Spain. There is some seasonal migration within Morocco as workers move into cities and towns after planting and harvesting are finished. Over 200,000 people migrate permanently to the cities each year; the urban share of the total population increased from 29% to 48% between 1960 and 1994.

The war in Western Sahara has been a cause of significant migration, both of settlers from Morocco proper and of refugees to Algeria, (165,000 of the latter at the end of 1992). In late 1997 and early 1998, UNHCR established a presence in the Western Sahara Territory. In 1999 talks were underway with local authorities to plan for the repatriation of Saharawi refugees, mostly settled in four refugee camps in Tindouf. Repatriation was tentatively scheduled to begin in 2000. In 2000, the net migration rate was -1.5 migrants per 1,000 population. The number of migrants in Morocco in that year was 26,000. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

Arab-Berbers constitute 99.1% of the total population. Berbers, who comprise a little more than 33% of the population, are concentrated largely in the northern regions of the Rif, the middle plains of the Atlas, and the Sous Valley. Arabs, who constitute about 66% of the population, are distributed principally along the Atlantic coastal plain and in the cities. The Berbers and Arabs are closely intermingled, and bilingualism is common. Formerly the Jewish community played a significant role in the economic life of the country, but its numbers decreased from about 227,000 in 1948 to an estimated 10,000 in 1989. By 1998, Jews made up only 0.2% of the population. Other groups made up the remaining 0.7%, including French, Spanish, Italian, and Algerian nationals living in Morocco.

[9]LANGUAGES

Although classical Arabic is the written and official language, Maghribi Arabic, a dialect peculiar to Morocco, is widely spoken; it can hardly be understood by Arabs of the Middle East. Berber dialects, principally Rifi, Tamazight, and Tashilhit, are spoken in more remote mountainous areas by less than one-third of the populace. French is often used as the language of business, government, and diplomacy. Spanish is also spoken.

[10]RELIGIONS

More than 99% of Moroccans are Sunni Muslims. The activity of other sects (chiefly Sufi) has diminished since independence. Islam was officially declared the state religion in 1961, but full religious freedom is accorded Christians and Jews. Most of the country's practicing Christians are part of the foreign community, with a majority of them affiliated with the Roman Catholic church. Rabat and Casablanca have small Protestant communities. There are only about 5,000 Jews in the country, also mostly in the Casablanca and Rabat urban areas. There are small numbers of Baha'is and Hindus.

Under the leadership of King Mohammed VI (since 1999), the government has generally encouraged and promoted tolerance and respect among religions. For instance, in 1998 the government created a department for the study of comparative religions at the University of Rabat. However, it is illegal to attempt to convert any Muslim to another faith and traditional Islamic law requires punishment for Muslims who convert.

[11]TRANSPORTATION

The road network in 2002 extended 57,847 km (35,946 mi), of which 30,254 km (18,800 mi) were paved. There were 354,818 passenger cars and 249,617 commercial vehicles in use in 2000.

The railroad system is administered by the National Railroad Office and consists of 1,907 km (1,185 mi) of standard-gauge railways, about 1,003 km (623 mi) of which are electrified; diesel-operated trains are used on the remainder. The main lines run from Marrakech to Casablanca, Rabat, and Sidi Kacem and then branch north to Tangier and east to Meknès, Fès, and Oujda (on the Algerian border).

Casablanca is by far the most important port, second largest in Africa, it accounted for 40% of goods loaded and unloaded. Tangier is the principal passenger and tourist port; Mohammedia handles most oil imports and can accommodate 100,000-ton tankers. There are also regional ports at Safi, Agadir, and Nador, as well as 10 minor ports. The Moroccan Navigation Co. (Compagnie Marocaine de Navigation-COMANAV), the largest shipping company, is 96% government owned; 41 merchant ships had combined gross tonnage of 227,364 as of 2002.

LOCATION: 27°40′ to 35°56′ N (23° to 35°56′ N including Western Sahara); 0°58′ to 13° W (0°58′ to 16°21′ W including Western Sahara). BOUNDARY LENGTHS: (excluding Western Sahara): total coastline, 1,835 kilometers (1,140 miles); Algeria, 1,559 kilometers (974 miles); Western Sahara, 443 kilometers (275 miles). TERRITORIAL SEA LIMIT: 12 miles.

Morocco has eight international airports, at Casablanca, Rabat, Tangier, Marrakech, Agadir, Fès, Oujda, and Al-Hoceima. In all there were 67 airports in 2001, 26 of which had paved runways. The government-controlled Royal Air Maroc was founded in 1953 and operates flights to the US, Latin America, Europe, Africa, and the Middle East; the airline also provides

domestic service through a subsidiary, Royal Air Inter. In 2001, 3,680,700 passengers were carried on scheduled domestic and international airline flights.

12 HISTORY

The Berbers, the earliest known inhabitants of Morocco, suffered successive waves of invaders in ancient times: the Phoenicians, Carthaginians, Romans (1st century BC), Vandals (5th century AD), and finally the Byzantines (6th century). In 682, when the Arabs swept through North Africa, Okba (Uqba ibn-Nefi) conquered Morocco. Under successive Moorish dynasties, beginning with Idris I (Idris bin 'Abdallah) in 788, the Berber tribes were united and the Islamic faith and Arabic language adopted. The Idrisid dynasty, an offshoot of the Umayyad dynasty, with its capital at Fès (founded in 800), lasted until 974, when it was overthrown by the Berbers. Rising in the Sahara in the early 11th century, the powerful Muslim sect of the Almoravids extended its conquests over North Africa and ultimately into Spain. 'Abdallah bin Yasin, its chief, was proclaimed ruler over Morocco in 1055. In 1147, the Almohad sect (Al-Muwahhidun), led by 'Abd al-Mumin bin 'Ali, conquered the Almoravids and ruled Morocco until 1269, when the Marinid (Beni Marin) dynasty came to power.

In the 16th century, the Sa'udi dynasty, the new monarchical line, began. Ahmad al-Mansur (called Ad-Dahabi, "the Golden"), the greatest of the Sa'udi kings, ruled from 1578 to 1603 and inaugurated the golden age of Moroccan history. He protected Morocco from Turkish invasion, strengthened the country's defenses, reorganized the army, and adorned his magnificent capital at Marrakech with the vast booty captured in Timbuktu (1591). The decadence of the last Sa'udi kings brought Morocco under the control of the Filali dynasty, of mixed Arab and Berber descent, which continued to modern times.

Trade with France and other European countries became increasingly important in the 18th and 19th centuries, and when the French in 1844 defeated the combined Moroccan and Algerian forces at Isly, France became the ascendant power. Spain, under an agreement with France, invaded and occupied northern Morocco in 1860. There followed some 45 years of trade rivalry among the European nations in Morocco. The Act of Algeciras, signed on 7 April 1906 by representatives of the United States, Germany, the UK, France, and Spain (among others), established the principle of commercial equality in Morocco and provided for a joint Spanish-French police force in Moroccan ports.

On 30 March 1912, after France had ceded some 260,000 sq km (100,000 sq mi) of the French Congo to Germany, the French imposed a protectorate in Morocco under Marshal Louis Lyautey. The Moroccans, led by 'Abd al-Karim, a guerrilla leader, fought for independence in the Rif War (1921–26) but were defeated by the combined French and Spanish forces, although sporadic fighting continued in Morocco until 1934.

A nationalist movement first took shape around the Plan of Reforms (1934) submitted to the French government by a group of young Moroccans. In 1934, the National Action Bloc was formed, and 'Alal al-Fasi became the uncontested nationalist leader. In December 1943, the Bloc was revived as the Istiqlal (Independence) Party, which during and after World War II pressed for independence and reforms. It received support from the Sultan, Sidi Muhammad bin Yusuf, later King Muhammad V, who became the symbol of the independence struggle. He was exiled in late 1953, and two years of terrorism ensued. After lengthy negotiations, the Franco-Moroccan agreement of 2 March 1956 granted independence, and Muhammad V became king of Morocco. Incorporated into the new nation was Tangier, once British territory, which had come under the rule of a consortium of powers in 1906 and since 1923 had been the center of an international zone.

After the death of Muhammad V on 26 February 1961, his son was crowned King Hassan II and became head of government. Hassan II increased his political power throughout the 1960s. In 1962, a constitutional monarchy was established, with the king retaining extensive powers. In June 1965, after student riots and other disorders, Hassan II declared a state of emergency and assumed all legislative and executive powers. A revised constitution promulgated in 1970 and approved by popular referendum gave the king broad personal power but reestablished parliament and ended the state of emergency. An attempted coup d'etat by right-wing army officers in July 1971 forced the king to accept, at least in principle, the need for a more broadly based government. A third constitution, approved by referendum on 1 March 1972, transferred many of the king's executive and legislative powers to a parliament which was to have two-thirds of its members directly elected. However, a second coup attempt in August 1972 caused the king to renew the emergency decrees.

In 1975, after Spain announced its intention of withdrawing from sparsely populated but phosphate-rich Spanish Sahara (now the Western Sahara), the king pressed Morocco's claim to most of the territory. Following the government's well-organized "Green March" of about 350,000 Moroccans into the territory in November, Spain ceded the northern two-thirds of the region to Morocco and the southern third to Mauritania. However, Algeria refused to recognize the annexation and supported the claim to the territory by guerrillas of the Popular Front for the Liberation of Saguia al-Hamra and Río de Oro, better known as Polisario. The movement, based in the Algerian border town of Tindouf, proclaimed Western Sahara as the Saharan Arab Democratic Republic (SADR). In 1979, Mauritania renounced its claim to the southern part of the territory, which Morocco then occupied and annexed. By the early 1980s, Morocco had moved up to 100,000 soldiers into Western Sahara in a costly effort to put down the Polisario revolt. The army built a wall of earth and sand around the productive northwestern coastal region, containing about 20% of the total area, the towns of El Aaiún and Samara, and phosphate mines; later, three-quarters of the Western Sahara was enclosed. In the meantime, Polisario received not only military support, mainly from Algeria and Libya, but also diplomatic support from some 50 countries and from the OAU, which in 1982 seated a delegation from the SADR, provoking a walkout by Morocco and more than a dozen other members. In 1984, Morocco resigned from the OAU when it seated the SADR at its annual summit meeting. Earlier, in 1981, the King's agreement under African pressure for a referendum in the territory provoked strong criticism from Morocco's Socialist Party.

In 1988, UN Secretary General Perez de Cuellar persuaded Moroccan and Polisario representatives to accept a peace plan that included a cease-fire (effective in September 1991) and a referendum for the territory on independence or integration with Morocco. The vote was scheduled for 1992 but has been blocked by disagreement by the two sides on details, especially over voter eligibility. The UN force sent to mediate the struggle, MINUSRO (UN Mission for the referendum in Western Sahara) has been struggling to hold the referendum. In 1997, UN Secretary General Kofi Annan sent former US Secretary of State James Baker to the region in hopes of ending the intransigence. Throughout the stalemate, the Moroccan government has repeatedly been accused of human rights violations in the Western Sahara.

On 13 August 1984, Morocco and Libya signed a treaty calling for a federation of the two countries. No concrete steps were taken, and Hassan II abrogated the pact following Libyan denunciation of the king for officially receiving Israeli Prime Minister Shimon Peres in July 1986. Israeli Prime Minister Rabin made a public visit in 1993 as the king continued to play a moderate role in the search for an Arab-Israel settlement. He also mediated the 1994 Israeli treaty with Jordan. In 1989, after a border agreement and restored relations with Algeria, Morocco

promoted the formation of the Arab Maghreb Union of the states of North Africa. King Hassan's government maintains close relations with Sa'udi Arabia and the other Gulf states and was the first Arab nation to condemn the Iraqi invasion of Kuwait.

Austerity measures demanded by the IMF in return for new credits led to serious street riots in June 1984 in protest against an imminent price hike (subsequently canceled) for basic foodstuffs. In 1993, after pro-government parties won most local elections the previous year, parliamentary elections were held. The two largest opposition parties, the Istiqlal and USFP, won over 40% of the vote, but center-right parties of the ruling coalition gained a slim majority in the vote's second stage amid charges of election fraud. When the opposition refused to join in a new coalition, a cabinet of technocrats and independents was approved by the king under Prime Minister Mohamed Karim Lamrani, who promised to accelerate the privatization of state-owned enterprises.

Meanwhile, the country's political opposition grew quite vocal in their discontent, prompting government reprisals. The country's most famous Islamist politician, Abdelsalam Yassine, was imprisoned, and Istiqlal joined forces with an Islamist organization to form a substantial opposition party. In response, King Hassan proposed in 1996 to make all of parliament directly elected—previously, one-third of the deputies were appointed, giving the king power to undermine any opposition majority. The king also proposed the creation of a second chamber of advisers—a move seen by opposition parties as simply replacing one rubber stamp chamber with another. Still, the proposals were put to a vote on 13 September and approved by, officially, 99% of the population.

Elections for the new chambers were scheduled for 1997. In the months leading up to the elections, opposition skepticism waned as the government made repeated assurances that voting would be fair and the results would be respected. In June 1997 elections for 24,523 municipal council and commune seats were held and judged to be fair. The Bloc democratique won 31.7% of the seats, but control remained for the Entente nationale with 30.3% and the RNI, 26.4%.

Following the local elections, legislation in 1997 set up the new bicameral parliament approved in the 1996 constitutional referendum. The Chamber of Representatives would consist of 325 members directly elected for a five-year term. The Chamber of Advisors would be made up of 270 members selected by indirect election: 162 would represent local authorities, 81 trade chambers, and 27 employees' associations. In the same 1996 referendum 16 new regional councils, with members chosen for six-year terms by indirect election through an electoral college representing professions and local governments, had been established, and elections for these took place in October 1997.

The Chamber of Representatives elections took place on 14 November 1997. Fifty-eight percent of the voters participated. The Bloc democratique won 34.3% of the vote, the Entente nationale 24.8%, and the center-right parties 27.3%. In a direct appeal to young voters on the part of most of the parties, 43% of the new chamber was made up of members under 45 years of age. Seventy percent of the Moroccan population is under 25 years of age. Indirect elections for the Chamber of Advisors were held on 5 December 1997. The right and center-right parties predominated, as was expected, winning 166 of the 270 seats. The new two-house parliament met for the first time in January 1998.

On 4 February 1998 King Hassan appointed Abd ar-Rahman el-Youssoufi, leader of the USFP, as prime minister. This was a groundbreaking event, as it was the first time an opposition member had been appointed prime minister. The Youssoufi government attempted to tackle corruption and promote transparency of government. Though results were, on the whole, disappointing, King Hassan praised the government in March 1999.

On 23 July 1999 King Hassan died of a heart attack. He was succeeded by his eldest son, as Mohammed VI. One of his first important moves was to dismiss King Hassan's longtime Interior Minister and advisor, Driss Basri. Basri had been considered the real power behind King Hassan, so this move gave a clear indication that Mohammed VI plans to reign in control of his government. Upon assuming the throne, he pledged his commitment to constitutional monarchy, political pluralism and economic liberalism. Mohammed VI claimed he would address problems of poverty, corruption, and Morocco's human rights record, and would engage in job creation. He is supported by reformers and the young, but is opposed by many Islamic conservatives.

Like most Islamic countries of the world, Morocco's government feels under threat from an internal Islamist movement, which itself is divided. The various groups have moved to fill the perceived void in social services: blood banks and medical clinics, food pantries, homeless shelters, and schools. Parliamentary elections were held on 27 September 2002, and the Islamist Justice and Development Party (PJD) trebled its seats, coming in third with 42 of 325 parliamentary seats; however, it was denied any ministerial posts in the governing coalition formed by the Socialist Union of Forces for Progress (which took 50 seats) and the nationalist Istiqlal Party (which won 48 seats). The PJD would like to see Islamic law applied nationwide, including a ban on alcohol and a provision to have women wear veils. Morocco's largest and most vocal Islamist organization, Justice and Charity, works outside of the electoral process. Justice and Charity formally rejects the king and the Moroccan constitution, and thus is prevented from participating in organized politics as a party. Justice and Charity's leader instructed his followers to boycott the elections entirely. The group is gaining in popularity; estimates place its membership from between 50,000 and 500,000, and it is especially popular among those under age 30.

Moroccan authorities have begun a crackdown against Islamist groups, including the Salafist Combatants, who have committed crimes in the country. Mosques and bookshops have been closed, and detentions and arrests of Islamists have increased. Critics of the government's actions have stated that the crackdown fails to address problems such as poverty and ignorance, which are causes of radicalism. In June 2002, three Saudis and seven Moroccan nationals, including three women, were arrested and accused of being part of an al-Qaeda plot to plan terrorist acts in Morocco and against Western ships crossing the Strait of Gibraltar.

On 11 July 2002, Moroccan frontier guards planted the national flag on the uninhabited island of Perejil (Leila in Arabic), claimed by Spain. Spain landed troops to "recapture" the island, which Morocco claimed was equivalent to an act of war. The eviction of the Moroccan soldiers took place without any casualties. The United States helped to negotiate a deal to remove all forces from the island. The incident was one of a series of disputes between Spain and Morocco over a number of issues, including fishing rights, illegal immigration by Moroccans to Spain, the Spanish occupation of Ceuta and Melilla on the northern coast of Morocco, and the status of Western Sahara. Full diplomatic ties were reestablished between Spain and Morocco in January 2003.

Regarding Western Sahara, efforts were undertaken in the late 1990s to register voters eligible for a referendum to be held in the region. Morocco stated that approximately 200,000 people were eligible as voters, while Polisario stated only 70,000 people were natives of the territory. In November 2001, King Mohammed VI declared the UN's plan to hold the referendum on Western Sahara "null." Negotiations between the two parties had taken place in

2000 and 2001 under the guidance of former US Secretary of State and current UN envoy to Western Sahara, James Baker, and a "Framework Agreement" was drawn up, that would make Western Sahara an autonomous part of Morocco for a 5-year period, after which a referendum would be held to determine if the region would become independent. Another option would allow for the division of the territory, with one part going to Morocco and the rest becoming an independent Western Saharan state. In January 2003, Polisario rejected a new proposal for the territory put forward by Baker, which did not guarantee enough autonomy for the group to relinquish its demand for a referendum on independence.

13 GOVERNMENT

The Moroccan crown is hereditary and is passed on to the oldest male descendant in direct line or to the closest collateral male relative. The king, claiming descent from the Prophet Mohammad, is commander of the faithful and the symbol of national unity. He makes all civil and military appointments and signs and ratifies treaties. He can dismiss the parliament (if in session) and bypass elected institutions by submitting a referendum to the people on any major issue or whenever parliament rejects a bill he favors. He presides over the cabinet, and if the integrity of the national territory is threatened or events liable to jeopardize the functioning of Morocco's national institutions occur, he may declare a state of emergency.

The constitution of 1992 was amended by referendum in 1996. The national legislature became bicameral with the lower house elected directly and the upper house consisting of two-thirds of its members elected and one-third appointed by the king. The Chamber of Representatives consists of 325 members directly elected for five-year terms. The Chamber of Advisors consists of 270 members selected by indirect election: 162 would represent local authorities, 81 trade chambers, and 27 employees' associations. Suffrage is universal at age 21.

14 POLITICAL PARTIES

Morocco has a well-developed multi-party system with varying numbers of officially recognized parties and remarkably stable and long-lived leadership.

The largest traditional party is the Istiqlal (Independence) Party, whose leader after its formation in 1943 was 'Alal al-Fasi. The Istiqlal, once a firm supporter of the throne, now follows a reformist program and backs the king on specific measures only; it had no representation in the government from 1963 to 1977.

The National Union of Popular Forces (Union Nationale des Forces Populaires—UNFP) was formed in September 1959, following a split in the ranks of the Istiqlal in January of that year. At that time, the UNFP was a coalition of left-wing ex-Istiqlalis, trade unionists, resistance fighters, and dissident members of minor political parties and drew support from the modern cities (Casablanca) and the Sous River Valley. Among its leaders were Mehdi bin Barka; Muhammad al-Basri, a leader of the Liberation Army in 1953–55; 'Abderrahim Bouabid; and Mahjub bin Sadiq, head of the Moroccan Labor Union (Union Marocaine du Travail— UMT). The party was handicapped by factionalism and further weakened by the political neutrality of the UMT after 1963, by the kidnapping and disappearance of Bin Barka in France in 1965, and by other apparent instances of government repression, including the imprisonment of Bin Sadiq in 1967.

In 1970, the UNFP and Istiqlal, having lost some popular support, formed the National Front to boycott the elections. The Front was dissolved in 1972, by which time the split between the political and trade union wings of the UNFP had become open, and in 1973 many UNFP leaders were arrested and tried for sedition in connection with civil disorders and guerrilla activities. The UNFP formally split into two parties in 1974, the more radical trade union wing calling itself the UNFP and the political wing forming the Socialist Union of Popular Forces (Union Socialiste des Forces Populaires—USFP).

The program of the Moroccan Communist Party has often been close to that of the UNFP. From 1969 to 1974, the Communist Party was banned, but since then it has appeared under various names. Two communist parties contested the 1997 elections, the Party of Renewal and Progress (PRP) and the Organization of Action for Democracy and the People (OADP), with the PRP obtaining nine seats in the lower house and seven in the upper house, while the OADP obtained four in the lower house and none in the upper house. The USFP, Istiqlal, PRP, and OADP formed the Democratic Block.

The National Entente block was made up of three parties: the conservative Popular Movement (MP), the conservative National Democratic Party (PND), and the centrist Constitutional Union.

The Center block was made up of the National Rally of Independents (RNI), the Democratic and Social Movement (MDS), and the National Popular Movement (MNP).

In addition, there are various other parties of liberal, socialist or Islamist orientation, the latter represented by the moderate Constitutional and Democratic Popular Movement (MPCD), which changed its name at the end of 1998 to the Party of Justice and Development (PJD).

King Hassan II sometimes worked through the party system and sometimes ignored it. In 1963, royalist forces united into the Front for the Defense of Constitutional Institutions. A leading party in the Front was the Popular Movement (Mouvement Populaire—MP), the party of Berber mountaineers. Governments formed by Hassan II have consisted of MP members, followers of royalist front parties, and independents and technocrats loyal to the king. Following 1993 elections, which saw Istiqlal and the USFP winning a majority of the elected seats, the king used his power to appoint friendly deputies to the seats he controls. Opposition parties protested by refusing to participate in the government. In 1996, the king submitted for referendum revisions to the constitution allowing for direct election for all members of parliament, a move greeted with initial suspicion but ultimately heralded as democratic as the 1997 elections for the newly comprised body approached. The various parties formed into Blocks, as listed above, though maintaining separate candidate lists. The results showed 15 parties gaining seats in the lower house and 13 obtaining seats in the upper house.

Twenty-six political parties participated in the 27 September 2002 elections for the Chamber of Representatives. The USFP took 50 seats; Istiqlal won 48; the Justice and Development Party (PJD) won 42; the National Rally of Independents won 41 seats; the Popular Movement took 27; the National Popular Movement took 18; the Constitutional Union won 16; and 15 other parties were represented. Women were guaranteed 10% of the seats. Two new political parties were recognized by the government for the 2002 elections—the Moroccan Liberal Party (PLM) and the Alliance of Liberties (ADL), which aimed to involve the youth and women in political action. The ADL won 4 seats in the Chamber of Representatives. The Islamist Justice and Development Party trebled the number of its seats in parliament, coming in third behind the USFP and Istiqlal. Justice and Charity, said to be the largest Islamist group, remains banned.

In the 2002 elections, parties were organized in the following blocks: the left-wing block, comprised of the USFP; the Party for Progress and Socialism (PPS), formerly the Communist Party; the Leftist Unified Socialist Party (PGSU), formerly the OADP; and the Socialist Democratic Party. The center-right block is comprised of the Istiqlal Party and the PJD. The Berberist block includes the Popular Movement (MP); the National Popular Movement (MNP); and the Social Democratic Movement (MDS). The conservative block consisted of the National Rally of

Independents (RNI) and the Constitutional Union (UC). Driss Jettou was named prime minister.

[15]LOCAL GOVERNMENT

Local administration still follows many French and Spanish procedural patterns, but final authority rests with the king through the Ministry of the Interior. Morocco proper has 39 provinces and eight urban prefectures (including two at Rabat-Salé and five at Casablanca). Each province and prefecture has a governor appointed by the king. The provinces and prefectures select councils or assemblies, which hold public sessions in the spring and fall. The assemblies are largely restricted to social and economic questions.

The provinces are divided into administrative areas, called cercles, each headed by a superqaid (caidat). Each cercle is subdivided into rural and urban communes, each headed by a qaid or a pasha, respectively, and assisted by a council. Councilors are elected for six-year terms, and each council is composed of 9 to 51 members, depending on the size of the commune. The council president, chosen by secret ballot, presents the budget and applies the decisions of the council. Real power, however, is exercised by the qaid or pasha. The communes are supervised by the Ministry of the Interior, which retains final decision-making authority. As of 2002, there were 1,544 communes in Morocco; 247 are urban and 1,297 are rural.

[16]JUDICIAL SYSTEM

Morocco has a dual legal system consisting of secular courts based on French legal tradition, and courts based on Jewish and Islamic traditions.

The secular system includes communal and district courts, courts of first instance, appellate courts, and a Supreme Court. The Supreme Court is divided into five chambers: criminal, correctional (civil) appeals, social, administrative, and constitutional. The Special Court of Justice may try officials on charges raised by a two-thirds majority of the full Majlis. There is also a military court for cases involving military personnel and occasionally matters pertaining to state security. The Supreme Council of the Judiciary regulates the judiciary and is presided over by the king. Judges are appointed on the advice of the council. Judges in the secular system are university-trained lawyers. Since 1965 only Moroccans may be appointed as judges, and Arabic is the official language of the courts.

There are 27 Sadad courts, which are courts of first instance for Muslim and Jewish personal law. Criminal and civil cases are heard, and cases with penalties exceeding a certain monetary amount may be appealed to regional courts. The Sadad courts are divided into Shari'ah; Rabbinical; Civil, Commercial, and Administrative sections; and a criminal section.

[17]ARMED FORCES

Total Moroccan active armed strength in 2002 was 196,300 with reserves numbering 150,000. The army had 175,000 personnel, the navy 7,800, and the air force 13,500. Military hardware included 520 main battle tanks, 224 in store, and 100 light tanks; two frigates and 27 patrol and coastal combatant ships and boats; and 95 combat aircraft. Paramilitary forces totaled 50,000. The Polisario Front opposition forces were estimated between 3,000–6,000. Moroccan troops were stationed in three regions on peacekeeping missions. The 1999–00 budget called for defense expenditures of $1.4 billion or 4% of GDP.

[18]INTERNATIONAL COOPERATION

Morocco became a UN member on 12 November 1956 and participates in ECA and all the nonregional specialized agencies. The nation is a member of the African Development Bank, G-77, and the Arab League and is a signatory to the Law of the Sea. In recent decades, Morocco has pursued a policy of nonalignment and has sought and received aid from the United States, Western Europe, and the former USSR. Relations with Algeria and Libya have been tense, especially since Morocco's takeover of the Western Sahara. In 1988, UN Secretary General Perez de Cuellar negotiated with Morocco and Polisario (a group seeking sovereignty for the Western Sahara as the Saharan Arab Democratic Republic) to accept a cease-fire and to hold a referendum for the territory to determine whether it will be independent of integrate with Morocco. Although the vote was scheduled for 1992, it has been blocked by disagreements over voter eligibility, and sovereignty was unresolved as of 2003. Committed to the Arab cause in the Arab-Israeli conflict, Morocco sent troops to Syria in 1973. In 1989, Morocco restored relations with Algeria; it maintains relations with Saudi Arabia and the other Gulf states and condemned the Iraqi invasion of Kuwait.

[19]ECONOMY

The major resources of the Moroccan economy are agriculture, phosphates, and tourism. Sales of fish and seafood are important as well. Industry and mining contribute about one-third of the annual GDP. Morocco is the world's third-largest producer of phosphates (after the United States and China), and the price fluctuations of phosphates on the international market greatly influence Morocco's economy. Tourism and workers' remittances have played a critical role since independence. The production of textiles and clothing is part of a growing manufacturing sector that accounted for approximately 34% of total exports in 2002, employing 40% of the industrial workforce. The government wishes to increase textile and clothing exports from $1.27 billion in 2001 to $3.29 billion in 2010.

The high cost of imports, especially of petroleum imports, is a major problem. Another chronic problem is unreliable rainfall, which produces drought or sudden floods; in 1995, the country's worst drought in 30 years forced Morocco to import grain and adversely affected the economy. Another drought occurred in 1997, and one in 1999–2000. Reduced incomes due to drought caused GDP to fall by 7.6% in 1995, by 2.3% in 1997, and by 1.5% in 1999. During the years between drought, good rains brought bumper crops to market. Good rainfall in 2001 led to a 5% GDP growth rate. Morocco suffers both from unemployment (23% in 1999), and a large external debt estimated at around $20 billion, or half of GDP in 2002.

Morocco and the United States in 2003 were negotiating a free trade pact for implementation in 2013, and a free trade agreement was in place with the EU as of 2000. The country is pursuing privatization of state-owned enterprises, including in the energy, water, and telecommunications sectors. The state-owned tobacco and airline companies were due to be privatized in 2003, with the telecommunications sector due to be fully privatized by 2004.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Morocco's gross domestic product (GDP) was estimated at $112 billion. The per capita GDP was estimated at $3,700. The annual growth rate of GDP was estimated at 5%. The average inflation rate in 2001 was 1%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 15% of GDP, industry 33%, and services 52%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $2.161 billion or about $72 per capita and accounted for approximately 6.6% of GDP. Worker remittances in 2001 totaled $3.261 billion. Foreign aid receipts

amounted to about $18 per capita and accounted for approximately 2% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $951. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 2%. Approximately 33% of household consumption was spent on food, 16% on fuel, 5% on health care, and 15% on education. The richest 10% of the population accounted for approximately 30.9% of household consumption and the poorest 10% approximately 2.6%. It was estimated that in 1999 about 19% of the population had incomes below the poverty line.

[21] LABOR

The workforce was estimated in 1999 at 9 million. In that year, about 50% were in the agricultural sector, 35% in services, and the remainder in industry and other sectors. The unemployment rate was estimated at 23%.

Although the law provides for the right to form unions, the government interferes with the labor movement. Morocco's 17 trade unions are organized within three federations, and represent about half a million of the country's estimated nine million workers. Employees have the right to strike after engaging in arbitration. Work stoppages do occur, but security forces sometimes break up striking workers. Collective bargaining is utilized on a limited basis.

The 48-hour workweek is established by law, and overtime pay rates apply to all work in excess of 48 hours. At least one day of rest must be granted per week. In 2002, the minimum wage was $162 per month for industry and commerce and about $8 per day in agriculture. The minimum wage is not effectively enforced in the informal sector, and even the government pays less in the lowest civil service grades. There is also legislation covering health, sanitation, and safety standards for a small number of workers.

[22] AGRICULTURE

Some 9,895,000 ha (24,451,000 acres), or 22.1% of the total land area, is arable (excluding Western Sahara). About 43% of arable land is devoted to cereals, 7% to plantation crops (olives, almonds, citrus, grapes, dates), 3% to pulses, 2% to forage, 2% to vegetables, 2% to industrial crops (sugar beets, sugar cane, cotton) and oilseeds, and 42% was fallow. The bulk of the indigenous population carries out traditional subsistence farming on plots of less than five hectares (12 acres). A temperate climate and sufficient precipitation are especially conducive to agricultural development in the northwest. In 2001, agriculture (together with forestry and fishing) accounted for 16% of GDP.

Morocco is essentially self-sufficient in food production. Recently, an irregularity in rainfall has necessitated the importation of grains during drought years. As a result of the worst drought in decades, Morocco's cereal crop in 1995 was only one quarter of the average annual amount during the previous 10 years. Pulse, vegetable, and citrus production were also devastated. However, in 1996 Morocco received the highest levels of rainfall in 30 years, leading to record grain production. The principal export crops are citrus fruits and vegetables. The estimated output of principal crops (in thousands of tons) in 1999 was as follows: sugar beets, 3,233; wheat, 2,154; barley, 1,474; sugarcane, 1,373; tomatoes, 857; potatoes, 1,148; oranges, 874; olives, 386; corn, 136; broad beans, 100; garbanzos, 28; sunflowers, 49; and peanuts, 40.

The government distributed some 500,000 hectares (1,235,500 acres) of farmland formerly owned by European settlers to Moroccan farmers in the late 1960s and the 1970s. To encourage Moroccans to modernize the traditional sector, the Agricultural Investment Code of 1969 required farmers in irrigated areas to meet the minimum standards of efficiency outlined by the government or lose their land. These standards applied to all farms of five hectares (12 acres) or more.

Dams and irrigation projects were begun under French rule and have continued since independence. In traditional areas, irrigation is by springs and wells, diversion of streams, and tunnels from the hills, as well as by modern dams and reservoirs. There are dams and irrigation projects on most of the country's major rivers, including the Sebou River in the northwest, which, along with its tributaries, accounts for some 45% of Morocco's water resources. Continued widespread variation in rainfall continues to produce serious droughts and occasional flash floods. In January 1994, the Kuwaiti Economic Development Fund agreed to lend $60 million to the Moroccan government to help finance an irrigation project in the Haouz and Tassaout region of southern Morocco, which will provide irrigation services for 200,000 small farmers. Morocco had 1.29 million irrigated hectares (3.2 million acres) of agricultural land in 1998.

[23] ANIMAL HUSBANDRY

Livestock raising contributes about one-third of agricultural income. Livestock fares poorly on the overgrazed pasture, and periods of drought reduce growth on an estimated 20.9 million hectares (51.6 million acres) of permanent pastureland as well as the output of fodder crops. In 2001, estimated livestock population was 17.1 million sheep, 5.2 million goats, and 2.6 million head of cattle. There were an estimated 1,000,000 donkeys, 520,000 mules, 36,000 camels, 8,000 pigs, and 137 million chickens in 2001. In 2001, production of beef and mutton was estimated at 150,000 tons; and poultry, 255,000 tons. Output of cow's milk was about one million tons in 2001, along with 235,000 tons of eggs. Even though most of the import licensing system has been abolished, licenses are still required for imported livestock and animal genetic materials, in an effort to protect local production.

[24] FISHING

Fishing, which has been a major industry since the 1930s, is centered in Agadir, Safi, and Tan-Tan. In some years, Morocco is the world's largest producer of the European sardine (Sardina pilchardus). Coastal fishing accounts for about 86% of production; deep-sea fishing, 13%; and algae cultivation and aquaculture, 1%.

Landings from coastal waters totaled 896,620 tons in 2000, twenty-fourth in the world and the highest in Africa. Sardines accounted for 539,785 tons (62%) that year. The waters off Western Sahara are particularly rich in seafood. Coastal fishing supplies the Moroccan fish processing industry, which is concentrated in the southern cities of Layoun, Tan Tan, Tarfaya, and Agadir. The canning industry processes mostly sardines and to a lesser extent mackerels and anchovies. Many of the plants use obsolete equipment, and there is currently no government support to develop and introduce new technology to the industry.

The deep-sea catch consists mostly of cephalopods (such as octopus, squid, and cuttlefish), hake, sea bream, sole, and shrimp. Cephalopod deep-sea landings in 2001 included 46,896 tons of octopus, 8,504 tons of squid, and 14,474 tons of cuttlefish. Nearly all deep-sea production is sorted, frozen in vessels, and exported upon arrival; Japan is the major buyer of Moroccan octopus.

Aquacultural production consists mainly of seabass, sea bream, oysters, tuna, and eel, which are produced for export to Europe. The principal aquaculture farms are located in Nador and Hoceima on the Mediterranean Sea, Oulidida on the Atlantic Ocean, and Azrou on an inland lake.

Much of the fish catch is processed into fish meal, fertilizer, and animal fodder. In 2000, $950.4 million of fish products were

exported primarily to the EU nations, Japan, and the US. Deep-sea fishing is expected to become more important, because the EU is committed to reducing its fishing fleet size. Moroccan fish companies are expected to play a larger role in the world cephalopod market in the future. There is concern, however, that overfishing during one year may result in smaller catches in the future.

[25]FORESTRY

Forests cover about 6.8% of the land area and provide subsistence for families engaged in cork gathering, wood cutting, and other forestry occupations. Cork, the principal forest product, is grown on 300,000 hectares (741,000 acres) of state-owned cork oak forests. Production was about 93,000 tons in 1985, virtually all of it exported. Other commercial trees are evergreen oak, thuja, argan, and cedar. Esparto grass and vegetable fiber are other important forest products. Artificial plantings of more than 45,000 hectares (111,000 acres) of eucalyptus trees furnish the raw materials for a rapidly expanding cellulose textile industry. Production of roundwood in 2000 was 1,056,000 cu m (37 million cu ft), with 46% used as fuel wood. Trade in forest products that year amounted to $347.7 million in imports and $122.6 million in exports.

Reforestation has become a major goal of the government; the 1981–85 development plan proposed to reforest about 25,000 hectares (62,000 acres) annually; actual reforestation was about 13,000 hectares (32,000 acres) per year. Between 1984 and 1994, the area of forests and woodlands increased by an estimated 1,120,000 ha (2,767,000 acres).

[26]MINING

Morocco was the third-largest producer of phosphate rock (behind the United States and China), had 88.5 billion tons in proved reserves, and was the largest phosphate exporter. Phosphate exports accounted for $434 million, 70% of the country's mineral exports, most going to Spain, the United States, and Mexico. The 2000 output of phosphate rock, including by Western Sahara, was 21.5 million tons (gross weight). Phosphate rock mining and processing was Morocco's leading industry in 2002, and phosphates and fertilizers comprised the country's leading export commodity; minerals ranked third. All phosphate was produced by the state-owned Office Chérifien des Phosphates, founded in 1920, which was responsible for managing and controlling all aspects of phosphate mining. The combined capacity of the main facilities—at Youssoufia, Benguerir, BouCraa, Sidi Chenan, and Khouribga—was 27 million tons per year.

Morocco also had significant deposits of copper ore; the nation produced 23,150 tons in 2000 (gross weight concentrates), down from 37,344 in 1997; almost all was exported. Iron ore production (gross weight) was 5,612 tons, down from 11,965 in 1997 and 407,000 tons in 1977. Other minerals produced in 2000 included: lead (gross weight concentrate, 117,510 tons), manganese ore (25,830 tons), zinc (gross weight concentrate, 201,741 tons), barite (320,243 tons), rock salt (147,960 tons), and acid-grade fluorspar (77,800 tons, down from 105,000 in 1998). In addition, Morocco produced antimony, cobalt, gold, mercury, silver, arsenic trioxide, bentonite, hydraulic cement, feldspar, fuller's earth (smectite), gypsum, mica, montmorillonite (ghassoul), phosphoric acid, marine salt, talc and pyrophyllite, and a variety of crude construction materials. Morocco also had the capacity to produce zircon, and had the only anthracite mine in the Mediterranean area—Jerada, in the Oujda region.

Plans called for increased domestic processing of phosphate into phosphoric acid for export. The government owned the subsoil mineral rights for all minerals. Exploration and new discoveries of oil and gas would yield sulfur and ammonia, which were needed for phosphate fertilizers. A four-year plan to upgrade the country's railway network was launched in 2000 to handle increased ridership by tourists and the needs of the phosphate industry. The plan, financed by the European Investment Bank and the Japanese Bank for International Cooperation, would lay an extra track between Meknes and Fez.

[27]ENERGY AND POWER

Morocco is dependent on imports to satisfy about 90% of its energy needs; imports of crude oil and petroleum products cost about $1 billion per year. Although little oil has been found within Morocco itself, several foreign companies were exploring for oil in the late 1980s, both offshore and in the interior. As of the mid-1990s, there were 12 oil wells. Oil production in 2002 was about 200 barrels per day, as compared with consumption of about 150,000 barrels per day. Morocco had an estimated 1.6 million barrels of proven oil reserves and 2.8 billion cu m of proven natural gas reserves as of 2002. In November 2002 there was an extensive fire at the Samir Refinery, the source of up to 90% of Morocco's refined petroleum products. Capacity was quickly restored to 60%, but officials estimated that it could take $150 million and over a year until the damage had been fully repaired.

Electricity production has grown rapidly, from 1,935 million kWh in 1970 to 13.2 billion kWh in 2000, of which 91.3% was from fossil fuels and 8.7 % from hydropower. Morocco's electricity-producing capacity totaled 4.1 GW (about 25% hydro) in 2001. Morocco has many hydroelectric plants and three major thermal generating stations. In 2000 and 2001 two new 348 MW units were added to the coal-fired Jorf Lasfar plant, Africa's largest independent generating station, at a cost of $1.5 billion.

Western Sahara's electricity production in 2000 was 90 million kWh, from a capacity of 56,000 kW.

[28]INDUSTRY

In 2000, industry accounted for one-third of GDP, and industrial output rose 3.5%. Leading industrial sectors in 2002 were phosphate rock mining and processing, food processing, leather goods, textiles, and construction. Morocco holds the world's largest phosphate reserves.

The manufacturing sector produces light consumer goods, especially foodstuffs, beverages, textiles, matches, and metal and leather products. Heavy industry is largely limited to petroleum refining, chemical fertilizers, automobile and tractor assembly, foundry work, asphalt, and cement. Many of the processed agricultural products and consumer goods are primarily for local consumption, but Morocco exports canned fish and fruit, wine, leather goods, and textiles, as well as such traditional Moroccan handicrafts as carpets and brass, copper, silver, and wood implements.

There are two oil refineries, one at Mohammedia and one at Sidi Kacem, with a total refining capacity of 155,000 barrels per day. There are also several petrochemical plants, a polyvinyl chloride factory, and many phosphate-processing plants. The Mahgreb-EU pipeline has been operating since 1996. There are four plants assembling cars and small utility vehicles: Renault Moroc, Sopriam, Somaca, and Smeia. A number of cement factories are also in operation. The Safi industrial complex, opened in 1965, processes phosphates from Youssoufia, pyrrhotites from Kettara, and ammonia.

Ownership in the manufacturing sector is largely private, but the government owns the phosphate-chemical fertilizer industry and much of the sugar-milling capacity, through either partnership or joint financing. It is also a major participant in the car and truck assembly industry and in tire manufacturing.

[29]SCIENCE AND TECHNOLOGY

Research institutions include the Scientific Institute (founded in 1920), in Rabat, which does fundamental research in the natural

sciences, and the Scientific Institute of Maritime Fishing (founded in 1947), in Casablanca, which studies oceanography, marine biology, and topics related to development of the fishing industry. Nine universities and colleges offer degrees in basic and applied sciences. In 1987–97, science and engineering students accounted for 41% of college and university enrollments.

30 DOMESTIC TRADE

Consumer-ready products are freely traded by the private sector through companies that distribute them to wholesalers, distributors, or directly to retailers. The government intervenes directly in domestic trade through price subsidies at the retail level for staples such as flour, vegetable oil, and sugar. As of 1996, the government planned to phase out these subsidies over a five-year period in order to avoid social unrest. Support prices, once a major incentive to promoting government-supported crops, have been eliminated.

Casablanca, the chief port, is the commercial center of Morocco. Other principal distribution centers include Safi, Agadir, and Tangier. Wet markets are open-air produce markets common in rural and urban areas. Central markets are found in major cities and contain many small shops selling mainly domestic products. Numerous family-operated grocery outlets are scattered throughout the country and are where food products are typically sold in Morocco. There are also about 70 supermarkets in major metropolitan areas; over half of them are in Casablanca and Rabat. Retail establishments include department stores in the main cities and shops and specialty stores. Bazaars cater especially to the tourist trade. The first franchise, Pizza Hut, was established in 1992. There are now about 85 franchise firms in the country offering a wide variety of goods and services. Principal advertising media are newspapers, motion picture theaters, radio, television, and posters.

Business hours are generally from 9 AM to noon and from 3 to 6 PM, but some shops stay open much later. Banks are open from 8:15 to 11:30 AM and 2:15 to 4:30 PM, Monday–Friday.

31 FOREIGN TRADE

As part of the government's trade liberalization process, a widespread anti-smuggling campaign has sharply reduced the amount of goods illegally entering Morocco. A large amount of hashish illegally exits the country. In 2000 Morocco's imports were distributed among the following categories:

Consumer goods	8.1%
Food	11.4%
Fuels	17.5%
Industrial supplies	36.2%
Machinery	20.0%
Transportation	6.8%

The largest export receipts come from the garment sector (32% of total exports). Morocco exports a large amount of foodstuffs (21%), including shellfish (8.5%), fruit and nuts (3.1%), fish (2.7%), and vegetables (2.3%). Other exports include inorganic fertilizers (10%) and chemicals (6.8%). Morocco produces 31% of the world's crude fertilizers exports. Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
France	2,491	2,771	-280
Spain	964	1,139	-175
United Kingdom	713	712	1
Italy	530	546	-16
Germany	369	563	-194
India	311	n.a.	n.a.
Japan	284	195	89
United States	254	644	-390
Belgium	210	184	26
Saudi Arabia	60	573	-513

32 BALANCE OF PAYMENTS

Remittances from Moroccans working abroad, foreign aid, and a growing tourist industry have helped to offset chronic trade deficits. In recent years, Morocco has turned increasingly to foreign borrowing to meet its financial needs.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Morocco's exports was $8.2 billion while imports totaled $12.4 billion resulting in a trade deficit of $4.2 billion.

The International Monetary Fund (IMF) reports that in 2001 Morocco had exports of goods totaling $7.1 billion and imports totaling $10.2 billion. The services credit totaled $4.03 billion and debit $2.12 billion. The following table summarizes Morocco's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**1,606**
Balance on goods	-3,022
Balance on services	1,910
Balance on income	-833
Current transfers	3,550
Capital Account	**-9**
Financial Account	**-967**
Direct investment abroad	-97
Direct investment in Morocco	144
Portfolio investment assets	…
Portfolio investment liabilities	-8
Other investment assets	…
Other investment liabilities	-1,006
Net Errors and Omissions	**230**
Reserves and Related Items	**-860**

33 BANKING AND SECURITIES

The Bank of Morocco (Bank al-Maghrib), the central bank, has the sole privilege of note issue. It is required to maintain a gold or convertible-currency reserve equal to one-ninth of its note issue. The Ministry of Finance is responsible for the organization of banking and the money market. In February 1996 the central bank gave clearance for banks and finance houses to issue corporate bonds. Consumer credit companies are expected to be the first to take advantage of the new ruling. Other reforms scheduled for 1996 included a secondary market in public debt, an interbank foreign exchange market, and the launch of privatization bonds and global depository receipts (GDRs). As of 1997, only the interbank foreign exchange market had been implemented. Commercial banks were permitted to buy and sell foreign currency at market-determined rates, where previously foreign exchange rates were fixed on a daily basis by the central bank. The dirham was fully convertible in 1999.

Commercial banks must have 51% domestic majority ownership; some foreign banks were Moroccanized in 1975. There were 16 commercial banks in 2002, most of which were partly owned by European banks. The largest private commercial bank is the Banque Commerciale du Maroc (BCM), which is 32% owned by foreign banks, including Banco Central Hispano, Credito Italiano, and Crédit Commercial de France. Another important commercial bank was Wafa Bank, with a 10% share of deposits in 1999. Wafa Bank owned half of a year 2000 banking venture with Senegal to offer services to ECOWAS countries. The three largest banks account for over 60% of banking assets and deposits.

Public sector financial organizations specializing in development finance include the National Bank for Economic Development, Moroccan Bank for Foreign Trade, National Agricultural Credit Bank, and Deposit and Investment Fund. Also instrumental in development finance is the Bureau of Mineral Exploration and Participation, which has participatory interests in the production of all coal, petroleum, lead, and manganese.

The National Bank for Economic Development, established in 1959, has been particularly active in financing manufacturing. The Agricultural Credit Bank makes loans to credit organizations, public institutions, and cooperatives. Private individuals borrow from local agricultural credit banks or from the agricultural credit and provident societies.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $22.1 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $29.6 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4.44%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 4.71%.

The stock exchange (Bourse des Valeurs) at Casablanca, established in 1929, handles mostly European and a few North African issues. The Casablanca stock market underwent a program of reform designed to attract increased interest from overseas and local investors. In 1993 the government approved legislation to turn the bourse into a private company with stock held by brokers, to create new stock-trading bodies and to channel the funds of small savers into share issues and unit trusts. In 1995, France agreed to finance further improvements, modeling the exchange on the Paris bourse and introducing computerization. In 2001, the stock exchange had 55 companies listed and a $9.1 billion capitalization.

[34]INSURANCE

In 1995, the government stepped in to rescue the ailing insurance industry after studies uncovered financial difficulties in a number of firms. The authorities stepped in to prevent collapses which could affect related financial services such as savings and investment, as well as the interlinked banking sector. However, in September 1995, the government abandoned its attempts to restructure five state insurance companies and put them into liquidation. The companies, then already in temporary receivership, were Compagnie Atlantique d'assurances et de réassurances, Arabia Insurance Co., Assurances la victoire, Assurances la renaissance, and Réunion marocaine d'assurances et de réassurances (Rémar). Their combined losses are estimated at up to $550 million, mostly accumulated through pay-outs on car insurance, where the high accident rate had not been adequately reflected in premiums. Outstanding policies were transferred to the state finance company, Caisse de dépôt et de gestion (CDG). A new code has since been drawn up for insurance companies establishing reserve requirements similar to those applying to the banking sector. In 2000, the insurance companies AXA-Al Amane and CAA announced a merger that created insurance giant AXA Assurance Maroc. By 2001, there was $275 million being written in life insurance premiums in Morocco.

[35]PUBLIC FINANCE

The Moroccan government announced plans in 1999/2000 to cut the budget deficit by one-third, in order to encourage investment and job creation. By 1998, only 56 of 114 companies slated for privatization had been sold, and the rest had been withdrawn from sale. The government did not depend on privatization revenues for funds, rather on the ownership of the phosphates industry. Nearly 50% of the state budget was spent on public sector salaries, and 25% on debt servicing in 1999. Some privatization has taken place in recent years, however, including the government's sale of 35% of the state operator Maroc Telecom and the liberalization of rules governing oil and gas exploration.

The US Central Intelligence Agency (CIA) estimates that in 2001 Morocco's central government took in revenues of approximately $13.8 billion and had expenditures of $14.6 billion including capital expenditures of $2.1 billion. Overall, the government registered a deficit of approximately $800 million. External debt totaled $19 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	13,800
Tax revenue	83.7%	11,556
Non-tax revenue	15.5%	2,139
Capital revenue	0.8%	105
EXPENDITURES	100.0%	14,600
General public services	10.8%	1,576
Defense	12.9%	1,886
Public order and safety	6.9%	1,015
Education	17.8%	2,596
Health	3.2%	471
Social security	9.3%	1,358
Housing and community amenities	0.4%	66
Recreation, cultural, and religious affairs	0.8%	118
Economic affairs and services	8.1%	1,177
Other expenditures	14.7%	2,143
Interest payments	15.0%	2,194

[36]TAXATION

In March 1984, King Hassan II announced that Moroccan farmers would be exempt from taxation until the year 2000, in order to help them recover from the effects of the drought of the early 1980s.

The professional profits and gains tax, at 35% since 1 January 1996 (except for insurance and banking institutions taxed at the previous rate of 39.6%), is the most important tax in Morocco, and can be assessed on either annual turnover or on net annual profits. The minimum tax in 2002 was 0.5% of turnover or 1,500 Dirhams (about $162), whichever was greater. Nonresident companies under contractual arrangements can opt for an alternative tax amounting to 8% of their contracts. The capital gains are taxed at 35%. Dividends are subject to 10% withholding which can be used as a tax credit. Branches of foreign companies are subject to the same taxes as Moroccan companies.

All wage earners are liable to a progressive tax on salaries, remunerations, and allowances under the General Income Tax (IGR) which in 2002 had five tax bands, 0% (up to 20,000 Dirham or about $2,164 per year), 13%, 21%, 35% and 44% (on the increment of income above 60,000 Dirham or about $6,500 per year). There are several types of deductions that can be applied in calculating an individual's taxable base income. There are also social security taxes and supplementary taxes on professional and rental income.

The main indirect tax is Morocco's value-added tax with a standard rate of 20%, but with various reduced rates from 7% to 14% for more basic goods and services. As of 1 July 2001 imported barley was exempted from VAT.

[37]CUSTOMS AND DUTIES

In June 1957, import duties were revised from the 12.5% ad valorem rates imposed by the Act of Algeciras. Under amended schedules, duties ranged from 2.5–60% and in some cases were raised as high as 200% ad valorem, with some commodities exempt. The revised rates were designed to reduce imports of nonessential goods and to protect and encourage certain industries. To accomplish this second objective, rates on some raw materials were reduced and those on finished products increased. Export taxes were discontinued in 1971.

The policy of import liberalization that began in 1967 has continued and new commodities have been added to the list of items not subject to quotas. In the 1970 general import program, items not subject to quotas accounted for 75% of the imports. Most goods do not require import licenses. Duties are as low as 2.5% and as high as 349% for frozen lamb meat. Value-added taxes are levied at 0-20%. Certain transactions have lower rates of 7% and 14%. Import taxes on machinery and equipment are 2.5% or 10%.

Agreements between Morocco and the European Community (now the European Union) have provided for mutual tariff concessions. Citrus tariffs were cut 80% by the European Community by the mid-1970s; tariffs on canned fruit and vegetables were reduced more than 50%; and fish products, wine, olive oil, and cereals were given special concessions. In return, Morocco reduced its minimum tariffs by 30% and adjusted quotas on imports to Morocco.

The import tariff does not apply within the free zone of the Port of Tangier.

[38]FOREIGN INVESTMENT

Foreign investment declined somewhat during the 1960s and 1970s because of political uncertainty and the government's Moroccanization policy requiring majority Moroccan ownership of foreign banks, trading companies, insurance firms, and small manufacturing plants. Many foreign firms either sold out or closed down before 30 September 1974, the first deadline for compliance with Moroccanization policies. In an effort to attract foreign capital, the government passed a new investment code in August 1973 that offered substantial tax concessions to private investors. To encourage badly needed foreign investment, a revised code introduced in 1982 permitted foreign investors 100% ownership of local companies in certain sectors and unrestricted transfer of capital. The effective repent in 1990 of the Moroccanization law and regulatory changes, including tax breaks and streamlined approval procedures, led to a more than threefold increase in foreign investment inflows in the four years following its enactment.

A new investment code was passed in 1995 that provided income tax breaks for investments in certain regions, crafts and export industries; and import duty reductions; especially during the first five years of operation. It also contained foreign exchange provisions that favored foreign investors.

In 1997, annual foreign direct investment (FDI) inflows reached over $1 billion, but then fell to $333 million in 1998. FDI inflow in 1999 rose to a near-record of almost $850 million mainly accounted for by two large investments: Telefonica of Spain and Telecom Portugal for mobile phones and Coca-Cola for bottling plants at Fez and Marrakech. In 2000, there was a 76% decrease in FDI inflow to Morocco to $201 million, but in 2001 inward FDI was a record $2.66 billion, due primarily to Vivendi Universal's $2.1 billion purchase of a 35% share of Maroc Telecom.

[39]ECONOMIC DEVELOPMENT

Government policy stresses expansion and development of the economy, essentially through foreign investment. Morocco decided to abide by the International Monetary Fund's (IMF's) Article VIII, thus beginning the privatization of 112 public entities—mainly manufacturing enterprises, hotels, and financial institutions—slated for divestiture under the 1989 privatization law. Only 54 had been privatized by 1998, and the process had been stopped at that time. Keeping major industries under government control, Morocco proceeded to open up investment only partially, keeping the majority of revenues from the phosphates and mining, banking and securities industries.

Morocco instituted a series of development plans to modernize the economy and increase production during the 1960s. Net investment under the five-year plan for 1960–64 was about $1.3 billion. The plan called for a growth rate of 6.2%, but by 1964 the growth rate had only reached only 3%. A new three-year plan (1965–67) targeted an annual growth rate of 3.7%. The main emphasis of the plan was on the development and modernization of the agricultural sector. The five-year development plan for 1968–72 called for increased agriculture and irrigation. The development of the tourist industry also figured prominently in the plan. The objective was to attain an annual 5% growth rate in gross domestic product (GDP); the real growth rate actually exceeded 6%.

Investment during the 1970s included industry and tourism development. The five-year plan for 1973–77 envisaged a real economic growth of 7.5% annually. Industries singled out for development included chemicals (especially phosphoric acid), phosphate production, paper products, and metal fabrication. Tourist development was also stressed. In 1975, King Hassan II announced a 50% increase in investment targets to allow for the effects of inflation. The 1978–80 plan was one of stabilization and retrenchment, designed to improve Morocco's balance-of-payments position, but the 4% annual growth rate achieved was disappointing.

The ambitious five-year plan for 1981–85, estimated to cost more than $18 billion, aimed at achieving a growth rate of 6.5% annually. The plan's principal priority was to create some 900,000 new jobs and to train managers and workers in modern agricultural and industrial techniques. Other major goals were to increase production in agriculture and fisheries to make the country self-sufficient in food, and to develop energy (by building more hydroelectric installations and by finding more petroleum and other fossil fuels), industry, and tourism to enable Morocco to lessen its dependence on foreign loans. The plan called for significant expansion of irrigated land, for increased public works projects such as hospitals and schools, and for economic decentralization and regional development through the construction of 25 new industrial parks outside the crowded Casablanca-Kénitra coastal area. Proposed infrastructural improvements included the $2-billion rail line from Marrakech to El Aaiún; a new fishing port at Ad-Dakhla, near Argoub in the Western Sahara; and a bridge-tunnel complex across the Strait of Gibraltar to link Morocco directly with Spain. Large industrial projects included phosphoric acid plants, sugar refineries, mines to exploit cobalt, coal, silver, lead, and copper deposits, and oil-shale development.

Outstanding foreign debt commitments and their serving remain a significant obstacle to economic development. The 1992 financing requirements were mostly covered, largely because of grants and bilateral credit. Despite the cancellation by Saudi Arabia of $2.8 billion of debt, the total still exceeded $23 billion. Despite reschedulings through both the Paris Club of official creditors and the London Club of commercial creditors, servicing the debt accounted for 30% of exports of goods and services. The economic plan of 1999–2004 included the creation of jobs, promotion of exports and tourism, resumption of privatization, and infrastructure construction.

External debt stood at around $19 billion in 2002, but the country had strong foreign exchange reserves and active external debt management, which was allowing it to service its debts. The government was liberalizing the telecommunications sector in 2002, as well as the rules for oil and gas exploration. The government in 2003 was using revenue from privatizations to finance increased spending. Although Morocco's economy grew in the early 2000s, it was not enough to significantly reduce poverty.

[40]SOCIAL DEVELOPMENT

The social security system covers employees and apprentices in industrial and commercial fields and the professions, as well as

agriculture and forestry. There is also voluntary coverage for persons leaving covered employment, and voluntary complementary insurance is available. Benefits include maternity allowances, disability pensions, old age pensions, death allowances, and allowances for illness. Employees contributed 3.04% of earnings, and employers contributed 6.08% of payroll. Most of the country's voluntary social welfare societies are subsidized by the government and coordinated by the central and regional offices of the National Mutual Aid Society. Private groups include the Red Crescent, an affiliate of the International Red Cross.

Women comprise about 35% of the work force and are employed mostly in the industrial, service, and teaching sectors. They have the right to vote and run for office. However, women do not have equal status under Islamic family and estate laws. Civil law for woman is based on the Code of Personal Status, also called Moudouwana, which is based on the Malikite school of Islamic law. Under this code, a woman can only marry with the permission of her legal guardian, which is usually her father. Women are rarely allowed to act on their own behalf. Women obtained the independent right to a passport without the husband's permission only in 1995. Under the Code of Personal Status, husbands may initiate and obtain a divorce more easily than women, and women inherit less than male heirs. In 2001, the government created a new commission to work on greater reforms to the Code and the king has publicly encouraged the commission to make substantial changes both in the laws themselves and in enforcement. Child labor is common, particularly in the rug making and textile industries. Young girls often work as domestic servants. Employment of children under the age of 12 is prohibited by law. Domestic violence remains a widespread problem.

Progress was made in reducing human rights abuses by the authorities. The government organized the first human rights conference ever held in the Arab world.

[41] HEALTH

Health conditions are relatively poor, but programs of mass education in child and parent hygiene, as well as government-supervised health services in schools and colleges, have helped to raise standards. Campaigns have been conducted against malaria, tuberculosis, venereal diseases, and cancer. However, gastrointestinal infections, malaria, typhoid, trachoma, and tuberculosis remain widespread. The World Health Organizations and UNICEF have cooperated in the government's campaigns against eye disorders and venereal diseases. The current health system is comprised of three sectors: a public sector consisting of both the Ministry of Public Health and the Health Services of the Royal Armed Forces, a semi- public sector, and a private sector. These together have been responsible for the dramatic reduction in mortality rates. Reform is currently under way with financing coming from health insurance revenues and the budget of the Public Health Ministry. As of 1999, total health care expenditure was estimated at 4.4% of GDP.

In the mid-1990s, there were approximately 5,000 doctors and more than 26,000 hospital beds. There were 12 university hospitals, 20 regional hospitals, 45 provincial hospitals, 11 local hospitals, 14 diagnostic centers, and 377 health centers (164 urban and 213 rural). As of 1999, there were an estimated 0.5 physicians and 1 hospital bed per 1,000 people. In 2000, 82% of the population had access to safe drinking water and 75% had adequate sanitation. Between 1989 and 1995, 70% of the population had access to health care services.

As of the mid-1990s, children up to one year of age were vaccinated against tuberculosis, 93%; diphtheria, pertussis, and tetanus, 87%; and polio, 87%. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 23.7 and 5.9 per 1,000 people. About 59% of married women (ages 15 to 49) used contraception. Infant mortality was estimated at 47 per 1,000 live births in 2000. The total fertility rate in 2000 was 2.6 children per woman. The under-five mortality rate fell from 215 in 1960 to 56 children per 1,000 live births in 1995. The maternal mortality rate was estimated at 230 per 100,000 live births in 1998. The average estimated life expectancy was 69.7 years in 2000.

[42] HOUSING

Since the 1950s, significant numbers of Moroccans (estimated at over four million) have moved from the countryside to the urban centers to escape rural unemployment. Housing and sanitation, consequently, have become urban problems. The government is engaged in a low-cost housing program to reduce the slum areas, called bidonvilles, that have formed around the large urban centers, especially Casablanca and Rabat. In 2001, a government official reported that about 320,000 families were living in slum areas.

Since 1995, the government has been working on a program to build 200,000 low-cost housing units.

The Moroccan population lives in either traditional dwellings or housing units and flats. Of all urban households, about 43% are rented; 41% are owner occupied; and 12% are rent free. Nearly three-fourths have private kitchens; over 40% have private toilets; over 30% have piped water; and over 37% have electricity.

[43] EDUCATION

Projected adult illiteracy rates for the year 2000 stand at 51.1% (males, 38.1%; females, 64.0%). In efforts to combat illiteracy, the king has established learning centers in over 100 mosques where citizens between the ages of 15 and 45 can receive literacy courses on Islam, civic educations, and hygiene. The general school system includes modern secular public institutions, traditional religious schools, and private schools. As of 1999, public expenditure on education was estimated at 4.9% of GDP.

Six years of compulsory primary education was made mandatory under law in 1962. Girls leave school at a younger age than boys and are a minority in secondary as well as primary schools. The language of instruction in primary schools is Arabic during the first two years, and both Arabic and French are used for the next three years. French is partly the language of instruction in secondary schools. The traditional religious schools are attended by only a small fraction of students. The government is committed to a unified public school system but has permitted private schools to continue because of the lack of alternative resources.

In 1997, 3,160,907 pupils and 5,806 teachers were enrolled in primary schools. In the same year, secondary schools enrolled a total of 1,442,049 students, taught by 82,202 teachers. The pupil-teacher ratio at the primary level was 29 to 1 in 1999. In the same year, 75% of primary-school-age children were enrolled in school, while 30% of those eligible attended secondary school.

Morocco has six universities. Al-Qarawiyin University at Fès, founded in 859, is reputed to be the oldest university in the world; it was reorganized in 1962–63 as an Islamic university, supervised by the Ministry of Education. The first modern Moroccan university, the University of Rabat (now the Muhammad V University), was opened in 1957. Other universities are Muhammad bin Abdallah (founded 1974), in Fès; Hassan II (1975), Casablanca; Cadi Ayyad (1978), Marrakech; and Muhammad I (1978), Oujda. There are about two dozen colleges and conservatories. In 1997, all institutions of higher education had a combined total of 311,743 students, 41% of whom were female.

[44]LIBRARIES AND MUSEUMS

The General Library and Archives (1920), located on the campus of Muhammad V University in Rabat, is the national library, with holdings of 600,000 volumes. Its notable collection of medieval books and manuscripts, of particular interest to Muslim scholars, contains 1,600 ancient manuscripts of famous Islamic writers, including an important treatise by Averroës and classical treatises on medicine and pharmacy. Of the 18 public libraries in Morocco, the largest is in Casablanca, with almost 360,000 volumes. The University Sidi-Mohomed Ben Abdelleh, in Fez, holds 225,000 volumes. There are various European and Colonial institutes through the country holding small collections.

The Division of Museums, Sites, Archaeology, and Historic Monuments of the Ministry of Cultural Affairs administers 11 museums in major cities and at the ancient Roman site of Volubilis, northwest of Meknès. In some cities, such as Fès and Marrakech, small houses of historic and artistic interest have been preserved as museums. There is a museum of popular Moroccan art at Tétouan.

[45]MEDIA

The postal, telephone, telegraph, radio, and television services are government operated. Telephone and telegraph services connect most towns, and cable service is available to France, Spain, and Gibraltar. In 1998 there were an estimated 1.3 million mainline telephones and about 116,645 cellular phones in use. Radiodiffusion Television Marocaine presents programs in Arabic, in Berber dialects, and in English, French, and Spanish. The television service, with studios in Casablanca and Rabat, presents daily programs in Arabic and French. A private television station, 2M International, began broadcasting in French and Arabic in 1989. As of 1999 there were 22 AM and 7 FM radio stations and 26 television stations. In 2000, there were about 243 radios and 166 television sets for every 1,000 people. There were about eight Internet service providers serving 220,000 people in 2001.

The country's main press agency, Maghreb Arab Press, is owned by the government. It published the daily Arabic newspaper, *Al-Anba'a* (*Information*), which had a 2002 circulation of about 15,000. Other leading daily newspapers published in Rabat (as of 2002) include the Arabic-language *Al Alam* (*The Flag*, circulation 100,000) and the French-language *L'Opinion* (60,000). The French-language *Le Matin du Sahara* (100,000) and *Maroc Soir* (50,000) are published in Casablanca. *Al Ittahid Al Ichtiraki* (*Socialist Unity*, 110,000) is a daily Arabic newspaper also published in Casablanca.

Press freedom is guaranteed by the constitution, and censorship of domestic publications was lifted in 1977, but criticism of Islam, the King, the monarchical system, or Morocco's claim to the Western Sahara is not permitted.

[46]ORGANIZATIONS

The Moroccan Trade, Industry, and Handicrafts Association encourages economic development. Chambers of commerce, industry, and agriculture function in most Moroccan cities. British, French, Spanish, and international chambers of commerce are active in Tangier. There are associations of primary- and secondary-school teachers, parents, older students, and alumni.

Morocco has several drama societies, music organizations (notably the Association for Andalusian Music), and artists' associations. The multinational Islamic Educational, Scientific, and Cultural Organization is based in Rabat. Professional organizations include societies of doctors, pharmacists, lawyers, and engineers. Societies have been formed to encourage the study of economics, geography, prehistory, sociology, and statistics. The National Center for Planning and Coordination of Scientific and Technical Research was established in 1981.

There are at least two major student political groups: the National Union of Moroccan Students and the General Union of Moroccan Students. There are youth movements affiliated with political parties and religious institutions. Scouting programs are also active in the country.

The National Mutual Aid Society, a welfare organization with many subdivisions, is headed by Princess Lalla Aïcha, the king's sister. The Red Crescent Society is also active.

[47]TOURISM, TRAVEL, AND RECREATION

Morocco's scenic variety and beauty, fascinating medieval cities, and favorable climate contribute to a steadily increasing flow of tourists. Tourism is one of the fastest-growing areas of the Moroccan economy and a valuable foreign exchange earner. There were 4,113,037 tourists in 2000 with receipts totalling about $2 billion. The number of rooms available in hotels, pensions, and holiday villages was 66,823, with 128,357 beds and an occupancy rate of 48%.

Most visitors require passports but not visas for stays of less than three months. Coastal beach resorts offer excellent swimming and boating facilities. Sports associations are widespread, particularly for soccer, swimming, boxing, basketball, and tennis. Casablanca and Marrakech are favorite tourist destinations.

According to 2002 US Department of State estimates, the cost of staying in Casablanca was about $213 per day. Daily expenses in Marrakech were estimated at $161.

[48]FAMOUS MOROCCANS

Important leaders and rulers include Idris I (Idris bin 'Abdallah, r.788–91), of the Umayyad dynasty, who came to Morocco and was able to consolidate much of the area. His son Idris II (r.791–804) founded Fès, the early capital. Yusuf bin Tashfin (r.1061–1106), a religious reformer, conquered much of Spain and northern Africa. Muhammad bin Tumart (1078?–1130) founded the Almohad sect and developed a democratic form of government. The founder of the Almohad dynasty, 'Abd al-Mumin bin 'Ali (1094?–1163), conquered Morocco and parts of Spain. Yakub al-Mansur (r.1184–99), who controlled all of North Africa west of Egypt, encouraged architecture and scholarship. Ahmad al-Mansur (r.1578–1603) drove all foreign forces out of Morocco, conquered the western Sudan, and established commercial and other contacts with England and Europe. Mawlay Isma'il (r.1672–1727) reunited Morocco and organized a harsh but effective centralized government. A capable and strong ruler famous for his justice was Muhammad bin 'Abdallah (r.1757–90).

Morocco has attracted many great minds, and it has been said that none of the great names in western Arabic philosophy is unconnected with Morocco. Avicenna (Ibn Sina, or Abu 'Ali al-Husayn, 980?–1037), a great Persian physician and philosopher and an author of long-used textbooks on medicine, who was born near Bukhara, lived for a number of years in Morocco. So did Avenzoar (Ibn Zuhr, or Abu Marwan 'Abd al-Malik bin Abu-'l-'Ala' Zuhr, c.1090?–1162), physician and scholar, born in Sevilla, in Spain, and author of important medical treatises. Averroës (Ibn Rushd, or Abu al-Walid Muhammad ibn Ahmad ibn Rushd, 1126–98), greatest Arab philosopher of Spain, was born in Córdoba and lived in Morocco for many years. The doctor and philosopher Abubacer (Abu Bakr Muhammad bin 'Abd al-Malik bin Tufayl, d.1118) was likewise brought to the Moroccan court from Spain.

Among distinguished native-born Moroccans was Ahmad bin 'Ali al-Badawi (c.1200?–76), a Muslim saint who was active principally in Egypt. The great traveler Ibn Battutah (Abu 'Abdallah Muhammad bin Battutah, 1304–68?) visited and wrote

about many countries of Africa, Asia, and Europe. The poetry of Muhammad bin Ibrahim (d.1955) is read throughout the Islamic world.

A famous fighter for Moroccan independence was 'Abd al-Karim (Muhammad 'Abd al-Karim al-Khattabi, 1882?–1963), who led a long campaign in the 1920s against French and Spanish forces. King Muhammad V (1909–61) gave up his throne as a gesture for independence, was arrested and exiled by the French, and returned in 1955 to become the first ruler of newly independent Morocco. He was succeeded by his son Hassan II (1929–1999), who continued his father's modernization program and expanded Morocco's territory and mineral resources by annexing Western Sahara. Mohamed VI (b.1964) became king following his father's death in 1999.

49 DEPENDENCIES

Morocco has no territories or colonies.

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MOZAMBIQUE

Republic of Mozambique
República Popular de Moçambique

CAPITAL: Maputo (formerly Lourenço Marques)

FLAG: The flag consists of broad stripes of green, black, and yellow, separated by narrow bands of white. Extending from the hoist is a red triangle; centered on the triangle is a yellow five-pointed star upon which is a white book over which are crossed the black silhouettes of a hoe and an AK47 rifle.

ANTHEM: Begins "Viva viva FRELIMO."

MONETARY UNIT: The Mozambique escudo (ME), linked until 1977 with the Portuguese escudo, was in June 1980 renamed the metical (MT); it is a paper currency of 100 centavos. There are coins of ½, 1, 2½, 5, 10, and 20 meticais, and notes of 50, 100, 500, and 1,000 meticais. MT1=$0.000043 (or $1=MT23,220) as of April 2003).

WEIGHTS AND MEASURES: The metric system is in use.

HOLIDAYS: New Year's Day, 1 January; Heroes' Day, 3 February; Women's Day, 7 April; Workers' Day, 1 May; Independence Day, 25 June; Victory Day, 7 September; Day of Revolution, 25 September; Christmas, 25 December.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Located on the southeastern coast of Africa, opposite the island of Madagascar, Mozambique (Moçambique), formerly known as Portuguese East Africa, has an area of 801,590 sq km (309,496 sq mi), of which land constitutes 784,090 sq km (302,738 sq mi) and inland water 17,500 sq km (6,757 sq mi). Comparatively, the area occupied by Mozambique is slightly less than twice the size of the state of California. The country extends 2,016 km (1,253 mi) NNE–SSW and 772 km (480 mi) ESE–WNW. It is bordered by Tanzania on the N, the Indian Ocean (Mozambique Channel) on the E, the Republic of South Africa on the S, Swaziland, South Africa, and Zimbabwe on the W, and Zambia and Malawi on the NW, with a total boundary length of 7,041 km (4,375 mi), of which 2,470 km (1,535 mi) is coastline.

[2]TOPOGRAPHY

Mozambique is 44% coastal lowlands, rising toward the west to a plateau 150 to 610 m (500–2,000 ft) above sea level and on the western border to a higher plateau, 550 to 910 m (1,800–3,000 ft), with mountains reaching a height of nearly 2,440 m (8,000 ft). The highest mountains are Namuli (2,419 m/7,936 ft) in Zambézia Province and Binga (2,436 m/7,992 ft) in Manica Province on the Zimbabwean border. The most important rivers are the Zambezi (flowing southeast across the center of Mozambique into the Indian Ocean), the Limpopo in the south, the Save (Sabi) in the center, and the Lugenda in the north. The most important lake is the navigable Lake Malawi (Lake Niassa); Lake Cahora Bassa was formed by the impoundment of the Cahora Bassa Dam. In the river valleys and deltas, the soil is rich and fertile, but southern and central Mozambique have poor and sandy soil, and parts of the interior are dry.

[3]CLIMATE

Two main seasons, one wet and one dry, divide the climatic year. The wet season, from November through March, has monthly averages between 27°C and 29°C (81–84°F), with cooler temperatures in the interior uplands. The dry season lasts from April to October and has June and July temperatures averaging 18–20°C (64–68°F). The average annual rainfall is greatest (about 142 cm/56 in) over the western hills and the central areas, and lowest (30 cm/12 in) in the southwest.

[4]FLORA AND FAUNA

Thick forest covers the wet regions, where there are fertile soils, but the drier interior, which has sandy or rocky soils, supports only a thin savanna vegetation. Extensive stands of hardwood, such as ebony, flourish throughout the country. Mozambique has elephants, buffalo, wildebeests, zebras, palapalas, hippopotamuses, lions, crocodiles, nyalas, and other southern African game species, as well as nearly 500 varieties of birds.

[5]ENVIRONMENT

The civil war combined with natural disasters from flooding and drought have created a life-threatening situation for the nation's people. According to a 1992 UN report, humans were the most endangered species in Mozambique. Other significant environmental problems include the loss of 70% of the nation's forests. The nation lost 7.7% of its forest and woodland between 1983 and 1993 alone. Mozambique has since launched reforestation projects, mostly involving the planting of conifers and eucalyptus. The purity of the nation's water supply is also a significant issue. Surface and coastal waters have been affected by pollution. Mozambique has 100 cu km of renewable water resources. About 89% is used in farming and 2% for industrial purposes. Only 81% of the nation's city dwellers and 41% of the rural population have access to pure drinking water. As of 2001, 13 of the nation's mammal species and 14 bird species were endangered. About 57 plant species were threatened with extinction. Endangered species in Mozambique include the green sea, hawksbill, olive ridley, and leatherback turtles.

[6]POPULATION

The population of Mozambique in 2003 was estimated by the United Nations at 18,863,000, which placed it as number 54 in population among the 193 nations of the world. In that year

approximately 3% of the population was over 65 years of age, with another 45% of the population under 15 years of age. There were 93 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.75%, with the projected population for the year 2015 at 22,537,000. The population density in 2002 was 24 per sq km (63 per sq mi). About 60% of the population lives in the central and southern coastal provinces.

It was estimated by the Population Reference Bureau that 40% of the population lived in urban areas in 2001. The capital city, Maputo, had a population of 2,867,000 in that year. Beira had an estimated population of 299,300; Nampula had 202,600; and Nocala had 104,300. According to the United Nations, the urban population growth rate for 2000–2005 was 4.1%.

The prevalence of AIDS/HIV has had a significant impact on the population of Mozambique. The United Nations estimated that 13% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Between April 1974 and the end of 1976, an estimated 235,000 of the 250,000 Portuguese in Mozambique fled the country. Famine and war produced another exodus in the 1980s, but this time of blacks. An October 1992 peace agreement left 4.5 million internally displaced and 1.5 million refugees abroad. Of the latter at the end of 1992, 1,058,500 were in Malawi; about 200,000 in South Africa, 136,600 in Zimbabwe, 75,200 in Tanzania, 48,100 in Swaziland, and 26,300 in Zambia. By May 1993 about 750,000 people in both categories had returned home.

In October 1992, the 16-year civil war ended with a peace treaty. Between 1992 and 1996, the UNHCR completed the largest repatriation project it has ever conducted in Africa. Over 1.3 million refugees returned to Mozambique from Malawi; 241,000 returned from Zimbabwe; 23,000 returned from South Africa, and 32,000 returned from Tanzania.

In 2000 there were 366,000 migrants living in Mozambique, including a small number of refugees. In that year the net migration rate was 0.8 per 1,000 population, a significant change from 10.7 per 1,000 in 1990. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

In 1998, 99.66% of the population was made up of indigenous tribal groups, including the Shangaan, Chokwe, Manyika, Sena, and Makua. Overall, there are 10 major ethnic clusters. The largest, residing north of the Zambezi, is the Makua-Lomwé group, representing about 37% of the total population. The Yao (Ajawa) live in Niassa Province. The Makonde live mainly along the Rovuma River. Other northern groups are the Nguni (who also live in the far south) and the Maravi. South of the Zambezi, the main group is the Tsonga (about 23%), who have figured prominently as Mozambican mine laborers in South Africa. The Chopi are coastal people of Inhambane Province. The Shona or Karanga (about 9%) dwell in the central region. Also living in Mozambique in the 1990s were Euro-Africans, accounting for 0.2% of the population; Europeans, making up 0.06%; and Indians, constituting 0.08%.

[9]LANGUAGES

Portuguese remains the official language. Different African ethnic groups speak their respective languages and dialects.

[10]RELIGIONS

The People's Republic of Mozambique is a secular state. The government guarantees every citizen full freedom of conscience and the right to practice a religion or not. Though church schools and hospitals were nationalized after independence, reports indicate that many of these institutions have been returned to their respective religious organizations. No religious holidays are officially observed, though individuals are generally allowed days off for their own religious observances.

Reports from the National Institute of Statistics state that half of the population does not claim adherence to any religion or creed. However, local scholars claim that most of the population follows traditional indigenous customs and beliefs either exclusively or in conjunction with other religious traditions. Veneration of ancestors plays an important role in traditional customs as do "curandeiros," the traditional healers or spiritualists who are consulted for healing, luck, and solutions to problems.

Of the 8 million or so who claim religious affiliation, about 24% are Roman Catholic, 22% are Protestant, and 20% are Muslim (though some Muslim leaders claim a much larger percentage of adherents). The strongest Muslim communities are located in the northern provinces and along the coastal strip. Central provinces are predominantly Catholic and the southern regions have the most Protestants. There are also small groups of Jews, Hindus, and Baha'is across the country.

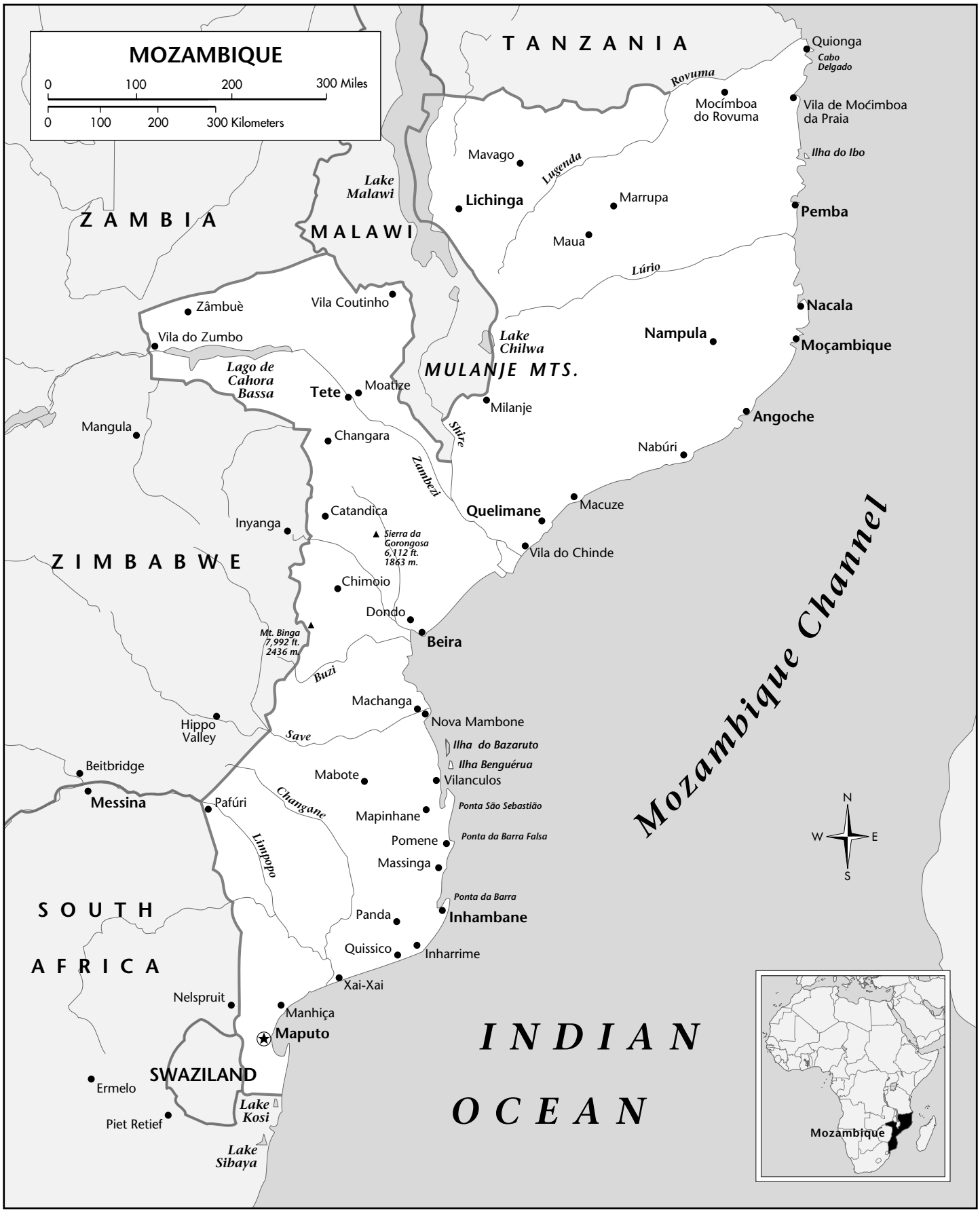
There are about 540 distinct denominations registered with the Department of Religious Affairs of the Ministry of Justice. Registration is required by law and an organization must have at least 500 members in good standing to be registered. However, unregistered groups have been allowed to worship without restrictions. The largest African independent church is the Zion Christian Church. Other Christian denominations include Anglican, Greek Orthodox, Presbyterian, Methodist, Baptist, Seventh-Day Adventist, Congregational, Church of Jesus Christ of Latter-Day Saints, Nazarene, Jehovah's Witnesses and other pentecostal, evangelical, and apostolic organizations. The evangelical Christians are reported as the fastest growing religious groups in the country. Among Muslims, only Sunni and Ismaili communities are registered.

[11]TRANSPORTATION

Transport networks are of major importance to the economy. Mozambique's landlocked neighbors-Malawi, Zambia, Zimbabwe, and Swaziland-along with South Africa are the main users of the Mozambican transport system.

The railways are the best-developed sector, with three good rail links between major Mozambican ports and neighboring countries. By independence, almost the entire railway system was owned by the state and passed into the hands of the new government. The route system is 3,131 km (1,945 mi) long; the single largest user is South Africa. There are six routes which make up the majority of the country's railroads: the Nacala Corridor, connecting Nacala to Malawi (300 km/186 mi); the Sena Corridor, linking Beira, via Dondo, to the coalfields at Moatize (513 km/319 mi) and to Malawi (370 km/230 mi); the Beira Corridor, connecting Beira to Zimbabwe (315 km/196 mi); the Limpopo Corridor, linking Maputo with Zimbabwe (534 km/332 mi); the Resano Garcia line, connecting Maputo to South Africa (88 km/55 mi); and the Goba line, linking Maputo to Swaziland (68 km/42 mi). The road network in 2002 totals some 30,400 km (18,890 mi), of which 5,685 km (3,533 mi) are paved, but few roads are suitable for trucks and passenger cars. In 2000, there were 157,600 vehicles, including 81,600 passenger cars and 76,000 commercial vehicles.

Maputo, by far the leading port, has an excellent multipurpose harbor, with exceptional loading, unloading, and storage facilities; it is a major outlet for South Africa, Swaziland, Zimbabwe, Zambia, Malawi, and the eastern DROC. Other ports include Beira, Nacala, and Inhambane, which was reopened in 1980 after a 20-year closure. The Mozambican merchant fleet consisted of three cargo ships with a total GRT of 4,125 in 2002.



LOCATION: 30°12′ to 40°51′ E; 10°27′ to 26°52′ S. BOUNDARY LENGTHS: Tanzania, 756 kilometers (470 miles); Indian Ocean coastline, 2,504 kilometers (1,556 miles); South Africa, 491 kilometers (305 miles); Swaziland, 108 kilometers (67 miles); Zimbabwe, 1,223 kilometers (760 miles); Zambia, 424 kilometers (263 miles); Malawi, 1,497 kilometers (930 miles). TERRITORIAL SEA LIMIT: 12 miles.

In 2001, there were 166 airports, 22 of which had paved runways. Mozambique Air Lines (Linhas Aéreas de Moçambique-LAM), the state airline, operates both international and domestic services. In 2001, 264,200 passengers were carried on domestic and international flights. The National Enterprise of Transport and Aerial Labor (Empresa Nacional de Transporte e Trabalho Aéreo-TTA) also provides domestic service. Maputo and Beira have international airports.

12 HISTORY

Mozambique's earliest inhabitants were hunter-gatherers, often referred to as Bushmen. The land was occupied by Bantu peoples by about AD 1000. In the following centuries, trade developed with Arabs who came across the Indian Ocean to Sofala. The first Europeans in the area were the Portuguese, who began to settle and trade on the coast early in the 16th century. During the 17th century, the Portuguese competed with Arabs for the trade in slaves, gold, and ivory, and set up agricultural plantations and estates. The owners of these estates, the prazeiros, were Portuguese or of mixed African and Portuguese blood (mestiços); many had their own private armies. Mozambique was ruled as part of Goa until 1752, when it was given its own administration.

Until the late 1800s, Portuguese penetration was restricted to the coast and the Zambezi Valley. The African peoples strongly resisted further expansion, but they were ultimately subdued. By the end of the 19th century, the Portuguese had made boundary agreements with their colonial rivals, the United Kingdom and Germany, and had suppressed much of the African resistance. Authority was given to trading companies such as Mozambique Co., which forced local people to pay taxes and work on the plantations. After the Portuguese revolution of 1926, the government of Portugal took a more direct interest in Mozambique. The trading companies' influence declined, and Mozambique in 1951 became an overseas province of Portugal.

As in other Portuguese territories, African resistance to Portuguese rule grew stronger as the British and French colonies in Africa began to win their independence. Gradually, various liberation movements were formed. On 25 June 1962, these groups united to form the Mozambique Liberation Front (FRELIMO) and elected Eduardo C. Mondlane as its first president. The armed struggle began on 25 September 1964, when FRELIMO guerrillas trained in Algeria went into action for the first time in Cabo Delgado. By 1965, fighting had spread to Niassa, and by 1968, FRELIMO was able to open fronts in the Tete region. By that time, it claimed to control one-fifth of the country. In response, the Portuguese committed more and more troops, military supplies, and military aid funds to the territory. On 3 February 1969, Mondlane was assassinated in Dar es Salaam, Tanzania; the acting leader of FRELIMO, Samora Machel, became president of the organization in December 1970.

The turning point in the struggle for independence came with the Portuguese revolution of 25 April 1974. Negotiations between Portuguese and FRELIMO representatives led to the conclusion of an independence agreement in Zambia in September. Mozambique became officially independent at midnight on 24–25 June 1975, and the People's Republic of Mozambique was proclaimed in ceremonies on 25 June. Machel, who had returned to Mozambique on 24 May after 13 years in exile, became the nation's first president. He quickly affirmed Mozambique's support of the liberation movement in Rhodesia, and guerrilla activity along the Rhodesian border increased. On 3 March 1976, Mozambique closed its border with Rhodesia, severed rail and communications links, and nationalized Rhodesian-owned property. Because the transit fees paid by Rhodesia had been a major source of foreign exchange revenue, the action aggravated Mozambique's economic ills. During this period, Rhodesian forces conducted land and air raids into Mozambique to punish black nationalist guerrillas based there. These raids ended, and the border was reopened in 1980, following the agreement that transformed Rhodesia into Zimbabwe. However, South African airmen bombed Maputo in 1981 and 1983 in retaliation for Mozambique's granting refuge to members of the African National Congress (ANC), a South African black nationalist group.

The Mozambique National Resistance (RENAMO), created in 1976, allegedly by Portuguese settler and business interests with white Rhodesian (Central Intelligence Organization) backing, conducted extensive guerrilla operations in Mozambique during the 1980s. With an armed strength estimated as high as 12,000, RENAMO blew up bridges and cut rail and road links and pipelines. After the loss of its Rhodesian support, RENAMO received substantial aid from South Africa and also had bases in Malawi. Voluntary support for RENAMO within Mozambique was difficult to ascertain, but there was known to be considerable disaffection with the government because of food shortages and resistance by peasants to being resettled onto communal farms. In addition to these political problems, Mozambique experienced widespread floods in 1977–78 and recurrent drought from 1979 on, especially in 1992.

On 16 March 1984, Mozambique and South Africa signed a nonaggression pact at Nkomati whereby Mozambique agreed to keep the ANC from using Mozambican territory for guerrilla attacks on South Africa, while South Africa agreed to stop supporting RENAMO. Nevertheless, South Africa continued to aid RENAMO, and as a result, in 1985 Mozambique pulled out of the commission that monitored the nonaggression pact. On 19 October 1986, President Machel and 33 others were killed when their Soviet-built jetliner crashed inside South Africa while returning to Maputo. Mozambican officials accused South Africa of employing a radio beacon to lure the craft off course to its destruction, but an international commission found that the crash was caused by negligence on the part of the Soviet crew. On 3 November 1986, FRELIMO's Central Committee elected Foreign Minister Joaquim A. Chissano president. In 1987, despite the jetliner crash and despite Mozambican claims that RENAMO and South Africa were responsible for the massacre of 386 people in a village near Inhambane, Mozambique and South Africa revived their nonaggression pact. Fighting intensified and hundreds of thousands of Mozambicans fled to Malawi and Zimbabwe.

In 1990, there was movement toward resolving the civil war. There were serious signs in the late 1980s that FRELIMO was moderating its views. At its 1989 Congress, FRELIMO formally abandoned its commitment to the primacy of Marxism-Leninism. The first peace talks in 13 years were scheduled for Blantyre, Malawi, but they broke down just before they were to open. In August, government and rebel leaders concluded three days of talks in Rome. That same month, Chissano announced that FRELIMO had agreed to allow opposition parties to compete openly and legally. Finally in November, government and RENAMO agreed to appoint the Italian government and the Catholic Church as mediators in peace talks.

It took until 4 October 1992 to sign a peace treaty ending the war, but sporadic fighting and new RENAMO demands slowed down the implementation process. Chissano and Afonso Dhlakama, RENAMO's leader, signed an agreement that called for the withdrawal of Zimbabwean and Malawian troops that had assisted government forces guarding transport routes and the regrouping of both government and RENAMO soldiers at assembly points. It called for the formation of a new national army composed of half government and half RENAMO troops. A joint commission of government and RENAMO, along with a small UN monitoring force, and other joint commissioners, the police, and intelligence services were to oversee the agreement's implementation. In addition, multi-party elections were to be held within a year.

Delays troubled the process practically from the start. RENAMO was slow to appoint its representatives to the joint commissions. The UN operation (UNOMOZ) was formally approved in December 1992, but no troops arrived until March 1993, and it was midyear before 6,000 troops were deployed. RENAMO failed to implement the provision for demobilization and all of the provisions regarding freedom of movement and political organization in areas it controlled. New RENAMO demands were put forward almost monthly, and despite direct meetings between Dhlakama and Chissano and an October 1993 visit by UN Sec. Gen. Boutros Boutros-Ghali, the delays continued.

Political party activity picked up as efforts to resolve the civil war continued. By the end of 1996, 22 parties were active. In March 1993, government presented a draft electoral law to opposition parties, but not until late July was a meeting convened to discuss it. The opposition parties demanded a two-thirds majority on the National Electoral Commission. After Boutros-Ghali's visit, a compromise (10 out of 21 for the opposition parties) was agreed to. Delays also marked the effort to confine armed forces in designated areas.

Elections first scheduled for 1993 were conducted on 27–29 October 1994. On the presidential ballot, Chissano won 53.3% of the vote to Dhlakama's 33.7%. The remainder was split among 10 other contenders. On the legislative ballot, FRELIMO took 44% of the popular vote to RENAMO's 37.7%. FRELIMO has 129 seats and RENAMO, 112. The Democratic Union took nine seats. Dhlakama disputed the fairness of the vote, and the UN observers agreed that it had been less than ideal, but insisted that the announced results were sufficiently accurate. More than 2,000 international observers agreed. Chissano formed the new government on 23 December, with the entire cabinet made up of FRELIMO MPs. Early in 1996, the Chissano government announced that it would postpone municipal elections slated for later that year until 1997. In presidential and parliamentary elections held in December 1999, Chissano defeated Dhlakama by 52.29% to 47.71% while his party took 133 seats against 117 for RENAMO in the parliamentary contest.

With the return of normalcy to the war-torn country, Mozambique attempted to address the huge problem of the repatriation of the millions of refugees. By 1996, 1.6 million had returned. In 1997, Mozambique had become relatively stable, but remained mired in poverty. International investment, following structural adjustment programs initiated by the World Bank, poured in as the country engaged in a wholesale privatization of formerly state-owned enterprises on a scale unmatched anywhere in the world. In mid-2003, Mozambique was set to benefit from a $11.8 million disbursement from the International Monetary Fund (IMF), following a positive review of its economic performance under the IMF's Poverty Reduction and Growth Facility (PRGF). Over 70% of the population reportedly lives in poverty, and an estimated 13% of adults between 15–49 years old are infected with HIV. Food insecurity also remained an issue for some 600,000 people affected by cyclical droughts and flooding.

By mid-year 2003 it appeared that local elections scheduled for 28 October 2003 would be far more hotly contested than the first ones five years ago. RENAMO had reneged on its earlier position, and signed an agreement with ten smaller parties to take on FRELIMO. According to the agreement, RENAMO would field candidates in all 33 municipalities, but had to admit that smaller parties could win in some municipalities. Analysts interpreted the amount of attention devoted to the elections to mean that people were beginning to realize how important and powerful local government could be. A victory with the coalition of ten smaller parties would be the first time in Mozambique's history that the opposition could obtain real political power.

[13] GOVERNMENT

The constitution of the People's Republic of Mozambique became effective at midnight on 24–25 June 1975. Under the constitution and its revision enacted during 1977–78, Mozambique was a republic in which FRELIMO was the sole legal party. The president was the chief of state; the president of FRELIMO had to be the president of the republic. He acted on the advice of the Council of State Ministers, which he appointed and over which he presided. He also appointed provincial governors. The position of prime minister was created in a 1986 constitutional revision. The National People's Assembly, with 226 members, was the supreme organ of the state. Elections to the Assembly were held in 1977 and 1986, with the candidates chosen from a single FRELIMO slate.

A revised constitution with a multi-party system of government came into force on 30 November 1990. The name of the country was changed from the People's Republic to the Republic of Mozambique. Governmental institutions remain otherwise unchanged. According to the 1990 constitution, the president is to be elected by universal adult suffrage for a five-year term and might be reelected on only two consecutive occasions. The Assembly of the Republic will replace the People's Assembly. Its 250 deputies are to be elected for five-year terms. The next elections were due in 2004.

[14] POLITICAL PARTIES

The Mozambique Liberation Front (Frente de Libertação de Moçambique—FRELIMO), the sole legal political party until 1991, was founded in 1962 by the merger of three existing nationalist parties. Formation of FRELIMO did not mean complete political unity. Splinter groups or organizations began to appear in Cairo, Nairobi, and elsewhere, but none of these splinter organizations ever received the support of the OAU, which gave official recognition only to FRELIMO.

In August 1973, five anti-FRELIMO groups formed the National Coalition Party (Partido de Coligação Nacional—PCN). The PCN program called for a referendum on the country's future and the restoration of peace and multiracialism. The organized opposition from the Portuguese community took the form of the Independent Front for the Continuation of Western Rule (Frente Independente de Continuidade Ocidental—FICO, or "I stay"). FICO called for Portugal to continue the war against FRELIMO. In fact, however, the Portuguese government chose to recognize FRELIMO. After the formation of a provisional FRELIMO government in September 1974, the PCN was dissolved and its leaders detained.

Two years after independence, in 1977, FRELIMO was transformed from a liberation movement into a Marxist-Leninist vanguard party dedicated to the creation of a Socialist state. It formally downgraded its ideological commitment at its July 1989 congress. Proposals to broaden party membership and decision making were also adopted. The new constitution in force in November 1990 legalized a multi-party system. Since then, activity has been vigorous. FRELIMO and RENAMO (created in 1976 as a dissident armed force) have been most popular, the latter especially in the central regions. The Mozambican National Union (UNAMO) registered early, and there are several smaller parties, including the Democratic Party of Mozambique (PADEMO) and the Mozambique National Movement (MONAMO). They were gearing up for multi-party presidential and legislative elections in October 1994.

The elections were held on 27 October 1994, and FRELIMO took 129 seats, RENAMO, 112, and the Democratic Union, 9. FRELIMO head Chissano won the presidential election with 53% of the vote to RENAMO's Dhlakama's 33%, with the rest split among 10 candidates.

By 1996, Mozambique had nearly two dozen political parties officially registered with the state. In addition to FRELIMO and RENAMO, the Democratic Union, a coalition of three smaller parties, was founded in 1994. UNAMO, a splinter from RENAMO, ran a strong presidential race, and the Liberal Democrats won almost 2% of the votes in the legislative elections.

In the presidential elections held in December 1999, Dhlakama lost again to Chissano, but gained 14-points over 1994. In the legislative polls RENAMO's 38.81% was only a slight improvement over 37.7% in 1994. This translated to 133 parliamentary seats against 117 for RENAMO in the 250-seat assembly. In September 2000, Renamo-UE member Raul DOMINGOS was expelled from the party, but he continues to hold his parliamentary seat as an independent. In mid-2002 FRELIMO announced that Armando Guebuza would be its candidate in the 2004 elections following Chissano's announcement earlier that he would not stand for a third term.

Chissano and Dhlakama met a number of times over 2001–2002 to discuss RENAMO's claim that the 1999 elections were rigged. RENAMO threatened to form a separate government in its stronghold—the six central and northern provinces. Barring this radical move, RENAMO leaders have demanded that Chissano name the governors of these provinces from among RENAMO 's ranks. Thus far, Chissano has delayed such action on constitutional grounds. RENAMO's electoral alliance with 10 small parties—the RENAMO-Electoral Union—said that its own parallel count gave Dhlakama 52% in the presidential race and the coalition 50% in the 1999 legislative polls.

[15]LOCAL GOVERNMENT

All of Mozambique outside the capital is organized into 10 provinces, subdivided into 112 districts, 12 municipalities, and 894 localities; the capital city of Maputo is considered an eleventh province. Each provincial government is presided over by a governor, who is the representative of the president of the republic and is responsible to FRELIMO and the national government for his activities. Each province also has a provincial assembly, which legislates on matters exclusively bearing on that province. District, municipal, and local assemblies were established in 1977; local elections were held in that year and in 1986. Some 20,230 deputies for 894 local assemblies were elected by adult suffrage at age 18 from candidates chosen by local units of FRELIMO or, in their absence, by other local groups. Deputies of the provincial, district, and municipal assemblies were elected by the local bodies.

Elections were held in 1998, and were scheduled again for October 2003.

[16]JUDICIAL SYSTEM

The legal system is based on Portuguese civil law and customary law. The formal justice system is bifurcated into a civil/criminal system under auspices of the Ministry of Justice and a military justice system under joint supervision of the Ministries of Defense and Justice. At the apex is the Supreme Court, which hears appeals from both systems. The provincial and district courts are below the Supreme Court. There are also special courts such as administrative courts, customs courts, fiscal courts, maritime, and labor courts. Local customary courts, part of the civil/criminal system, handle estate, divorce, and other social and family issues.

Since abolition of the Revolutionary Military Tribunal and establishment of the Supreme Court in 1988, those accused of crimes against the state are tried in civilian courts under standard criminal procedural rules.

The 1990 constitution declares the establishment of an independent judiciary, with judges nominated by other jurists instead of designated by administrative appointment. It is the president, however, who continues to appoint the justices of the Supreme Court.

In non-military courts, all criminal defendants enjoy presumptions of innocence, have the right to legal counsel, and the right of appeal; however, the judicial system suffers from lack of qualified judicial personnel and financial resources.

[17]ARMED FORCES

The armed forces in 2002 numbered an estimated10,000–11,500. The army was equipped with about 80 main battle tanks. The navy had 150 personnel, and the air force numbered 1,000. Mozambique had observers in two UN missions in the region. Military expenditures in 2000 were an estimated $35.1 million or 1% of GDP.

[18]INTERNATIONAL COOPERATION

Mozambique was admitted to the UN on 16 September 1975 and takes part in ECA and all the non-regional specialized agencies except IAEA. The country also belongs to the African Development Bank, G-77, and AU, is a member of the WTO, and has signed the Law of the Sea. Mozambique plays a leading role in the Southern African Development Community (SADC). Mozambique joined the IMF and its sister organizations, the IBRD, IDA, and IFC, in 1985.

[19]ECONOMY

Mozambique, with its agricultural economy and considerable mineral reserves, is a highly indebted, poverty-stricken country. Civil war, ineffective socialist economic policies, and severe droughts plagued Mozambique's economy throughout the 1980s, leaving it heavily dependent on foreign aid. As of 2003, the government had received $8 billion in foreign aid since 1986, representing 17% of GDP. Lack of security outside of major cities and the inability of relief organizations to find safe corridors for the transport of relief supplies only further depressed economic activity. Recent shifts in economic policy toward a market economy and a resolution of the civil war have laid the foundation for an economic recovery helping the economy to grow on average by 4.7% yearly between 1988 and 1998. In 2001, it stood at 9.2%. Main exports are prawns, cashew nuts, and cotton.

Problems remain, however, as the poorly trained workforce and the lack of savings continue to constrain growth. The use of outdated data collection systems, geared more to a state-managed economy, means that the increasing vitality of the private sector tends to go unmeasured. The return of rain after the worst drought on record in 1992 and continuing peace meant that many Mozambicans were able to farm their lands again, making them less dependent on food aid. The 1992 peace accords, which halted the 16-year civil war, brought much needed relief from military activities.

In 2000, some of the worst flooding in the history of the country had killed and displaced many citizens, deterring economic well-being. Approximately 80% of the population is employed in agriculture, mostly on a small-scale, subsistence level. Longer term prospects for growth are encouraging, but highly dependent on good weather and a stable political situation. The country experienced double-digit GDP growth in the late 1990s. A value added tax was introduced in 1999, improving the government's capacity to collect revenue, the country witnessed inflows of capital in the early 2000s, and the exchange rate was stable. Although inflation was low, interest rates were high in 2002. The financial sector has been liberalized, and trade is following along that path. The government's privatization program has been one of the most successful in Africa, with more than 900 of 1,250 state-owned enterprises now in private hands. In 2000, Mozambique received debt relief under

the Heavily Indebted Poor Countries (HIPC) initiative run by the World Bank and the IMF.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Mozambique's gross domestic product (GDP) was estimated at $17.5 billion. The per capita GDP was estimated at $900. The annual growth rate of GDP was estimated at 9.2%. The average inflation rate in 2001 was 10%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 33% of GDP, industry 25%, and services 42%.

Worker remittances in 2001 totaled $116.2 million. Foreign aid receipts amounted to about $52 per capita and accounted for approximately 28% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $150. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 4%. The richest 10% of the population accounted for approximately 31.7% of household consumption and the poorest 10% approximately 2.5%. It was estimated that in 2001 about 70% of the population had incomes below the poverty line.

[21]LABOR

In 1997, the workforce was estimated at 7.4 million. In that year, agriculture accounted for 81% of the labor force, industry and commerce 6%, and services 13%. Unemployment stood at 21%.

The law provides for workers to organize and join unions, although less than 1% of the workforce are union members. The vast majority of those unionized are in larger urban areas where industries are located. There is a constitutional right to strike, with the exception of government employees, police, military personnel, and employees of other essential services. There are two labor federations. The law protects the right of workers to engage in collective bargaining, and prohibits anti-union discrimination.

The minimum working age is 15 but many children work on family farms or in the informal urban economy. The minimum wage for industrial employment was set at $30 per month in 2002. The agricultural minimum is $20 per month. Neither of these minimums provide a living wage, and most workers earn more or engage in additional labor or family farming to supplement their earnings. The legal workweek is 44 hours. The government has enacted health and environmental laws to protect workers, but these provisions are ineffectually enforced.

[22]AGRICULTURE

During the 1980s and early 1990s, Mozambique's agricultural sector was barely functional due to a combination of manmade and natural causes. The prolonged drought of 1981 to 1984 was followed by the floods and cyclone of 1984. By 1986, a famine emerged from renewed drought and civil war. Drought continued into 1987, followed by floods and locusts in 1988. Normal rainfall came in 1990, only to be followed by renewed drought in 1991 and 1992. In some regions food production declined by 80%, and in 1992 the food deficit reached a record 1.3 million tons. Normal rains returned in 1993, but the ongoing food relief requirement, exclusive of war refugees, was put at one million tons in 1994. Good rains and harvests helped the Mozambican economy grow by 5% in 1995 and 1996. By 1999, agricultural production was 5.5% higher than during 1989–91.

Only about 4% of Mozambique is under cultivation at any one time, and more than two-thirds of the land is not exploited in any way. Nevertheless, agricultural pursuits support almost 80% of the population and provided about 24% of the GDP in 2001. Since independence, there has been a serious decline in agricultural production, attributed to the collapse of rural transport and marketing systems when Portuguese farmers and traders left the country. In the 1980s, state farms received the bulk of agricultural investment, but the yields were poor.

Mozambique's major cash crops are cashew nuts, cotton, copra, sugar, tea, and cassava, and its major food crops are corn and sorghum. Crop production in 1999 included cassava, 5,650,000 tons; sugarcane 369,000 tons; coconuts, 435,000 tons; sorghum, 327,000 tons; peanuts, 145,000 tons; corn, 1,185,000 tons; bananas, 88,000 tons; oranges, 19,000 tons; grapefruits, 19,000 tons; cashew nuts, 53,000 tons; rice, 200,000 tons; copra, 73,000 tons; cotton fiber, 30,000 tons; sunflowers, 16,000 tons; and cottonseed, 60,000 tons. Mozambique is a net importer of food; in 2001, the trade deficit in agricultural products was $185.2 million.

[23]ANIMAL HUSBANDRY

Animal husbandry is an underdeveloped sector in the Mozambican economy. A lack of credit, deadly epizootic diseases, and other diseases carried by the tsetse fly make a commercially viable animal husbandry industry almost impracticable for the African traditional farmers, who predominate in this sector. In 2001 there were an estimated 1,320,000 head of cattle, 392,000 goats, 180,000 hogs, and 125,000 sheep. The number of chickens was estimated at 28 million; ducks, 670,000. Beef and veal production was estimated at 38,100 tons; poultry meat, 36,800 tons; cows' milk, 60,400 tons; and hen eggs, 14 million. Mozambique must import substantial quantities of meat and livestock products.

[24]FISHING

In 2000, commercial fishery production was 39,065 tons, of which lobsters and prawns were primarily for export. The potential catch is estimated at 500,000 tons of fish and 14,000 tons of prawns. South African trawlers are allowed to fish in Mozambican waters in return for providing a portion of their catch to Mozambique. In 2000, exports of shrimp and other seafood were valued at $103.5 million. The European Community, Italy, and Japan have each entered into agreements designed to help develop the fishing industry.

[25]FORESTRY

Wood production is from natural forests and is almost entirely consumed by the local rural populations for fuel and construction. Forests constitute an estimated 30.6 million hectares (75.6 million acres). The timber industry is centered along the Beira Railroad and in Zambézia Province, where sawn and construction timber are produced for the nearby South African market. The timber cut was approximately 18 million cu m (635 million cu ft) of roundwood in 2000, with about 93% burned as fuel. Sawn wood production was 28,000 tons in 2000.

[26]MINING

Mozambique's rich mineral deposits remained largely undeveloped. With the end of the civil war, efforts have been under way to revive the economy, with the minerals sector playing an important role. In 1999, mining accounted for less than 1% of GDP. Among leading industries in 2002 were the production of fertilizer, petroleum products, cement, glass, and asbestos. Zambézia, Nampula, and Tete provinces had large deposits of columbite, tantalite, beryl, semiprecious stones, feldspar, kaolin, and coal. Manica Province produced copper and bauxite. Also known to occur were deposits of diatomite, fluorspar, guano, gypsum, iron ore, limestone, manganese, mica, nepheline syenite, perlite, phosphate rock (resources of 274

million tons), rare earths, silica sand, precious and ornamental stones (agate, amethyst, aquamarine, emerald, garnet, jasper, morganite, rose quartz, tigereye, and tourmaline), and titanium. Resources of heavy-mineral sands totaled 14 billion tons containing 300 million tons of ilmenite, as well as zircon and rutile.

Production of bauxite was 8,130 tons in 2000, down from 11,459 in 1996; crude bentonite, 16,144 tons; marble, 120,000 tons of block, down from 744,000 in 1996, and 2,800 sq m of slab, down from 18,232 in 1996 (resources totaled 83 million tons); and semiprecious stones of all types, 3,400 carats of cut stone, down from 5,303 in 1998, and 1,000 kg of rough stones, down from 1,862 in 1996. Also produced in 2000 were clays other than bentonite, gold (most of which was artisanal and undocumented), limestone, crushed rock, marine salt, sand and gravel, and stone. Mozambique's only graphite mine closed in 1999, because of a tax dispute. A significant amount of gold and gemstones was smuggled out of the country each year—4,000–5,000 kg of gold, valued at $50–$62 million, and $50 million worth of gemstones. GDP grew by 3.8% in 2000, 7.3% in 1999, and 11.9% in 1998. The value of output in the mining sector contracted by 4.1% in 2000 and 33.7% in 1999, after growing by 15.1% in 1998 and 19.9% in 1997. The value of exported minerals was $3.6 million in 1999, down from $6 million in 1995. The International Monetary Fund predicted the mining sector would grow by 10% in 2001 and by 15% per year from 2002 to 2005.

[27]ENERGY AND POWER

Coal has been mined in Mozambique since 1856, and exploitable reserves were said to be two billion tons in 1991. The output was estimated at 534,000 tons in 1981 but only 70,000 tons in 1998. The mines were nationalized in 1978. Surveys have indicated the strong possibility of offshore and onshore oil deposits. Natural gas reserves have been estimated at 40 billion cu m. As of 1999, the government was negotiating with several South African companies to build a 900 km (560 mi) natural gas pipeline from the Temane gas field to South Africa's Gavteng province.

The Cahora Bassa Dam went into operation in the fall of 1975 in Tete Province. In 1977, Mozambique started selling substantial quantities of electricity to South Africa, but the transmission line has been sabotaged repeatedly by the Mozambique National Resistant (MNR) beginning in 1981. Work started on a national power grid in 1980, including plans to add to Cahora Bassa's generating capacity, which was 2,078,000 kW in 1994. In 2001, total installed capacity was 2,388,000 kW. Electric power production in 2000 totaled 7 billion kWh, of which 96.4% was hydroelectric and 3.6% was from fossil fuels. Consumption of electricity in 2000 was 925.8 million kWh. Sabotage of the main power line pylons prevented the exporting of electricity to South Africa during the early 1990s.

Mozambique imports all of its petroleum supplies, though oil prospecting is pursued both on and off shore. Mozambique's largest domestic fuel source is the Moatize coalfield near Tete, with an estimated two billion tons of reserves, but lack of infrastructure prevents further development.

[28]INDUSTRY

Manufacturing is centered mostly in food processing and beverages (Food, beverages, and tobacco processing account for 62% of all manufacturing.) Industry is concentrated around the larger cities of Maputo, Matola, Beira, and Nampula. Mozambique's industrial sector is primarily centered on the processing of locally produced raw materials, such as sugar, cashews, tea, and wheat. Brewing and textile production emerged in the 1980s, along with cement, fertilizer, and agricultural implement manufacturing. Other industries make glass, soaps, oils, ceramics, paper, tires, railway equipment, radios, bicycles, and matches. Major investments in aluminum processing, steel production, mineral extraction, fertilizer, and sugar production have been planned.

Economic reforms of the early 1990s promoted private ownership of industry and brought about a significant decline in the number of parastatals; from 1990 to 2000, over 1,200 smaller businesses had been divested, and 37 large enterprises had been privatized. Only 11 large state-owned companies remained, including the national airline, telephone, electricity, insurance, oil and gas exploration, port and rail, airports, water supply, and fuel distribution companies. Government policy now supports the development of private enterprise fully.

The construction sector showed strong growth in the early 2000s, as projects to rebuild roads, bridges, schools, clinics, and other basic infrastructure were underway. There are considerable natural gas reserves, both onshore and offshore, but they have yet to be fully developed. Malawi, Zimbabwe, and Mozambique are planning to establish a 10,000 barrels per day joint fuel refinery in Mozambique, funded by Iran.

[29]SCIENCE AND TECHNOLOGY

Eduardo Mondlane University in Maputo, founded in 1962, has faculties of agricultural sciences, biology, engineering, mathematics, medicine, veterinary science, and sciences. Maputo also has the National Directorate of Geology, the Cotton Research Institute, the National Institute of Health, and the Meteorological Service. In 1987–97, science and engineering students accounted for 42% of college and university enrollments.

[30]DOMESTIC TRADE

The cities of Maputo, Beira, and Nampula are the main centers of commercial life, where it is estimated that 50% of all imported products are consumed. Maputo and Beira are trading centers and ports of entry. There is not a well-established distribution system for local or imported goods. Many local manufactures will sell or distribute their products on their own. Larger retailers will import high columns of goods and sell the excess to other smaller retailers. National distribution of regional products has been hindered by a poor transportation system. However, as of 2001, trading and distribution were still the primary business activities. A 17% value-added tax applies to most goods. Credit cards are not widely accepted.

Business hours are 8:30 AM to 12 noon and 2–5 PM, Mondays through Fridays, 8 AM to 12 noon on Saturdays.

[31]FOREIGN TRADE

There is a considerable amount of unofficial trade along the borders as well as unreported fish exports to Asia. In April 1997, Mozambique began a three-year contract with Crown Agents, a private British company, to take responsibility for the regulation of foreign trade in order to reduce smuggling and corruption.

Shrimp account for the largest portion of Mozambique's export revenues (26%). Other exports include electric current (23%), fruits and nuts (15%), cotton (7.3%), and sugar (2.1%). 1997, Mozambique's imports were distributed among the following categories:

Consumer goods	9.6%
Food	22.3%
Fuels	11.6%
Industrial supplies	22.3%
Machinery	17.3%
Transportation	16.8%
Other	0.1%

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Spain	43	11	32
South Africa	42	738	-696
Portugal	29	75	-46
United States	25	50	-25
Japan	17	23	-6
Italy	14	14	0
India	13	33	-20
Zimbabwe	9	121	-112
United Arab Emirates	n.a.	47	n.a.
Saudi Arabia	n.a.	45	n.a.

32 BALANCE OF PAYMENTS

Mozambique has traditionally had a balance-of-payments deficit and relies heavily on imported consumer and capital goods. Imports have risen steadily since 1987, substantially increasing the current account deficit. In recent years, the merchandise import–export ratio has been as low as 1:4. Mozambique is taking steps to improve its trade balance, however, by increasing the production of locally manufactured and agricultural goods. By the early 2000s, exports had risen over 40% since 1996. A faster rise in export earnings has been hampered in part by bankruptcies in the cashew processing industry, and poor prices for the sale of electricity generated by the Cahora Bassa hydroelectric dam (resulting from contracts negotiated by the colonial government over 20 years). But as of the early 2000s, prospects for an increase in exports appeared positive.

In 1999, Mozambique qualified for $3.7 billion in debt service relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative. (The amount was subsequently augmented to $4.3 billion.) This debt relief improved the country's balance of payments. Prior to the HIPC approval, Mozambique owed $8.3 billion in foreign debt. HIPC reduced the eligible debts held by participating creditors by 90%, or close to $3 billion.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Mozambique's exports was $746 million while imports totaled $1.254 billion resulting in a trade deficit of $508 million.

The International Monetary Fund (IMF) reports that in 2001 Mozambique had exports of goods totaling $1.71 billion and imports totaling $2.44 billion. The services credit totaled $590 million and debit $1.4 billion. The following table summarizes Mozambique's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-1,604**
Balance on goods	-725
Balance on services	-876
Balance on income	-574
Current transfers	571
Capital Account	**585**
Financial Account	**-272**
Direct investment abroad	…
Direct investment in Mozambique	480
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	-62
Other investment liabilities	-690
Net Errors and Omissions	**-135**
Reserves and Related Items	**1,425**

33 BANKING AND SECURITIES

The Mozambican branch of the defunct Portuguese National Overseas Bank was nationalized without compensation. By a decree of 23 May 1975, it was reconstituted as the Bank of Mozambique (Banco de Moçambique-BM). Functioning as a central bank, it served as the government's banker and financial adviser, and as controller of monetary and credit policies. It was also an issuing bank, a commercial bank, and the state treasury; the bank managed Mozambique's external assets and acted as an intermediary in all international monetary transactions.

In 1978, the government nationalized four of the five remaining commercial banks (the Banco Standard Totta de Moçambique remained private). In that year, a second state bank, the People's Investment Bank, was created and given responsibility for supervising a building society, the Mozambique Credit Institute (the industrial bank), and the National Development Bank.

After 1992, the government's economic reform program began to tackle the financial sector. Foreign banks were allowed to invest in Mozambican financial institutions, in 1994 interest rates were deregulated, and in 1995 the commercial activities of the central bank were assumed by a newly created institution, the Banco Comercial de Moçambique (BCM). By 1997, the government had privatized the BCM and the BPD (Banco Popular de Desenvolvimento). These banks were joined by Banco Português do Atlántico (BPA), Banco de Fomento e Exterior (BFE), and Banco Internacional de Moçambique (BIM), whose main shareholder is the Banco Comercial Português (BCP).

In 2001, along with the central Bank of Mozambique, there were eight banks operating in Mozambique, including the dominant BCM (owned by Banco Portugues Mello), BIM (owned by Banco Commercial Portugues), BPD (renamed Banco Austral after its sale to Southern Berhad Bank of Malaysia), Banco Standard Totta (55% owned by Banco Totta and Acores of Portugal, and 40% owned by Standard Bank of South Africa), Equator Bank (owned by Hong Kong and Shanghai Bank), Banco de Fomento do Exterior (branch of a Portuguese bank), Uniao Comercial de Bancos (a Mauritian bank), and Nedbank (South African).

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $486.2 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $1.1 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 33.64%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 9.95%.

34 INSURANCE

In 1977, all insurance companies were nationalized and Empresa Moçambicana de Seguros was established as the sole state insurance enterprise. This company continued functioning through 1999.

35 PUBLIC FINANCE

The government's role in the economy has diminished during the past decade as the country has recovered from civil war. Preparations for privatization of many state-run industries and utilities had begun as of 2002, and the tax code has been revised.

The US Central Intelligence Agency (CIA) estimates that in 2001 Mozambique's central government took in revenues of approximately $393.1 million and had expenditures of $1 billion including capital expenditures of $479.4 million. Overall, the government registered a deficit of approximately $631.9 million. External debt totaled $1 billion.

36 TAXATION

Under Portuguese rule, taxation and tax collection were full of inequities and corruption at all levels of government. In 1978, after independence, much higher and more progressive taxes were introduced. These included an income tax on wages, salaries, and

other benefits. In 1999, duties on imported goods ranged from 0% to 30%, depending upon whether it is a primary, intermediate, or consumer good. A value-added tax (VAT) with a standard rate of 17% in 2003 is charged on most goods and services. Exemptions from VAT include basic foodstuffs, medicines and pharmaceuticals, books and journals, bicycles, agricultural inputs and fishing implements, waste disposal, burial and cremation services.

[37]CUSTOMS AND DUTIES

Both import and export licenses are required for all goods. The average nominal customs tariff rate was reduced from 18% to 10% in 1996. Mozambique chaired the Southern African Development Community (SADC) from 1990–2000, and houses its Communications Commission (SATCC) in Maputo.

[38]FOREIGN INVESTMENT

The liberalizing of Mozambique's economy began with the initiation of its economic recovery plan (ERP) in January 1987. Included in the program were measures to stimulate the private sector, an effort reinforced in 1990 by further legislation. In June 1993, the investment code was reformed to put foreign and local investors on an equal footing with respect to fiscal and customs regulations. The parastatal sector has been progressively privatized, with only 11 large state-owned industries left in 1999.

Certain tax incentives are available to encourage direct foreign investment, including a 50% to 80% reduction in taxes. The flow of capital is liberal. Regulations issued in 1999 established an Industrial Free Zone Council, which approved the first free zone enterprise in Maputo, MOZAL, an aluminum smelter. Companies in the free zone must engage in nontraditional industry and export at least 85% of production.

In 1998, foreign direct investment (FDI) inflow to Mozambique totaled about $235 million, up 365% from 1997. FDI inflows peaked at $382 million in 1999 then fell to $139 billion in 2000. In the period 1998 to 2000, Mozambique's share of world FDI inflows was almost twice its share of world GDP, a considerable improvement on its performance 1988 to 1990, when its share of FDI flows was only 30% of its share of world GDP. In 2001, FDI inflow was a near-record $255 million. The leading sectors for foreign investment in Mozambique have been industry, agribusiness and fishing, finance, and tourism. Major foreign investors include South Africa (over 60%), Portugal, Great Britain, Hong Kong, and the Netherlands.

[39]ECONOMIC DEVELOPMENT

The government of Mozambique has abandoned its post-independence preference for a socialist organization of society, which it had tried to effect through the creation of cooperatives, state farms, and industries. In cooperation with the International Monetary Fund (IMF), Mozambique was reforming its economy and preparing for a post-civil war period of economic growth. Progress has been slow, however, as parastatals continue to control the telecommunications, electric power, transportation, and fuel sectors of the economy. Growth sectors include agriculture and related processing industries, transportation, and mining.

In 1999, Mozambique's eligible debts were reduced by 90% by the IMF, World Bank, the Paris Club, and other multilateral lending agencies under the Heavily Indebted Poor Countries (HIPC) initiative. The country also hoped for 100% debt relief from the United States and gained complete debt cancellation from the UK. Debt stood at $8.3 billion before 1999 and $5.7 billion after reforms. A variety of infrastructure development projects were underway in 1999, including a road and railway from Maputo to Johannesburg.

In 2001, the government forecast the economy would expand between 7–10% a year for the following five years, but such success depended upon foreign investment projects, economic reform, and the development of the agriculture, transportation, and tourism sectors. Over 1,200 state-owned enterprises were privatized, most of them small. In 2003, Mozambique was operating under a three-year $76 million Poverty Reduction and Growth Facility (PRGF) Arrangement with the IMF. Floods in 2000 and food shortages in 2002 curtailed economic development.

[40]SOCIAL DEVELOPMENT

Foreign aid is used in assisting Mozambican Labor and Social Welfare Ministries with building infrastructure to benefit the most disadvantaged groups in the country including disabled and abandoned children. The country is upgrading employment and professional training centers.

Despite government rhetoric and constitutional provisions mandating equal rights for both sexes, legal and social discrimination against women is pervasive. Women may not work outside of the home without the husband's permission. Inheritance rights, furthermore, strongly favor men over women. Tradition and custom lead many families to withdraw their daughters from school at an early age. Domestic violence against women, including beating and spousal rape is reportedly widespread.

Human rights abuses have been in decline, but there is evidence of systemic police brutality. Prison conditions are poor and, in some cases, life threatening. Vigilante killings of suspected criminals by civilians is a problem.

[41]HEALTH

Almost all health care services are provided by the government's National Health Service. The army maintains its own health posts and two hospitals. Traditional healers continue to play a significant role. All medical products must be registered with the Ministry of Health and, due to currency constraints, Mozambique is entirely dependent on bilateral and multilateral donors for its drug needs. Between 1985–1995, only 39% of the population had access to health care services. As of 1999 total health care expenditure was estimated at 3.5% of GDP.

In 1993, there was one doctor per 36,225 people. As of 1999 there were 0.9 hospital beds per 1,000 people. The shortage of medical supplies and trained personnel has remained severe throughout Mozambique. In 1997, immunization rates were as follows: tuberculosis, 84%; diphtheria, pertussis, and tetanus, 61%; polio, 61%; and measles, 70%. The government pays no vaccination costs.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 36.4 and 25.1 per 1,000 people. Only 6% of married women ages 15 to 49 years used contraception as of 1999. Of all births in 1993–96, 20% were underweight. In 2000, the infant mortality rate was estimated at 129 per 1,000 live births and the under five mortality rate in 1999 was 172 per 1,000. The maternal mortality rate in 1989–95 skyrocketed to 1,500 per 100,000 live births; as of 1998, the rate was 1,100.

Since 1982, South African destabilization of Mozambique has caused children's health to suffer. War has lead to the closure of 48% of the primary care network. The war has displaced over three million people and accounted for an estimated 500,000 childhood deaths between 1981–88. In addition, there were approximately 1.1 million civil war-related deaths between 1981 and 1992. Estimated average life expectancy was only 42 years in 2000.

At the end of 2001, the number of people living with HIV/AIDS was estimated at 1.1 million (including 13% of the adult population) and deaths from AIDS that year were estimated at 60,000. HIV prevalence in 1999 was 13.2 per 100 adults. In 1999, there were 407 cases of tuberculosis per 100,000 people.

[42]HOUSING

In 1997, there were about 3,540,700 housing units nationwide to serve about 3,634,581 households. The average household had 4.3 people. At last estimate, more than 60% of housing units were constructed of woven straw, about 15% of cane and woodsticks, and nearly 10% of bricks and concrete. Approximately 65% of all households used well water, nearly 20% river and spring water, almost 10% piped outdoor water, and less than 5% piped indoor water. Nearly 96% were without electricity, and over half had no toilet facilities.

[43]EDUCATION

The education system in Mozambique is slowly being rebuilt after the civil war, which destroyed at least 50% of primary schools. Between 1980 and 1985 alone, the number of schools dropped from 5,730 to 3,679. In 1990, private schooling was reintroduced.

Education is compulsory for seven years, but in practice, most students do not study for the full compulsory period. In 1995, there were 4,167 primary schools with 24,575 teachers and 1,415,428 pupils. Secondary schools enrolled 185,181 students, taught by 5,615 teachers. The pupil-teacher ratio at the primary level was 62 to 1 in 1999. In the same year, 50% of primary-school-age children were enrolled in school, while only 7% of those eligible attended secondary school. As of 1999, public expenditure on education was estimated at 2.9% of GDP.

Eduardo Mondlane University is established at Maputo. In 1997, there were 7,143 students and 915 teachers engaged in post-secondary education. The objective of the government is to promote the spread of education at all levels through democratization guided by the state. Since the country still had an estimated adult illiteracy rate of 55.5% in 2000 (males, 40%; females, 71%), literacy training is a high-priority area.

[44]LIBRARIES AND MUSEUMS

The National Library of Mozambique, founded in 1961, contains 110,000 volumes. There is a small public library system. The principal museums in Maputo are the Museum of Natural History, founded in 1911, specializing in natural history and ethnography; the Freire de Andrade Museum (minerals); and the Military History Museum. Beira and Nampula have general museums; Manica has a natural history museum; and Isla da Inhaca, near Maputo, has a museum of marine biology. After a long and brutal civil war lasting for more than a decade, the condition of these institutions is at best unknown.

[45]MEDIA

Postal and telecommunications services are government-operated. In the larger cities, telephones are automatic. There were 90,000 mainline telephones and 100,000 cellular phones in use in 2001. Radio Moçambique, the official radio service, broadcasts in Portuguese, English, Afrikaans, and local languages. TV Mozambique is the government-owned television service. As of 2001, there were 12 AM and 17 FM radio stations (about 14 were privately owned) and 1 national television station. In 2000, there were 44 radios and 5 television sets for every 1,000 people. The same year, 11 Internet service providers were serving 22,500 subscribers.

In 2002, major daily newspapers included *Notícias* (circulation 33,000), and *Diario do Moçambique* (16,000). Both papers are representative of the ruling party, as is the weekly publication *Domingo* (25,000). There are a number of smaller independent publications.

The constitution, the 1991 Press Law, and the 1992 Rome Peace Accords provide for free expression, including free speech and a free press; however, though some improvements were reported, the government has restricted some press freedoms.

[46]ORGANIZATIONS

FRELIMO has emphasized mass organizations, such as the Organization of Mozambican Women and the Organization of Mozambican Youth. Scouting programs and active chapters of the YMCA/YWCA are available for youth. The Red Cross is active in the country.

The Mozambique Chamber of Commerce, founded in 1980, is located in Maputo. There is a national teacher's union.

[47]TOURISM, TRAVEL, AND RECREATION

Prior to independence, tourism, mostly from South Africa and the former Rhodesia, was a very important activity. However, concern for security in the late 1970s and throughout the 1980s due to the political situation left the tourist industry at a mere fraction of its previous levels. With civil stability and with economic prospects improving in recent years, hope is high that a renewed tourism industry will result. All foreign nationals need visas, as well as yellow fever and cholera immunizations.

The coastal town of Pemba offers beaches and coral reefs that can be easily reached by most swimmers. The northern half of Mozambique Island, which has a number of old churches and mosques, has been declared a UNESCO World Heritage Site.

According to 2001 US government estimates, the daily cost of staying in Maputo is about $186. Expenses in other areas can be only half that amount.

[48]FAMOUS MOZAMBICANS

Eduardo C. Mondlane (1920–69) was the first president of FRELIMO. His successor, and later the first president of independent Mozambique, was Samora Moïsés Machel (1933–86). Joaquim Alberto Chissano (b.1939), foreign minister since independence, succeeded Machel as president in 1986; Chissano announced in 2003 that he did not intend to run for reelection in 2004.

[49]DEPENDENCIES

Mozambique has no territories or colonies.

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NAMIBIA

Republic of Namibia

CAPITAL: Windhoek

FLAG: Top left triangle is blue, center diagonal band is red, and the bottom right triangle is green. Colors are separated by narrow white bands. On the blue triangle is a golden sun with twelve triangular rays.

ANTHEM: *Namibia Land of the Brave*, music and words by Axali Doeseb.

MONETARY UNIT: The Namibian dollar (N$) of 100 cents is in use; N$1 = $0.13297 (or $1 = N$7.52) as of May 2003.

WEIGHTS AND MEASURES: The metric system is in use.

HOLIDAYS: New Year's Day, 1 January; Independence Day, 21 March; Easter, 1–4 April; Workers' Day, 1 May; Casinga Day, 4 May; Ascension Day, 12 May; Africa Day, 25 May; Heroes' Day, 26 August; Day of Goodwill, 7 October; Human Rights Day, 10 December; Christmas, 25–26 December.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

A vast land of desert and semidesert along the southwestern coast of Africa, Namibia covers 825,418 sq km (318,696 sq mi). Comparatively, the area occupied by Namibia is slightly more than half the size of the state of Alaska. It extends 1,498 km (931 mi) SSE-NNW and 880 km (547 mi) ENE-WSW (excluding the Caprivi Strip). Namibia is bordered by Angola and Zambia in the N, by Botswana in the E, by South Africa in the SE and S, and by the Atlantic Ocean to the W, with a total land boundary length of 3,936 km (2,446 mi) and a coastline of 1,572 km (977 mi).

The enclave of Walvis Bay (1,124 sq km/434 sq mi) was administered from 1977 to 1994 as part of South Africa's Cape Province, as were 13 offshore islands. Walvis Bay was reincorporated into Namibia on 1 March 1994. Namibia's capital city, Windhoek, is in the center of the country.

[2]TOPOGRAPHY

Namibia is largely an elevated, waterless plateau partly suitable for arid grazing. The average altitude is 1,080 m (3,543 ft) above sea level; the high point, near the coast, is Konigstein, at 2,606 m (8,550 ft). Along almost the entire range of the coast there are sandy wastes and high, reddish sand dunes. The coastal strip comprises the Namib Desert, and the eastern region is part of the Kalahari Desert. All four permanent rivers form borders: the Kunene and Okavango in the north, the Zambezi in the northeast, and the Orange (Oranje) in the south.

[3]CLIMATE

Namibia's climate is the driest in Africa, with sunny, warm days and cooler nights, especially during the winter months. The average temperature along the coast is the summer is 23°C (73°F); in winter, the average temperature is 13°C (55°F). The fertile northern strip is always warmer, having a climate similar to that of southern Angola.

Much of Namibia is a land of perennial drought. The annual rainfall, which is concentrated in the November–March period, generally averages more than 70 cm (28 in) in the far north, 2.5–15 cm (1–6 in) in the south, and 35 cm (14 in) in the central plateau. But the rains often fail: some regions have gone nearly a century without a drop of rain.

[4]FLORA AND FAUNA

Namibia is the home of a great variety of large fauna and avifauna. In the game parks and the neighboring grazing areas, there are the tallest elephants in the world, along with rhinoceroses, an abundance of lions, cheetahs, and leopards; ostriches, and a profusion of ungulates, including the giraffe, zebra, kudu, eland, black-faced impala, hartebeest, springbok, gemsbok, and wildebeest. Birds of prey are numerous, as are the Kori bustard and the Karroo korhaan. Among the unique flora are the desert welwitschia and many varieties of aloe.

[5]ENVIRONMENT

Namibia's environmental concerns include water pollution and insufficient water for its population. The nation has 6.2 cubic kilometers of renewable water resources. About 68% is used in farming and 3% for industrial purposes. Only about 67% of the people living in rural areas have access to pure water. Nearly all of the urban population has safe water. The nation's cities produce about 0.1 million tons of solid waste per year. Deforestation and soil erosion also threaten the nation's land. Agricultural chemicals, such as DDT, are also a threat to the environment due to excessive usage. The Namibian Wildlife Trust, organized in 1982, works closely with the Department of Nature Conservation to maintain the habitat and to prevent poaching of threatened fauna and avifauna. In 2001, 12.9% of Namibia's total land area was protected. Twelve nature conservation areas cover 99,616 sq km (38,462 sq mi). Among these are the 22,270-sq-km (8,603-sq-mi) Etosha National Park, one of Africa's best-run and least-visited animal preserves; a smaller game park near Windhoek; and the Namib Desert Park (23,401 sq km/9,035 sq mi), east of Swakopmund. There is a seal reserve at Cape Cross, north of Swakopmund. As of 2001, 11 mammal species and 8 bird species are endangered. About 14 species of plants are threatened with extinction. UN sources have

identified the black rhino, cave catfish, and the wild dog as endangered species. Burchell's zebra has become extinct.

[6]POPULATION

The population of Namibia in 2003 was estimated by the United Nations at 1,987,000, which placed it as number 141 in population among the 193 nations of the world. In that year approximately 4% of the population was over 65 years of age, with another 43% of the population under 15 years of age. There were 96 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.42%, with the projected population for the year 2015 at 2,196,000. The population density in 2002 was 2 per sq km (6 per sq mi). The far north is the most densely populated region of the country.

It was estimated by the Population Reference Bureau that 31% of the population lived in urban areas in 2001. The capital city, Windhoek, had a population of 202,000 in that year. Other important areas include Ondangwa (50,000) and Oshakati (40,000). According to the United Nations, the urban population growth rate for 2000–2005 was 2.8%.

The prevalence of AIDS/HIV has had a significant impact on the population of Namibia. The United Nations estimated that 22.2% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Namibia's migrant labor force exceeds 100,000. Ovambo from northern Namibia have moved south since the 1920s to work in the diamond mines near the mouth of the Orange River, in the port of Walvis Bay, and in the cities and towns of the interior. Ovambo formerly migrated by the thousands to work in the gold mines of South Africa, but that traffic has diminished. Only 14,817 blacks of Namibian birth were resident in South Africa in 1991. Some Ovambo have gravitated from neighboring Angola into northern Namibia. The resurgence of war in Angola in mid-1998 drove thousands of refugees into Namibia. Between December 1998 and June 1999, the total number of refugees in Namibia increased from 2,700 to 4,300.

In 2000 there were 143,000 migrants residing in Namibia, including approximately 27,300 refugees. The net migration rate in that year was 0.6 per 1,000 population. The government views the immigration level as too high, but the emigration level as satisfactory.

[8]ETHNIC GROUPS

About 88% of the population is black; 6% is white; and 7% is mixed. Approximately 50% of total population belong to the Ovambo tribe, the largest group, who live mainly in the well-watered north. The second-largest group, constituting 9% of the population, is the Kavango, who reside along the Okavango River. The Damara, accounting for 7% of the populace, live east of the arid coast and to the south of the Ovambo, and the Herero, a herding people who range north of Windhoek, account for another 7%. The Nama, herders in the deep south, make up 5% of the population; the Caprivian, living in the easternmost portion of the strip, total 4%; the San (Bushmen) 3%; the Basters of Rehoboth, a farming community of mixed origin, 2%; and the Tswana 0.5%. The white population lives predominantly in central and southern Namibia. The Coloureds (peoples of mixed descent) live largely in Windhoek and other cities.

[9]LANGUAGES

The official language of Namibia is English; however, it is only used by about 7% of the population. Afrikaans is the common language used by most people, including about 60% of the white population. Approximately 32% speak German. Ovambo, in any of several dialects, is widely used throughout the country, and Herero is widely spoken in Windhoek. Other indigenous languages are also used by the various tribes.

[10]RELIGIONS

The first missionaries to proselytize in Namibia were British Congregationalists and Methodists; German and Finnish Lutherans and German-speaking Roman Catholics followed. As a result, more than 90% of Namibians are Christians, with the largest denominations being Lutheran and Roman Catholic. Other principal denominations, include Baptist, Methodists, and the Church of Jesus Christ of Latter-Day Saints. Some indigenous religious customs have survived. Nearly 10% of the population practices indigenous religions, primarily among the ethnic tribes. One notable custom is the ritual fire, which some tribes keep burning continuously to ensure life, fertility, prosperity, and the happiness of ancestors. There are small numbers of Jews, Muslims, Buddhists, and Baha'is in the country.

[11]TRANSPORTATION

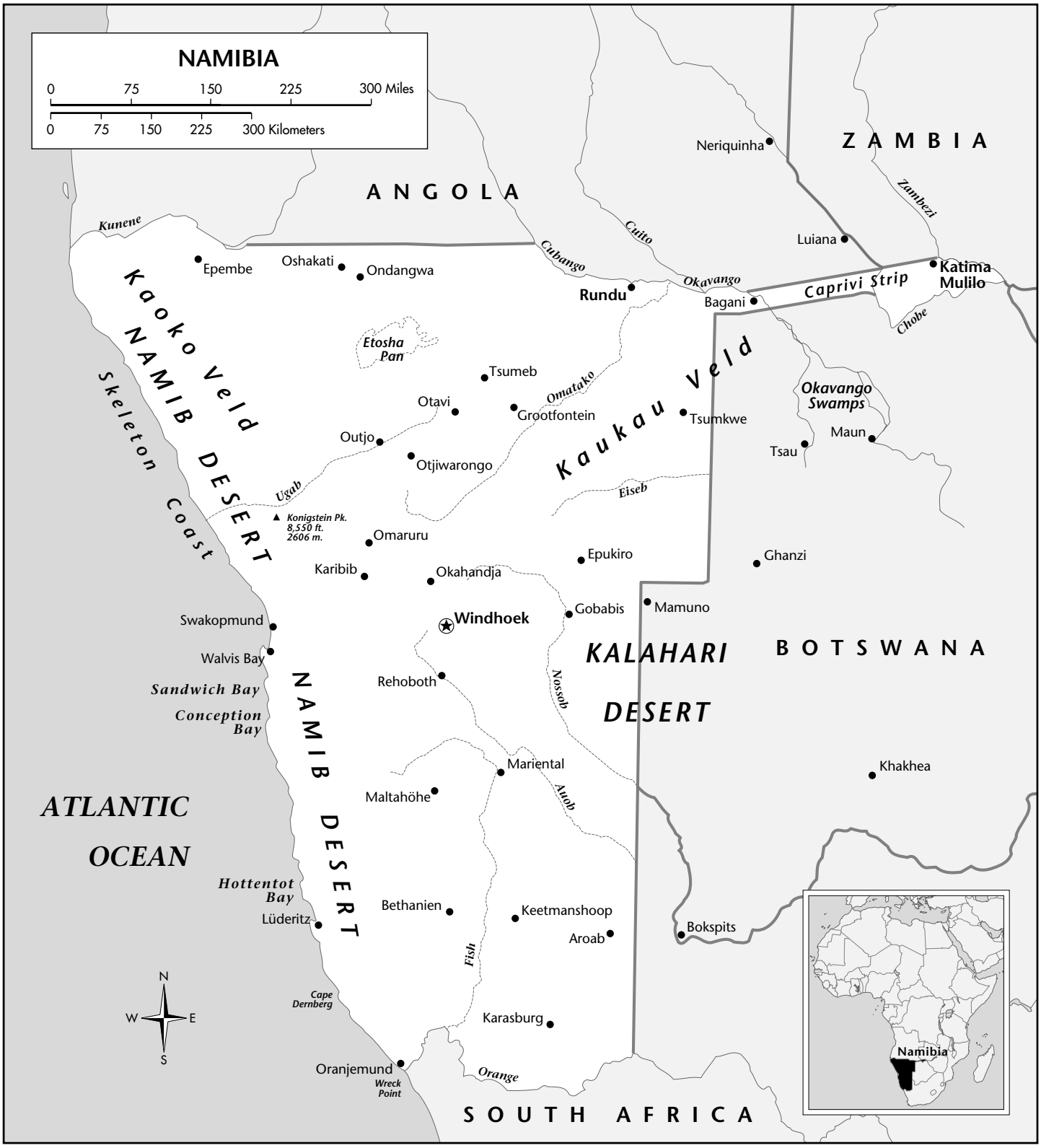
Namibia is traversed by 2,382 km (1,481 mi) of railway, with a main line from South Africa connecting east of Karasburg and continuing to Keetmanshoop (with a side branch to Lüderitz), Mariental, and Windhoek before heading eastward to the ranching area of Gobabis and north to the copper- mining area of Tsumeb. Westward from Windhoek and also southwestward from Tsumeb, the main rail lines link the interior with Swakopmund and Walvis Bay. Of Namibia's 64,800 km (40,266 mi) of road, 5,378 km (3,342 mi) were paved in 2002. The Trans-Kalahari Highway links Namibia and Gauteng Province in South Africa. The Trans-Caprivi Highway links Namibia to Zambia, Zimbabwe and northern Botswana.

Walvis Bay, a South African enclave from 1977 to 1994, has been the main handler of Namibia's imports and exports and the home of the territory's once-vital fishing fleet since the 1920s; about 95% of all Namibian seaborne trade is transshipped there. Lüderitz, the site of the first German entry in 1883, has lost its status as a port because of harbor silting and poor transport links; however, it remains a center of the territory's crayfish industry.

In 2001, there were 137 airports, 21 of which had paved runways. Namibia's international airport (Windhoek International) is near Windhoek, with other modern facilities at Rundu, Grootfontein, Walvis Bay, Lüderitz, Keetmanshoop, and Oranjemund. Other towns have dirt airstrips, and many white Namibians fly their own aircraft from their farms to the urban centers. Air Namibia flew 214,000 international and domestic passengers in 1997. South African Airways links Windhoek to Europe and to the principal cities in South Africa. In 2001, 212,200 passengers were carried by domestic and international airlines.

[12]HISTORY

Paintings of animal figures on rock slabs in Namibia testify to at least 25,000 years of human habitation there. The San (Bushmen) may have been Namibia's earliest inhabitants. The Damara also claim to be the true indigenous Namibians, who were compelled to welcome waves of Herero and Ovambo from the north. By the 19th century, the Damara, Ovambo, and Herero were the largest indigenous ethnic groups. The Kavango and the Caprivians were settled in the areas where they now reside. There was competition for land, mostly between the Ovambo and the Herero. But then the invaders arrived. First came the Hottentots (now called Nama), brown-skinned peoples of mixed parentage from South Africa. They had guns and conquered a large swath of southern and central Namibia from the Herero and the Damara. The Germans came in 1883, initially as commercial colonizers and missionaries and then as soldiers. With military might, the



LOCATION: 11°44′ to 25°16′ E; 16°58′ to 28°58′ S. BOUNDARY LENGTHS: Angola, 1,376 kilometers (855 miles); Zambia, 233 kilometers (144 miles); Botswana, 1,360 kilometers (850 miles); South Africa, 966 kilometers (600 miles); Atlantic Ocean, including Walvis Bay, 1,489 kilometers (921 miles). TERRITORIAL SEA LIMIT: 12 miles.

Germans in the 1890s moved inland across the desert from Walvis Bay (which had been annexed by the British in 1878 and incorporated into Cape Colony in 1884) to Windhoek, establishing forts and subjugating the Herero and Damara. The Germans forcibly took land and cattle from the Herero, whose revolt was suppressed by the Germans at a cost of about 65,000 Herero lives. A Nama revolt met a similar fate in 1904.

When World War I broke out, the South Africans invaded Süd-West Afrika, as the German colony was then known. The South Africans wished to annex the territory, but the new League of

Nations granted South Africa a mandate instead. From 1920 to 1946, South Africa administered the mandatory territory as if it were an integral part of the Union, but neglected social services and the Ovambo-Kavango sphere in the north.

After World War II, South Africa refused to acknowledge the jurisdiction of the UN over Namibia as a successor organization to the League of Nations. Instead, it progressively integrated Namibia into the Union. In the 1950s, senators from South West Africa sat in the South African parliament. The UN took South Africa before the International Court of Justice, that gave ambiguous verdicts in 1962 and 1966, but in 1971 it decisively declares South Africa's occupation of Namibia illegal. In 1978, the UN Security Council rejected South Africa's annexation of Walvis Bay.

Meanwhile, in 1960, representatives of the indigenous majority had formed the South-West Africa People's Organization (SWAPO) to seek independence and black majority rule. Beginning in 1966, but especially after 1977, SWAPO used guerrilla tactics with varying success. South Africa countered by building up its armed forces along Namibia's borders with Zambia and Angola, where SWAPO had established bases and from where it launched raids.

In 1978, South Africa ostensibly accepted a Western-sponsored plan for an independent Namibia, but at the same time sponsored elections for a constituent assembly (opposed by the UN) that resulted in the victory of a white-dominated multi-ethnic party, the Democratic Turnhalle Alliance. Representatives of the United States, the UK, the Federal Republic of Germany, France, and Canada then attempted to devise a formula acceptable to South Africa that would permit Namibia to proceed to independence in accordance with UN Security Council Resolution 435 of 1978. Black African countries rejected South Africa's demand that Cuban forces leave neighboring Angola as part of a settlement.

A "transitional government of national unity," composed of South African-appointed members of six parties, was installed in 1985. The South African administrator-general retained the right to veto legislation, and South Africa continued to exercise authority over foreign affairs and defense. On 13 December 1988, seven months of US-mediated (with observers from the Soviet Union) negotiations, resulted in the signing by Angola, Cuba, and South Africa of the Protocol of Brazzaville, by which South Africa agreed to implement the UN Plan for Namibia. Cuba and Angola agreed to a phased, total withdrawal of Cuban troops from Angola. Further agreements on details were signed in New York on 22 December 1988.

The process to implement UN Resolution 435 on 1 April 1989 started off shakily. In contravention of SWAPO President Sam Nujoma's assurances to the UN to abide by a cease-fire and repatriate only unarmed insurgents, around 2,000 armed members of the People's Liberation Army (PLAN), SWAPO's military wing, crossed into northern Namibia from Angola. South African forces were authorized to oppose them and 375 PLAN fighters were killed. This misunderstanding was overcome by negotiations and peace was restored.

Elections, held 7–11 November 1989, were certified as free and fair. This transitional period involved the return some 42,000 refugees and the return of SWAPO politicians and PLAN fighters in exile. SWAPO took 57% of the vote, just short of the two-thirds necessary to allow it a free hand in drafting a constitution. The main opposition Democratic Turnahalle Alliance (DTA) received 29%. By 9 February 1990 the constituent assembly had drafted and adopted a constitution based on the 1982 constitutional principles. Namibia became independent on 21 March 1990. Nujoma was sworn in as president by UN Sec. Gen. Javier Pérez de Cuéllar. Namibia's independence shines as a UN success story.

Since independence, the SWAPO government has pursued a policy of "reconciliation" with the white inhabitants. It is a vibrant multiparty, nonracial democracy. On 1 March 1994, the reincorporating of Walvis Bay into Namibia was completed through an agreement with South Africa.

Nujoma won the two-day 7–8 December 1994 legislative and presidential elections with 76% of the vote to the DTA's Mishake Muyongo's 23%. SWAPO won, 53 of the 72 contested seats of the National Assembly; DTA, 15; United Democratic Front (UDF), 2; Democratic Coalition of Namibia, 1; Monitor Action Group (MAG), 1.

By the late 1990s, secessionist sentiments were growing among the 92,000 Lozi of the Caprivi Strip in northeastern Namibia. They formed the Caprivi Liberation Front, led by Mishake Muyongo, former SWAPO executive secretary and DTA leader. On 2 August 1998, Caprivi Liberation Army (CLA) rebels attacked military, police, and other government installations around Katima Mulilo in Caprivi. Namibia declared a state of emergency that lasted three weeks. Six soldiers and police officers, and several civilians died in the attack. Many rebels were capturing or killed by security forces. By December 1998, 2,250 Namibians from the Caprivi region had crossed into Botswana, allegedly fleeing persecution by the Namibian Defense Force, and 2,232 of them were given asylum in Botswana. Mushoke and Chief Boniface Maunili got asylum in Denmark. In 2002, 128 Caprivians were being held for trial on charges of treason. By March 2003, despite assurances for their safety, none of the Caprivian refugees in Botswana had signed up for the next round of repatriations by the UNHCR and the government.

In November 1998, SWAPO used its two-thirds majority in Parliament to change the constitution to allow Nujoma a third term of office. This move attracted wide national and international criticism in what some observers called a "torpedoing of democracy" to suit certain individuals. Namibia's ambassador to Britain and high-ranking SWAPO member, Ben Ulenga, resigned in protest over this. In March 1999, he formed his own party, the Congress of Democrats (CoD). Nujoma went on to win the (substantially free and fair) elections held on 30 November and 1 December 1999, taking 77% of the vote and three-quarters (55) of the 72 parliamentary seats. The CoD (tied with DTA at 7 seats) won the highest number of opposition votes (10.5%). At its Congress in 2002, Nujoma was reelected head of SWAPO, which he has led for nearly 40 years. In June 2003, Nujoma declared that he would not stand for a fourth term—implying that a new party head would have to be chosen before the 2004 elections.

Namibia maintained neutrality in its foreign policy, until the late 1990s, when 2,000 Namibian solders were sent to help President Laurent Kabila of the Democratic Republic of the Congo fight rebels. By August 2001, all but 150 of these troops had returned home. In December 1999 Namibia allowed Angolan troops to use its territory to pursue UNITA rebels. Between December 1999 and January 2000, scores of civilians were wounded or killed. The death of UNITA leader Jonas Savimbi in February 2002 and the subsequent peace accord between UNITA and the Angolan government ended bouts of "hot pursuit" across the Namibian-Angolan border in connection with the quarter-century-long civil war in Angola.

In June 2003, Namibia was included in free trade talks with the United States as part of the Africa Growth and Opportunity Act (AGOA). It had also received $113 million over five years in assistance from the Global Fund to fight HIV/AIDS, and announced that local production of anti-AIDS drugs would soon begin—a measure that was expected to make life-prolonging drugs available and affordable to thousands of infected persons. The HIV/AIDS adult prevalence rate stood at 22%.

[13]GOVERNMENT

The Namibia constitution adopted on 21 March 1990 is considered a model of democratic government. Universal suffrage and a strong emphasis on human rights and political freedom are prominent. An independent judiciary and legal obligations to improve the disadvantaged sectors of the population are written into the government. Namibia has a bicameral legislature. It consists of a National Assembly of 72 deputies elected for a five-year term, and up to six members appointed by the president, and a National Council comprised of two members from each of 13 regions elected for a six-year term. The National Council functions purely in an advisory capacity. The president is elected by direct, popular vote and serves as head of state and government and commander-in-chief of the defense force for no more than two five-year terms. The constitution was amended in November 1999 specifically to allow Nujoma (alone) a third term, a move that has attracted criticism both from within the country and the international community. There is also an independent ombudsman to investigate complaints and take action in defense of the interests of individuals and organization in their dealings with the state.

[14]POLITICAL PARTIES

The South-West Africa People's Organization (SWAPO) is the largest political party, and during the struggle for independence, it was recognized by the OAU and the UN General Assembly as the sole legitimate representative of the Namibian people. SWAPO had a political wing, PLAN, that was engaged in war with South Africa. SWAPO's support comes chiefly from the Ovambo people of the north and from urban areas. The Democratic Turnhalle Alliance (DTA), a white-led amalgam of constituent ethnic parties, was the main opposition party in Namibia's first two elections. It narrowly lost the main opposition role (partly due to early alleged financial links with white South Africa) to the new (formed in March 1999) Congress of Democrats (CoD) in the 1999 elections. Three other parties—the United Democratic Front (UDF), the Monitor Action Group (MAG), and the Democratic Coalition of Namibia—won at least a seat in the 1994 and 1999 elections. There are also several small ethnic parties, most of which were represented in the bodies appointed in 1985.

In the 1989 elections to the constituent assembly, SWAPO gained 41 seats (57.3%); the DTA 21 seats (28.6%); the United Democratic Front, four seats (5.6%); and the Action Christian National, three seats (3.5%). The other parties collectively gained three seats on 5% of the vote.

In the 1994 elections, SWAPO maintained its commanding majority in the assembly, taking 73.9% of the vote, which translated to 53 seats. DTA held 15 seats; United Democratic Front, 2 seats; and one each by the Democratic Coalition of Namibia and the Monitor Action group.

Nujoma and SWAPO hold a monopoly on power in what a specialist on Africa, Mahmood Mamdani, calls the "old nationalist model"—in which the liberation party is "the custodian of the nation, and anyone who disagrees is unpatriotic".

In the November/December 1998 elections for National Council, SWAPO took 21 seats, DTA 4, UDF 1 seat. In the November/December 1999 presidential elections, Nujoma performed even better that in previous elections, winning 76.8% of the vote. Ben Ulenga of the CoD had 10.5%; Katuurike Kaura of DTA, 9.6%; and Chief Justice Garoëb of the UDF, 3%. SWAPO swept 55 of the 72 National Assembly seats; CoD and DTA, got 7 each; UDF, 2; MAG, 1. Next elections were due December 2004.

[15]LOCAL GOVERNMENT

There are 13 regions in Namibia. The most populous is Ohangwena, followed by Oshikoto, Khomas, Oshana, Omusati, Okavango, Erongo, Caprivi, Otjozondjupa, Hardap, Karas, Kunene, and Omaheke. They are governed by elected councils. Local governments (municipalities, towns and villages) have elected councils.

[16]JUDICIAL SYSTEM

The court system retains Roman-Dutch elements inherited from South Africa along with elements of the traditional court system. The formal court system is arranged in three tiers: 30 magistrates' courts, the High Court, and the Supreme Court. The Supreme Court serves as the highest court of appeals and also exercises constitutional review of legislation.

The traditional courts handle minor criminal offenses such as petty theft and violations of local customs. In 1991 a presidential commission recommended that the traditional courts be maintained provided they act consistently with the constitution and laws. Legislation enacted in 1993 was intended to bridge the gap between traditional and magistrates' courts by creation of a system of "community courts."

The constitution calls for an independent judiciary as well as an extensive bill of rights protecting freedom of speech, press, assembly, association, and religion and a guarantee of redress for those whose fundamental rights have been violated. It provides for an ombudsman to deliver free legal advice upon request.

Because of a shortage of trained magistrates and lack of legal counsel, courts typically face a significant backlog of cases awaiting trial. The government appointed the first public defender in 1993 and renewed funding for representation for indigent defendants.

Although the constitution prohibits racial discrimination, some apartheid-based laws dating from before independence have not yet been repealed.

[17]ARMED FORCES

The armed forces in Namibia numbered 9,000 in 2002 including the Presidential guard and an air wing. The coast guard numbered around 200 and operated two patrol craft for fishery protection. The paramilitary consisted of a special field force of 6,000 which included border guards. Namibia participated in the peacekeeping effort in Ethiopia/Eritrea. Defense spending was $104.4 million in 2001.

[18]INTERNATIONAL COOPERATION

Namibia is a member of the UN and agencies including the FAO, IAEA, ILO, ITU, UNESCO, and WHO. It also belongs to ECA and participates in the African Development Bank, G-77, the AU and the WTO. In the sub-region, Namibia belongs to the South Africa Customs Union (SACU) and to the Southern Africa Development Community (SADC).

[19]ECONOMY

Namibia's economy is dependent on a few primary commodity exports, including minerals (diamonds, uranium, copper, lead, zinc, tin, silver, tungsten), livestock (both meat and hides), and fishing. Mining accounts for 20% of GDP and the majority of exports. Tourism is also an important Namibian industry. Led by the diamond industry, the GDP grew 6.6% in 1994, but by only 4% in 2001. The economy is highly integrated with that of South Africa; Namibia gained independence from South Africa in 1990. Three-fourths of Namibia's imports originate there, and transport and communications infrastructure are strongly linked with South Africa. Years of white rule have resulted in one of the most unequal income distributions on the African continent. However, a democratically elected government is following pragmatic

economic policies committed to the development of previously neglected regions of the country.

The economy has a superior transport and communications infrastructure, an extensive natural resource base, a small population, and a stable government committed to competitiveness in attracting investment. Large oil and gas reserves were discovered in 2000, that should be tapped by 2005. For these reasons analysts believe that Namibia's economy holds enormous potential for long-term economic growth.

Unemployment was high at around 35% in 2000, and the government was geared toward the creation of jobs. The government indicated it wished to privatize state-owned enterprises, including in the electricity, telecommunications, water, and transportation sectors, but no established time frame for such privatization was in place in 2002. Although tourism accounted for less than 3% of GDP in 2002, it grew faster than any other sector of the economy. Ecotourism is an important segment of the tourism industry, as Namibia has a wide variety of wildlife and striking scenery.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Namibia's gross domestic product (GDP) was estimated at $8.1 billion. The per capita GDP was estimated at $4,500. The annual growth rate of GDP was estimated at 4%. The average inflation rate in 2001 was 8.8%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 11% of GDP, industry 28%, and services 61%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $4.673 million or about $4 per capita and accounted for approximately 0.2% of GDP. Worker remittances in 2001 totaled $3.228 million. Foreign aid receipts amounted to about $61 per capita and accounted for approximately 3% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $1,242. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 2%.

[21]LABOR

As of 2002, the labor force was estimated at 500,000 workers. Agriculture accounted for an estimated 47% of the workforce in 1999, with another 33% in the service sector and 20% in industry. The unemployment rate was nearly 40% in 2002. Most of the population engages in subsistence farming.

The constitution provides freedom of association, including the right to form and join trade unions, which was extended to public servants, farm workers, and domestic employees under the Labor Act of March 1992. The principal trade union organizations are the National Union of Namibian Workers (NUNW), a SWAPO-aligned federation, and the Namibia Federation of Trade Unions (NFTU). The main public service and construction unions are affiliates of the Namibia People's Social Movement (NPSM), formerly known as the Namibian Christian Social Trade Unions. Workers generally have the right to strike. Collective bargaining is permitted but is virtually only practiced in the mining and construction industries.

The minimum legal working age is 14, however child labor remains prevalent especially in rural areas. There is no legal minimum wage, and many workers have difficulty maintaining a decent standard of living. The legal workweek is set at 45 hours with a mandatory 24-hour rest period per week. The government implements health and safety standards.

[22]AGRICULTURE

Less than 1% of Namibia is arable. About 47% of the active population depends on agriculture for their living. Agriculture consists of two sectors: a commercial sector with some 50,000 workers (producing 80% of annual yields), and a subsistence sector situated largely in communal areas. Colonialism left Namibia with a three-tier agricultural production system: 4,000 commercial ranches; 20,000 stock-raising households; and 120,000 mixed-farming operations. The ranches displaced local farmers on 66% of the viable farmland and left only 5% of the land to the 120,000 mixed-farming operations.

Corn is grown primarily in the area known as the Grootfontein–Otavi–Tsumeb triangle, where farms are much smaller than in other parts of the country. Corn production in 1999 amounted only to 18,000 tons (down from 50,000 tons in 1991). Recent droughts have created a dependency on grain imports. Namibia is dependent on South Africa for corn, sugar, fruit, and vegetables. In 2001, Namibia's agricultural trade deficit was $17.8 million.

Caprivi and Kavango in the northeast have potential for extensive crop development. Communal farms there are estimated to produce 60% of their staple food, such as mahango (which is also used to brew beer). Cotton, groundnut, rice, sorghum, and vegetable production have begun on an experimental basis in Kavango. An irrigation project at Hardap Dam near Mariental produces corn, alfalfa, feed corn, and grapes.

[23]ANIMAL HUSBANDRY

Namibia is an arid country with very little arable land. Livestock production is the major agricultural activity, making up more than 90% of that sector's output. In 2001, there were an estimated 2,509,000 head of cattle, 2,370,000 sheep, and 1,769,000 goats. About 170,000 cattle and 820,000 sheep and goats were slaughtered in 1999, yielding 38,000 tons of beef and 12,000 tons of mutton and goat meat. Karakul pelts have been a leading export, but the world market is currently depressed. Namibia has ideal conditions for commercial breeding of ostriches, and of other African game animals for meat, hide, trophy, and tourism purposes.

[24]FISHING

The fish stocks of the rich Benguela current system were seriously depleted in the late 1970s and throughout the 1980s. Most species, however, are expected to recover by the late 1990s as a result of conservation programs. Fishing and fish processing are among the nation's best prospects for employment and economic growth. In early 1992, a new fisheries code was presented to Parliament, which stressed employment and training opportunities for Namibian citizens, profit reinvestment, and revenue gain for the nation. The total catch in 2000 was 282,965 tons, with Cape hakes accounting for 171,001 tons and Cape horse mackerels for 35,000 tons. After independence in 1990, the volume of the nominal catch skyrocketed nearly tenfold. Exports of fish and fish products totaled $290 million in 2000.

[25]FORESTRY

About 10% of Namibia consists of forests and woodland, including woodland savanna, all in the north and northeast. Most of the timber is used locally.

[26]MINING

Namibia was among the world's premier producers of gem diamonds, and the mining industry accounted for 11% of GDP and 50% of foreign exchange earnings, and was the largest private-sector area of employment. The most valuable minerals were diamonds, uranium, copper, silver, lead, zinc, gold, pyrite, and salt. Diamonds were mainly recovered from a 96 km stretch along the coastline north of the Orange River; 1.54 million carats of gem diamond were produced in 2000. Also produced in 2000 were columbium, tantalum, tin, cement, fluorspar, gypsum, semiprecious stones (agate, amethyst, garnet, pietersite, rose quartz, sodalite, and tourmaline), granite, marble, sulfur (pyrite concentrate), and wollastonite.

Mine copper output in 2000 was 5,070 tons (copper content), following no output in 1999, and 17,879 in 1997; mine lead, 12,115 tons (metal content); zinc concentrate, 40,266 tons (metal content); and salt, 381,670 tons. Rössing Uranium, owned by Rio Tinto-Zinc, of the UK, produced uranium oxide at the world's largest opencast uranium mine, at Swakopmund. Coal has been discovered in southeastern Namibia. Mineral exports accounted for one-half of total export value. In the period 1996–2000, the following minerals experienced one or more years of no output: antimony, arsenic, copper, manganese, industrial diamond, gypsum, lithium minerals (amblygonite, lepidolite, and petalite), several semiprecious gemstones (amethyst, chrysocolla, garnet, crystal quartz, pietersite, rose quartz, sodalite, and tourmaline), and sulfur.

[27]ENERGY AND POWER

The South-West Africa Water and Electricity Corp. (SWADEC) draws power from a hydroelectric facility on the Angola-Namibian border and from thermal plants near Walvis Bay and Windhoek. The 120 MW Van Eck power station, the 320 MW Ruacana hydroelectric station, and the 45 MW Paratus facility form a local generating capacity that is linked not only to the South African grid but to the Zambian grid as well. Production in 2000 totaled 30 million kWh, of which 2% was from fossil fuels and 98% from hydropower. Consumption of electricity in 2000 was 890.9 million kWh. Development of the proposed Epupa hydroelectric plant, which would increase capacity by 450 MW, was still stalled as of 2003. Proponents of the project believe it is crucial to Namibia's future energy needs, but critics oppose it as unnecessary and environmentally unsound. All coal and petroleum products come from South Africa.

Three Norwegian oil companies were exploring an offshore area of 11,000 sq km (4,250 sq mi) in the early 1990s. The government conducted a round of licensing in 1995 in which all available offshore and onshore blocks were opened for international bidding.

[28]INDUSTRY

Namibia's small industrial sector has centered on meat packing and fish processing, with some production of basic consumer goods. There are furniture and clothing factories, metal and engineering works, assembly plants for imported components, and a cement plant (which, however, closed in 1999 due to pollution risks to the lives of workers and residents in the area).

In 2000, industry accounted for 28% of GDP, 16% of which was attributed to manufacturing. Historically, Namibia has been dependent on South Africa's manufacturing sector. The government in 2003 forecast stronger GDP growth driven in part by base-metal smelting, food and beverage manufacturing, and textile manufacturing, anticipating a diversification of the economy away from its traditional reliance upon the mining sector. The construction sector showed strong growth in 2001, and although it slowed in 2002, new projects included extending the Northern Railway line from Tsumeb to Oshikango, the construction of a new State House, the resurfacing of the Kongola-Katima road, and the extension of the Trans-Caprivi highway westward.

Namibia remains underexplored with regard to oil and natural gas, but its greatest potential in the hydrocarbon sector remains with natural gas. The only significant discovery as of 2002 was the Kudu gas field operated by Shell. Plans were to construct a moderate-size electric power generation plant in Orangemund, a pipeline to the Western Cape in South Africa, and potentially two electric power plants there. The primary partners in the Kudu gas field project are Shell, Nampower, Eskom, and Texaco.

[29]SCIENCE AND TECHNOLOGY

The Namibia Department of Agriculture and Rural Development, founded in 1979 at Windhoek, supports extensive research on natural resources and ecology. The Desert Ecological Research Unit of Namibia, founded in 1963 at Swakopmund, carries out exploration and research in the Namib Desert and semiarid Namibia. The University of Namibia has a faculty of science. The Namibia Scientific Society, at Windhoek, is concerned with ornithology, spelaeology, botany, archaeology, herpetology, astronomy, and ethnology. Natural science exhibits are displayed at the Lüderitz Museum, the Museum Swakopmund, and the National Museum at Windhoek. In 1987–97, science and engineering students accounted for 4% of college and university enrollments.

[30]DOMESTIC TRADE

Windhoek is the country's major commercial center. The marketing and distribution systems are mainly controlled by foreign investors and managers from South Africa and Germany. Domestic trade is heavily dependent on South African imports for most consumer goods. Business hours are from 7:30 AM to 4:30 or 5 PM, Monday through Friday. Many businesses are closed from mid-December to mid-January for a summer holiday.

[31]FOREIGN TRADE

Diamond exports generated approximately 25% of total exports. Along with uranium, copper, silver, lead, zinc, and gold, mineral exports accounted for over 50% of exports in 1998.

Leading imports are foodstuffs, petroleum products and fuel, machinery and equipment, and chemicals. Key export markets are the UK (43%), South Africa (26%), Spain (14%), and France (8%). South Africa (81%), the US (4%), Germany (2%), and Japan are the leading suppliers for Namibia's imports.

The Walvis Bay enclave is an export-processing zone, with the potential of becoming a center for re-exports toward Angola, South Africa, Zimbabwe, and Botswana.

[32]BALANCE OF PAYMENTS

Traditionally, Namibia has maintained a trade surplus resulting from its valuable mineral exports. However, over 95% of Namibia's consumption and investment goods are imported, resulting in wide fluctuations in the merchandise trade surplus due to the constant changes in world mineral prices. Namibia joined the IMF in September 1990, when it began opening more to foreign trade. In recent years, the current account has maintained a surplus, due to surpluses in net current transfers, particularly in Southern African Customs Union receipts and foreign development assistance not linked to capital assets.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Namibia's exports was $1.58 billion while imports totaled $1.71 billion resulting in a trade deficit of $130 million.

The International Monetary Fund (IMF) reports that in 1998 Namibia had exports of goods totaling $1.28 billion and imports totaling $1.45 billion. The services credit totaled $327 million and debit $457 million. The following table summarizes

Namibia's balance of payments as reported by the IMF for 1998 in millions of US dollars.

Current Account	**162**
Balance on goods	-173
Balance on services	-130
Balance on income	61
Current transfers	404
Capital Account	**24**
Financial Account	**-146**
Direct investment abroad	2
Direct investment in Namibia	96
Portfolio investment assets	-11
Portfolio investment liabilities	-4
Other investment assets	-176
Other investment liabilities	-53
Net Errors and Omissions	**16**
Reserves and Related Items	**-56**

[33]BANKING AND SECURITIES

Banking activities have recorded strong growth since independence in 1990, while the range of financial institutions operating in Namibia has begun to expand. Total assets of the four main commercial banks more than doubled in 1991–95, and during 1995 bank lending to the private sector rose by 34%, that represented 92% of total domestic credit, of which 41% comprised loans to individuals. There have been no banking failures since independence, but the regulatory regime inherited from South Africa is being brought more into line with international norms under a new banking institutions act that was due to come into effect in 1997.

First National Bank Namibia and Standard Bank Namibia have the largest branch networks and remain wholly owned subsidiaries of their South African parent banks. Other commercial banks included the Commercial Bank of Namibia (CBN, a subsidiary of the Geneva-based Société financière pour les pays d'outre mer, or SFOM), South Africa's Nedcor Bank, FirstRand Limited, and Bank Windhoek (in which South Africa's ABSA Bank is the main shareholder). In mid-1996, Bank Windhoek completed a merger with the Namibia Building Society. The City Savings and Investment Bank (CSIB) was launched in 1994 as Namibia's first indigenously owned financial institution. At that time it had a single branch in Windhoek, but has since grown. The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $733.3 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $1.2 billion. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 9.25%.

Within four years, the Namibian Stock Exchange (NSE), which started operations in October 1992, grew to become sub-Saharan Africa's second largest in terms of market capitalization, next to the Johannesburg Stock Exchange (JSE). The NSE is increasingly being used by local firms to raise capital for business expansions, while foreign investors are buying into Namibian equities through new listings and rights offers, which have been mainly oversubscribed. Some 95% of the NSE's overall market capitalization comprises dual-listings of South African parent groups of Namibian subsidiaries. Thirteen different companies were listed in 2001, when local market capitalization was $151 million.

[34]INSURANCE

The government embarked on a considerable shake-up of the insurance and pensions sector during the 1990s, over which the South African mutual societies had the biggest influence. Premium income continued to be invested mainly in South African assets following independence, overriding Namibian insurance funds like the Government Institutions Pension Fund (GIPF).

Legislative amendments of 1995 required that 35% of Namibian-generated funds under management be reinvested in specified local assets. A long-term insurance bill tabled at the end of 1996 made it compulsory for South African mutuals to establish Namibian-registered public companies and match net liabilities with local assets. As part of their asset localization measures, Sanlam and Old Mutual launched the first Namibian unit trusts in 1995. Other major insurance companies include Metropolitan Life and Mututal and Federal Insurance Company.

[35]PUBLIC FINANCE

Although per capita GDP is one of the highest in Africa, the majority of Namibia's people live in poverty. The economy is one of the most advanced in the region, but income distribution is very skewed. In order to combat this problem, the government continues to concentrate its spending on social services. A large portion of the budget is also allocated to development projects, including boosting the construction industry and expanding the infrastructure.

The US Central Intelligence Agency (CIA) estimates that in 1998 Namibia's central government took in revenues of approximately $883 million and had expenditures of $950 million. Overall, the government registered a deficit of approximately $67 million. External debt totaled $217 million.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**883**
Tax revenue	90.1%	796
Non-tax revenue	8.2%	73
Grants	1.6%	14

[36]TAXATION

There is a progressive personal income tax with a top rate of 35%. The basic tax on corporate profits is 35%. Nonresident shareholders are taxed 10% on dividends, and there is a tax on undistributed profits. Diamond mines are taxed at a rate of 55%. Gold mines and oil and gas extraction companies are taxed at a special rate. As of 27 November 2001, a value-added tax (VAT) replaced the 8% general sales tax (GST), with a standard rate of 15%. Exempted from VAT are education, medical services, hotel accommodations, and public transportation. There are also excise taxes on luxury goods.

[37]CUSTOMS AND DUTIES

Namibia is part of the Southern African Customs Union, Preferential Trade Area for Eastern and Southern Africa (PTA), the Common Market for Eastern and Southern Africa (COMESA), and the SADC Free Trade Protocol; no tariffs exist on most goods moving between members. It also has signed bilateral trade agreements with over 20 major trading nations around the world. Imports from outside the union are subject to a common tariff rate based on the Harmonized System of Import Classification; most imports need licenses. South Africa levies and collects most of the customs and excise duties for the other members and then pays each a share, based on an established formula. Namibia has double taxation agreements with South Africa, the United Kingdom, Sweden, and Germany (but not the United States) and is a member of the United Nations, the World Bank, the International Monetary Fund, and the World Trade Organization.

[38]FOREIGN INVESTMENT

International investment, mostly South African, has historically played an important role in Namibia. In addition, there is significant UK and US investment in mining. Five international oil and gas distribution companies operate in Namibia. Otherwise, foreign investment is negligible. In December 1990, foreign investment legislation was liberalized. In April 1993, Namibia announced a program of private-sector investment incentives that included lower taxes, grants, and development loans. In 1994, the government created an export processing zone at Walvis Bay. Namibia's goal is to create an infrastructure that will serve as a reexport center for southern Africa, including Angola, South Africa, Zimbabwe, and Botswana.

Annual foreign direct investment (FDI) inflows to Namibia peaked at $153.4 million in 2000, up from $84 million in 1997. In 2001, FDI inflow decreased to $99.2 million.

[39]ECONOMIC DEVELOPMENT

Namibia's government will continue to build and diversify its economy around its mineral reserves. Priorities include expanding the manufacturing sector, land reform, agricultural development in the populous north, and improved education and health opportunities. Transfer of Walvis Bay and 12 offshore islands to Namibia has returned to Namibia its deep-water port and 20% of its offshore rights.

The five-year development program started in 1994 set an annual growth rate target of 5%, highlighting government budget cuts and foreign investment and trade. As of 2002, gross domestic product (GDP) growth since the mid-1990s had averaged 3.5% a year. Unemployment remained high, at around 35% of the labor force, and economic growth was not substantial enough to significantly reduce poverty. The 2001–02 budget aimed to limit the ratio of government debt to GDP to no more than 25%.

[40]SOCIAL DEVELOPMENT

By many economic and social indicators, including population per physician, per hospital bed, and per telephone, Namibia is statistically better off than many other sub-Saharan African countries. However, such comparisons also mask the huge disparities between rural and urban Namibia, and between its black and white populations.

The government is obliged by the constitution to promote actively the welfare of the people, including gender, racial and regional equality. Considerable discrimination against women exists in both formal and customary law. Community property laws, for example, define women as legal minors, unable to enter into any kind of contract without the husband's signature. In the absence of this permission, women may not open a bank account or purchase property. Some measures were taken to address these inequities through the Married Person's Equality Bill, which outlaws discrimination against women in civil marriages. However, the law does not affect practices in customary, or traditional, marriages. Domestic abuse and violence are widespread, and cultural views of women exacerbate the problem.

Indigenous San peoples have historically faced discrimination from Namibia's other ethnic groups. The government has attempted to redress the marginalization of the San by increasing their participation in decision-making on issues that affect them. These efforts have been applied unevenly, and the San remain relatively isolated and largely excluded from national decision making.

Human rights are generally respected. However, there are excesses by security forces, and prison conditions remain harsh.

[41]HEALTH

In 1999, there were 0.3 physicians per 1,000 people. Safe water and adequate sanitation were available to 77% and 41% of the population, respectively, in 2000. Since health services are provided by the ethnically-based second-tier authorities, the system is effectively segregated. In 1990–95, 57% of the population had access to health care services.

In 2000, average life expectancy was 47 years and infant mortality was 62 per 1,000 live births. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 34.2 and 22.3 per 1,000 people and the maternal mortality rate was estimated at 230 per 100,000 live births in 1998. About 29% of married women ages 15 to 49 years used some form of contraception in 2000.

Immunization rates in 1990–94 for children up to one year old were: tuberculosis, 100%; diphtheria, pertussis, and tetanus, 79%; polio, 79%; and measles, 68%. As of 1999 the rates for DPT and measles were, respectively, 72% and 66%. About 26% of children under age five were malnourished in 1990. The Namibian government is considering fortifying foods with vitamin A and/or iron. Vitamin A deficiencies were seen in 20.4% of children under age five in 1992 and goiter is a common problem.

At the end of 2001, the number of people living with HIV/AIDS was estimated at 230,000 (including 22.5% of the adult population) and deaths from AIDS that year were estimated at 13,000. HIV prevalence in 1999 was 19.5 per 100 adults. The epidemic was worst in the northeastern part of the country, where rates of infection were as high as 25% of the population as of 2001. In the same year, HIV/AIDS was the leading cause of mortality (26%, followed by pneumonia (11%), tuberculosis (10%), and malaria (6%). Measles and polio prevalence was low. In 1994, 133 cases of measles were documented and in 1995, 28 polio cases. In 1999, there were 490 cases of tuberculosis per 100,000 people.

[42]HOUSING

There is a sharp contrast in housing standards between white and black Namibians primarily because the economic imbalance between these groups has not evened out since the end of aprtheid. A majority of the population is rural, where most dwellings are self-constructed from local materials. In a 1991 housing survey, 50% of all housing units were kraals (huts) made from pole frames and thatch or mud walls. Some kraal are plastered with cow dung. It was estimated that 58% of all households lived in these type of huts. About 40% of kraal households had seven or more members. About 33% of all housing units were detached homes, but these were only serving 30% of all households. Regional and town governments build and rent housing to migrants, but the demand has overwhelmed the supply. In the 1990s, the backlog in housing units was estimated at 45,000 units.

[43]EDUCATION

Education is compulsory for 10 years between the ages of 6 and 16. Primary education is for seven years, and secondary lasts for five years. In 1998, 400,325 Namibians were in primary and 115,237 pupils were in secondary schools. The pupil-teacher ratio at the primary level was estimated at 32 to 1 in 1999. In the same year, 80% of primary-school-age children were enrolled in school, while 34% of those eligible attended secondary school. There is an Academy for Tertiary Education for adult students. Projected adult illiteracy rates for the year 2000 stand at 17.9% (males, 17.1%; females, 18.8%). As of 1999, public expenditure on education was estimated at 8% of GDP.

A growing number of students have been enrolling in post-secondary education. In 1995, 11,344 students attended tertiary educational institutes, 61% of whom were female.

[44]LIBRARIES AND MUSEUMS

Public libraries serve most cities and towns in an extensive network. The National Archives and a public library (78,000 volumes) are both located in Windhoek, as is the National Library, which contains 69,000 volumes as of 2002. The University of Namibia at Windhoek holds 86,800 volumes. There is a national museum in Windhoek, with an emphasis on the natural and human sciences, and local museums in Lüderitz, Swakopmund, Gobabis, Omaruri, Outjo, Tsumeb, and other towns. The State Museum in Windhoek features objects from the cultures of the Nama, Bushman, Herero, Ovambo and other Southern African peoples. The Lüderitz Museum features displays of diamond mining.

[45]MEDIA

Namibia has good quality telephone service, with at least 18 automatic telephone exchanges that can put callers in touch with 63 countries. Communication with rural areas is provided by about 65 fixed radio stations and 500 mobile stations. Fax machines and telex services are readily available. As of 2000, there were 110,200 mainline telephones and 82,000 cellular phones in use. The government-owned Namibian Broadcasting Corp. transmits radio programs in English, German, Afrikaans, and African languages. Television relays from South Africa began in the Windhoek and Oshakati areas in 1981. As of 2001, there were 2 AM and 39 FM radio stations. In 1997, there were eight television stations. In 2000 there were 141 radios and 38 television sets for every 1,000 people. There were two Internet service providers serving 30,000 subscribers in 2001.

Four major daily newspapers are published in Windhoek, including (with 2002 circulation): *The Namibian* (11,000), *Die Republikein* (12,000), and *The Windhoek Advertiser* (5,000). *Tempo* is a Sunday paper with a circulation of 11,000. The government owns and operates the Namibia Press Agency. The government also owns on biweekly newspaper, *New Era*, and two magazines, *Namibia Today* and *Namibia Review.*

The constitution provides for free speech and a free press, and the government is said to generally respect those rights. However, the government-owned Namibian Broadcasting Corporation operated most radio and television services, and though it provides significant coverage of opposition opinions, there have been many complaints of bias in the reporting of sensitive issues.

[46]ORGANIZATIONS

There are two chambers of commerce in Windhoek. Professional and trade associations exist for teachers, miners, journalists, architects, jewelers, and members of the tourist industry. The National Scientific Society promotes research and education in the fields of national history, ethnology, archaeology, zoology, botany, and geology. National youth organizations include the Namibian National Students Organization, the National Youth Council of Namibia, the SWAPO Youth League of Namibia, and Boy Scouts of Namibia. Women's organizations include the Sister Namibia Collective and the Namibia National Women's Organisation. The YWCA has chapters in Nambia. The Red Cross is also active in the country.

[47]TOURISM, TRAVEL, AND RECREATION

Namibia's prime tourist attractions are game viewing, trophy hunting, and the scenic beauty of its deserts. In the west, Swakopmund is a Hanseatic-style resort town populated by Namibians of German descent. It is the center for tours of the nearby Namib dunes, and for visits to the wild Skeleton Coast to the north. In the south, the Fish River Canyon, 85 km (53 mi) long and 700 m (2,300 ft) deep, ranks second in size to the Grand Canyon.

European tourism is well developed, but the North American and Far Eastern markets are only now starting to grow. In 1998, Namibia had $288 million in income from tourism with over 500,000 tourists. There were 2,779 hotel rooms with 5,767 beds and an occupancy rate of 36%.

The estimated cost of staying in Windhoek in 2003, according to the US Department of State, was $115 per day. Other locations could be as little as $40 per day.

[48]FAMOUS NAMIBIANS

Herman Toivo ja Toivo (b.1915?), the founder of SWAPO and the leader of Namibian nationalism, languished in a South African prison from 1966, when he was convicted of treason, until his release in March 1984. Sam Nujoma (b. 1929) has been leader of SWAPO since 1966.

[49]DEPENDENCIES

Namibia has no territories or colonies.

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NIGER

Republic of Niger
République du Niger

CAPITAL: Niamey

FLAG: The flag is a tricolor of orange, white, and green horizontal stripes, with an orange circle at the center of the white stripe.

ANTHEM: *La Nigérienne*.

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr), which was originally pegged to the French franc, has been pegged to the euro since January 1999 with a rate of 655.957 CFA francs to 1 euro. The CFA france comes in coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs, and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Anniversary of 1974 military takeover, 15 April; Labor Day, 1 May; Independence Day, 3 August; Proclamation of the Republic, 18 December; Christmas, 25 December. Movable religious holidays include 'Id al-Fitr, 'Id al-'Adha', and Milad an-Nabi.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

A landlocked country, the Republic of the Niger is the largest state in West Africa, with an area of 1,267,000 sq km (489,191 sq mi), extending 1,845 km (1,146 mi) ENE-WSW and 1,025 km (637 mi) NNW-SSE. Comparatively, the area occupied by Niger is slightly less than twice the size of the state of Texas. Bordered on the N by Libya, on the E by Chad, on the S by Nigeria, on the SW by Benin and Burkina Faso, on the W by Mali, and on the NW by Algeria, Niger has a total boundary length of 5,697 km (3,540 mi). Niger's capital city, Niamey, is located in the southwestern part of the country.

[2]TOPOGRAPHY

Niger is four-fifths desert, and most of the northeast is uninhabitable. The southern fifth of the country is savanna, suitable mainly for livestock raising and limited agriculture. In the north-central region is the volcanic Aïr Massif, reaching a height of 1,944 m (6,376 ft) on Mt. Gréboun, the nation's highest point. Massifs along the Libyan border average about 800 m (2,600 ft). The southern plateau is at an elevation of 300–500 m (1,000–1,650 ft). The Niger River flows for about 563 km (350 mi) through southwestern Niger. To the north of the Niger are many ancient stream channels that flow periodically during wet weather. A portion of Lake Chad is situated in the southeastern corner of the country.

[3]CLIMATE

Niger, one of the hottest countries in the world, has three basic climatic zones: the Saharan desert in the north, the Sahel to the south of the desert, and the Sudan in the southwest corner. The intense heat of the Saharan zone often causes the scant rainfall to evaporate before it hits the ground; at Bilma, in the east, annual rainfall is only 2 cm (0.79 in). On the average, rainfall in the Aïr Massif is limited to a maximum of 25 cm (10 in) annually, and most of it comes during a single two-month period. At Agadez, in the northern Sahel, annual rainfall averages 16.5 cm (6.5 in), but yearly totals often vary greatly. In the south, rainfall is higher. It averages 56 cm (22 in) at Niamey, in the southern Sahel, and 87 cm (34 in) at Gaya, in the Sudanese zone. The rainy season is from May through October, with most rain in July and August. At Niamey, the average maximum daily temperature fluctuates from 31°C (88°F) in August to 41°C (106°F) in April. Nights are cool (below 20° C /68°F) from November to February.

[4]FLORA AND FAUNA

The northern desert has vegetation only after rare rainfalls. The savanna includes a vast variety of herbaceous vegetation, with such trees as bastard mahogany, kapok, baobab, and the shea tree (karité). There are antelope, lion, waterbuck, leopard, hyena, monkey, wart hog, and countless varieties of bird and insect life. In the Niger River are crocodiles, hippopotamuses, and sometimes manatee. Turtles, lizards, pythons, horned vipers, and other varieties of snakes abound.

[5]ENVIRONMENT

In Niger, serious depletion of vegetation has been caused by the burning of brush and grass to prepare for the planting of crops, often on marginal land; by overgrazing of range lands; and by tree cutting for fuel and construction. Soil erosion and increasing desertification have also occurred. The nation has 3.5 cubic kilometers of renewable water resources. About 82% percent is used in farming activity and 2% for industrial activity. Safe drinking water is available to 70% of urban dwellers and 56% of the rural population. Only 79% of the nation's city dwellers have adequate waste disposal.

With Benin and Burkina Faso, Niger administers "W" National Park, of which 334,375 hectares (826,254 acres) are in Niger. There are also several game reserves, but resources for safeguarding protected fauna are insufficient. The nation's wildlife is endangered by unlawful hunting and poaching. As of 2001, 11 of Niger's mammal species and 2 of its bird species are endangered. Threatened species include the addax, cheetah, and dama gazelle. The Sahara oryx has become extinct in the wild.

[6]POPULATION

The population of Niger in 2003 was estimated by the United Nations at 11,972,000, which placed it as number 70 in population among the 193 nations of the world. In that year approximately 2% of the population was over 65 years of age, with another 50% of the population under 15 years of age. There were 102 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 3.62%, with the projected population for the year 2015 at 18,317,000. The population density in 2002 was 9 per sq km (24 per sq mi). Most of the population is concentrated in the fertile southern regions. Much of the land is uninhabited except for some nomadic herders.

It was estimated by the Population Reference Bureau that 21% of the population lived in urban areas in 2001. The capital city, Niamey, had a population of 731,000 in that year. Other major cities are Zinder, 120,900; Maradi, 113,000; Tahoua, 51,600; and Agadez, 50,200. According to the United Nations, the urban population growth rate for 2000–2005 was 5.5%.

[7]MIGRATION

Most of the northern area of Niger is inhabited by migratory peoples who follow their flocks and herds through the mountainous countryside. During the 1968–75 Sahelian drought, however, these people were forced to leave the north. Many nomads migrated to urban areas in order to keep from starving, but some have since returned. As many as 500,000 people may have moved to Nigeria since the drought. About 100,000 returned in early 1983, when many foreigners were expelled from Nigeria. Thousands more Nigeriens were expelled from Nigeria in 1985, and in 1986; Algeria expelled about 2,000 of the 50,000 Nigerien nomads in southern Algeria. The migration from rural to urban areas has continued.

A five-year civil war (1990–95) between rival factions of Tuareg rebels drove many Tuaregs into big towns or neighboring countries such as Burkina Faso and Algeria. With the signing of a peace agreement in April 1995 came the implementation of a repatriation program. Repatriation of Nigerien refugees from Algeria and Mali was completed by 1998.

In 1999, 3,589 Malian refugees were repatriated; however, some Malians remained on refugee sites, refusing to return to their homeland. In that year there was a growing number of asylum-seekers from the DROC, Republic of the Congo, Sierra Leone, Guinea-Bissau, and Sudan. In 2000, the net migration rate was -0.1 migrants per 1,000 population. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The Hausa are the largest ethnic group, forming 56% of the total population. The Djerma-Songhai, the second-largest group, constitute 22% of the population. They, like the Hausa, are sedentary farmers living on the arable southern tier. The Djerma-Songhai are concentrated in the southwest; the Hausa, in south-central and southeast Niger. Many of Niger's inhabitants are nomadic or seminomadic livestock-raising peoples, including the Fulani, or Peul (8.5%), the Tuareg (8%), and the Beri Beri or Kanouri (4.3%). Arab, Toubou, and Gourmantche peoples make up the remaining 1.2% of the populace, along with some 1,200 French expatriates.

[9]LANGUAGES

French is the national and official language, but it is spoken by only a small minority of the people. The various ethnic groups use their own local languages. Hausa is spoken all over the country as the language of trade. Djerma is also used extensively.

[10]RELIGIONS

More than 90% of the population is Muslim, with the Tijaniyya, Senussi, and Hamalist sects being the most influential. The cities of Say, Kiota, Agadez, and Madarounfa are considered holy by local Islamic communities, and the practice of other religions in those cities is not as well tolerated as in other areas. In other areas, Christians, including Jehovah's Witnesses, and Baha'is do practice freely. Christians, including both Catholics and Protestants, constitute less than 5% of the population; they tend to be concentrated in Niamey and other urban centers with expatriate populations. The Baha'is are very active and do account for a small percentage of the overall populace; they too are located primarily in Niamey and in communities on the west side of the Niger River, bordering Burkina Faso. Traditional indigenous religions are also practiced by a small percentage of the population. Certain Christian and Muslim holidays are officially observed.

Though relations between religious communities is generally amicable, there have been reports of tension between certain fundamental Muslims and various Christian organizations.

[11]TRANSPORTATION

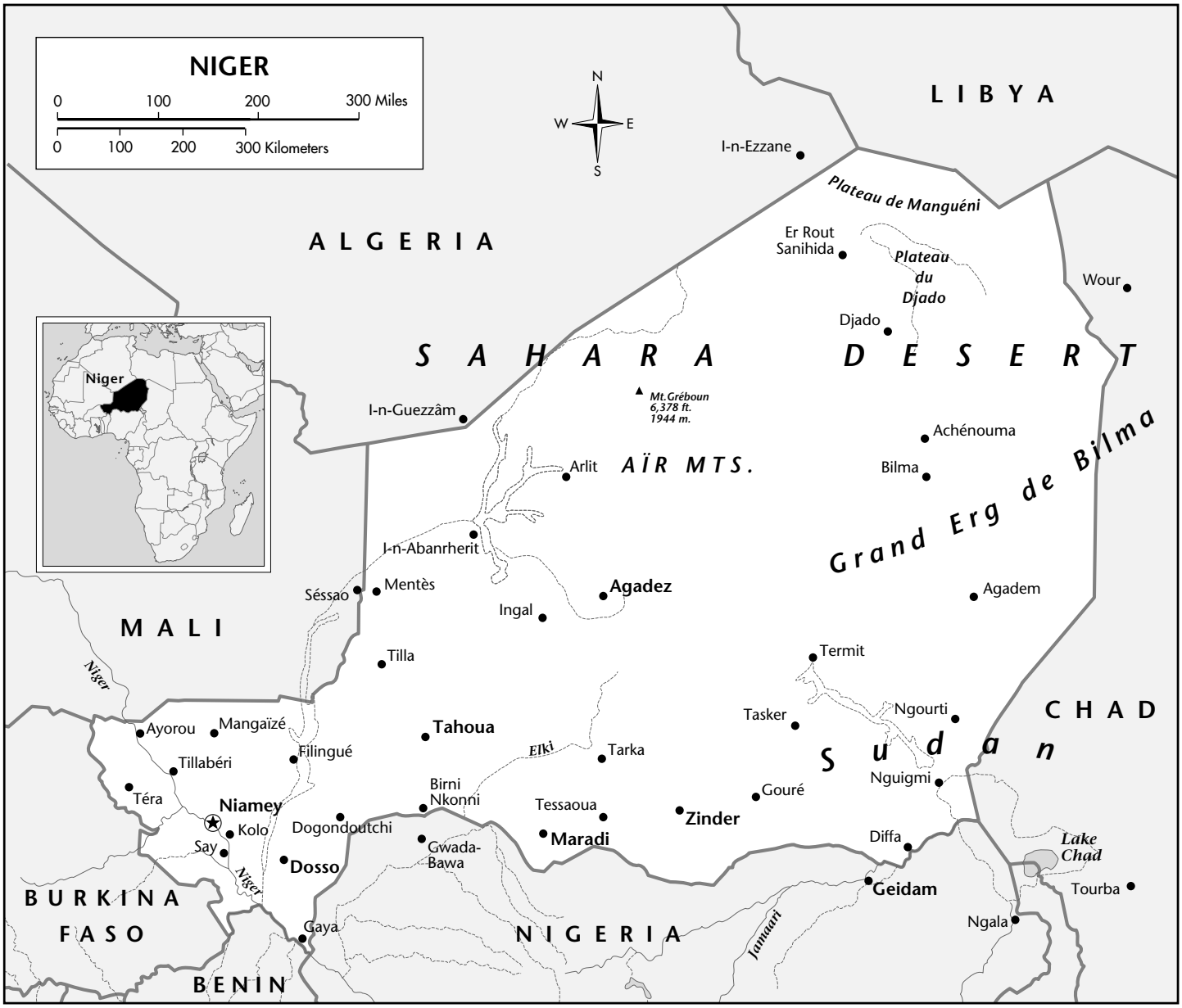
Landlocked Niger relies heavily on road and air transportation. As of 2002 there were 10,100 km (6,276 mi) of roads, of which 798 km (496 mi) were paved. The principal road runs from west to east, beginning at Ayorou, going through Niamey, Dosso, Maradi, and Zinder, and ending at Nguigmi. A 902-km (560-mi) all-weather stretch between Niamey and Zinder was opened in 1980. Extending from the main route are roads from Niamey to Burkina Faso (not paved), from Zinder to Algeria through Agadez (with tough desert driving on dirt tracks), from Dosso to Benin, and from Birni Nkonni and Maradi to Nigeria. A 602-km (385-mi) highway between Tahoua and the uranium mines at Arlit was completed in 1981. SNTN, a government joint venture with a private French company, is the most important road hauler and has a monopoly over certain routes. In 2000, there were 57,800 passenger cars and 41,000 commercial vehicles.

Niger's most important international transport route is by road to the rail terminus at Parakou, Benin. From there, OCBN, a joint Benin-Niger railway, operates service to the Benin port of Cotonou. The Niger River is navigable for 300 km (186 mi) from Niamey to Gaya on the Benin frontier from mid-December through March.

There were 26 airports and airfields in 2001, nine of which had permanent-surface runways. The international airport is at Niamey. There are domestic airports at Agadez, Maradi, Zinder, Arlit, and Tahoua. Niger is a participant in the transnational Air Afrique, which provides international service, along with several other airlines. In 2001, 46,400 passengers were carried on scheduled domestic and international airline flights.

[12]HISTORY

Through extensive archaeological research, much evidence has been uncovered indicating that man has been present in northern Niger for over 600,000 years. By at least 4000 BC, a mixed population of Libyan, Berber, and Negroid peoples had evolved an agricultural and cattle-herding economy in the Sahara. Written history begins only with Arab chronicles of the 10th century AD. By the 14th century, the Hausa had founded several city-states along the southern border of what is today the Republic of the Niger. About 1515, an army of the Songhai Empire of Gao (now in Mali), led by Askia Muhammad I, subjugated the Hausa states and captured the Berber city of Agadez, whose sultanate had existed for many generations. The city had been important largely because of its position on the caravan trade routes from Tripoli and Egypt into the Lake Chad area. The fall of the Songhai Empire to Moroccan invaders in 1591 led to expansion of the



LOCATION: 12° to 23°30′ N; 0°30′ to 15°30′ E. BOUNDARY LENGTHS: Libya, 354 kilometers (220 miles); Chad, 1,175 kilometers (730 miles); Nigeria, 1,497 kilometers (930 miles); Benin, 190 kilometers (118 miles); Burkina Faso, 628 kilometers (390 miles); Mali, 821 kilometers (510 miles); Algeria, 956 kilometers (594 miles). Broken lines indicate rivers and lakes that are dry for most of the year, only filling with water during infrequent rainy periods.

Bornu Empire, which was centered in northeast Nigeria, into the eastern and central sections of the region. The Hausa states and the Tuareg also remained important. It was probably during the 17th century that the Djerma settled in the southwest. Between 1804 and 1810, a devout Fulani Muslim named 'Uthman dan Fodio waged a holy war against the Hausa states, which he subjugated along with a part of the Bornu Empire, west of Lake Chad. About that time, European explorers began to enter the area, starting with a Scot, Mungo Park, in 1805–06.

Bornu, Hausa, and Fulani entities vied for power during the 19th century, a period during which political control was fragmented. The first French military expeditions into the Niger area, at the close of the 19th century, were stiffly resisted. Despite this opposition, French forces pushed steadily eastward and by 1900 had succeeded in encircling Lake Chad with military outposts. In 1901, the military district of Niger was created as part of a larger unit known as Haut-Sénégal et Niger. Rebellions plagued the French forces on a minor scale until World War I, when a major uprising took place. Some 1,000 Tuareg warriors attacked Zinder in a move promoted by pro-German elements intent on creating unrest in French and British African holdings. British troops were dispatched from Nigeria to assist the French in putting down the disturbance. Although this combined operation broke the Tuareg resistance, not until 1922 was peace fully restored. In that year, the French made Niger a colony.

Niger's colonial history is similar to that of other former French West African territories. It had a governor but was administered from Paris through the governor-general in Dakar, Senegal. From 1932 to 1947, Niger was administered jointly with Upper Volta (now Burkina Faso) for budgetary reasons. World War II barely touched Niger, since the country was too isolated and undeveloped to offer anything of use to the Free French forces.

In 1946, the French constitution conferred French citizenship on the inhabitants of all the French territories and provided for a gradual decentralization of power and limited participation in

indigenous political life. On 28 September 1958, voters in Niger approved the constitution of the Fifth French Republic, and on 19 December 1958, Niger's Territorial Assembly voted to become an autonomous state, the Republic of the Niger, within the French Community. A ministerial government was formed by Hamani Diori, a deputy to the French National Assembly and secretary-general to the Niger branch of the African Democratic Rally (Rassemblement Démocratique Africain—RDA). On 11 July 1960, agreements on national sovereignty were signed by Niger and France, and on 3 August 1960, the Republic of the Niger proclaimed its independence. Diori, who had been able to consolidate his political dominance with the help of the French colonial administration, became Niger's first president. His principal opponent was Djibo Bakary, whose party, known as the Sawaba, had been banned in 1959 for advocating a "no" vote in the 1958 French constitutional referendum. The Sawaba was allegedly responsible for a number of unsuccessful attempts to assassinate Diori after 1959.

Diori was able to stay in power throughout the 1960s and early 1970s. His amicable relations with the French enabled him to obtain considerable technical, military, and financial aid from the French government. In 1968, following a dispute between the ruling Niger Progressive Party (Parti Progressiste Nigérien—PPN) and the civil service over alleged corruption of civil service personnel, the PPN was given a larger role in the national administration. Over the years, Diori developed a reputation as an African statesman and was able to settle several disputes between other African nations. However, unrest developed at home as Niger, together with its Sahel neighbors, suffered widespread devastation from the drought of the early 1970s.

On 15 April 1974, the Diori government was overthrown by a military coup led by Lt. Col. Seyni Kountché, the former chief of staff who subsequently assumed the presidency. Madame Diori was killed in the rebellion, as were approximately 100 others, and the former president was detained (1974–80) under house arrest. Soon after the coup, French troops stationed in Niger left at Kountché's request.

The economy grew markedly in the late 1970s, chiefly because of a uranium boom that ended in 1980. The Kountché regime, which was generally pro-Western, broke diplomatic relations with Libya in January 1981 in alarm and anger over Libya's military intervention in Chad. Relations with Libya slowly improved, and diplomatic ties resumed in 1982. Nevertheless, Niger continued to fear Libyan efforts at subversion, particularly among the Tuareg of northern Niger. In October 1983, an attempted coup in Niamey was suppressed by forces loyal to President Kountché. Kountché died of a brain tumor in November 1987, and (then) Col. 'Ali Seybou, the army chief of staff, was appointed president.

In 1989, Seybou created what he intended to be a national single party, Le Mouvement National pour la Société de Développement/The National Movement for a Developmental Society (MNSD). However, the winds of democratic change ushered in multiparty competition. At the forefront for political reform was the labor confederation, which organized a widely observed two-day-long general strike. Following the example of Benin, a National Conference was held from July to October 1991 to prepare a new constitution. The conferees appointed an interim government, led by Amadou Cheiffou to work alongside the Seybou government to organize multiparty elections. Widespread fighting in the north and military mutinies in February 1992 and July 1993 postponed the elections, but a new constitution was adopted in a December 1992 referendum.

Niger's first multiparty elections took place on 27 February 1993. Mamadou Tandja, who succeeded Seybou as MNSD leader came in first with 34%. However, with Mohamadou Issoufou's support, Mahamane Ousmane defeated him in the March runoff with 54% of the vote. In the legislative elections, the MNSD won the largest number of the seats (29), but a coalition of nine opposition parties, the Alliance of Forces of Change (AFC) dominated the National Assembly with 50 of the 83 seats. Prime Minister Issoufou led the AFC.

The new government found itself threatened by an insurgency in the north. In March, it reached a three-month truce with the major Tuareg group, the Liberation Front of Air and Azaouak (FLAA), and was able to extend it for three more months. By September, however, the Tuaregs had split into three factions and only one, the Front for the Liberation of Tamoust (FLT), agreed to renew the truce for three more months. Some Tuaregs, chiefly under the Armée Revolutionnaire de la Libération du Nord Niger (ARLNN) continued the rebellion, prompting more government reprisals.

The Tuareg raids created tension with Libya, suspected of inciting the insurgencies, and divided Nigerians over issues of favoritism. The government appeared biased in favor of members of the Djerma-Songhai (or Zarma-Songhai), one of Niger's five major ethnolinguistic groups. In April 1995, a tentative peace was reached via the joint mediation of Algeria, Burkina Faso, and France. However, ethnic disturbances continued in the south of the country.

In late 1994, disagreements between the president and the leadership of the National Assembly resulted in a political stalemate lasting throughout 1995. In the legislative elections of 12 January 1995, the AFC succumbed to factionalism allowing the MNSD to win a slight majority (29 seats). The MNSD formed a ruling coalition with its allies in the Democratic and Social Convention (24 seats). However, the two sides fought over the appointment of a prime minister, and then-prime minister, Hama Amadou, and President Ousmane fought over IMF austerity measures. In January 1996, Colonel Ibrahim Baré Maïnassara (known as Baré) toppled Ousmane and dissolved the Assembly. The military regime suspended political parties and civil liberties, and placed the president, prime minister, and president of the Assembly under house arrest. Despite Baré's pledge to restore democracy, donors cut assistance to Niger.

In May 1996, voters approved a new constitution that strengthened the powers of the executive. However, only 40% of the electorate voted. Baré lifted the ban on political parties, and in the July elections, despite evidence of massive fraud, declared himself the winner with 52% of the vote. Ousmane received 19% Tandja Mamadou 16%, Mahamadou Issoufou 8%, and Moumouni Amadou Djermakoye 5%. Baré's UNIRD took 52 of 83 Assembly seats in the November 1996 legislative elections.

On 9 April 1999, while boarding his helicopter, President Baré died in a hail of bullets. Political gridlock gripped the country, eroded public confidence in government, and allowed the military to intervene. The day prior to the assassination, opposition leaders had called on Baré to step down. Major Daouda Mallam Wanké said the presidential guard had opened fire in self-defense, and his junta later described the murder as an unfortunate accident. Few people believed it was, and the coup was roundly condemned by the international community. Baré's widow, Clemen Aicha Baré, filed claims against Wanké, as the prime perpetrator, and against the former prime minister Ibrahim Assane Mayaki for his alleged role in the assassination.

In October 1999, Wanké made good on his promise to return the country to civilian rule. Despite allegations of vote rigging, seven candidates contested the presidential elections. In the first round, Mamadou Tandja (MNSD) took 32.3% of the vote to Mahamadou Issoufou's (PNDS) 22.8%. In the 24 November runoff, Tandja was elected with 59.9% to Issoufou's 40.1%. Observers declared the second round free and fair. In the 24 November Assembly elections, five of seven parties won seats. The MNSD took 38 of 83 seats, the CDS 17, the PNDS 16, the RDP 8, and the ANDP 4.

The new National Assembly passed an amnesty for perpetrators of the January 1996 and April 1999 coups to avoid "the spirit of revenge or any form of resentment." Eight members of Maïnassara Baré's party dissented. Tandja said his top priority would be to work for political, social, and institutional stability, essential for national recovery.

In May 2002, Niger and Benin submitted a boundary dispute between them to the International Court of Justice in the Hague. At issue are sectors of the Niger and Mékrou Rivers and islands in them, in particular Lété Island.

On 30 July 2002, soldiers from three garrisons in the southeastern Diffa region mutinied, protesting low and overdue salaries and improper working conditions. The mutiny threatened Niamey, but troops loyal to the government put down the 10-day rebellion on 9 August. In December, at least 80 of the mutineers who were arrested in August escaped from prison.

13 GOVERNMENT

The constitution of 8 November 1960 established the president of the republic, elected for a five-year term by direct universal suffrage, as chief of state and head of the executive branch. Legislative power was invested in a 50-member unicameral National Assembly. This constitution was suspended following the military coup of 15 April 1974, when the National Assembly was also dissolved. All executive and legislative power was taken over by the Supreme Military Council, composed of army officers. The president of the Supreme Military Council was president of the council of ministers (cabinet) and head of state. Seyni Kountché held this office from 1974 to 1987. Most cabinet officers were civilians in 1987.

In 1987, a national development council was established to serve as a constituent assembly on a nonparty basis. It drafted the constitution of the Second Republic that came into force on 24 September 1989.

A national conference from July to October 1991 drafted a multiparty democratic constitution that was approved by national referendum on 26 December 1992. It established the Third Republic with a National Assembly of 83 deputies chosen by popular and competitive elections, a president likewise elected, and a prime minister elected by the Assembly. The new government with Mahamane Ousmane as its head was sworn in on 23 April 1993.

Political gridlock led to a (relatively) bloodless coup led by (then) Colonel Ibrahim Baré Maïnassara in January 1996. Within six months, the regime had drafted and submitted for national referendum a new constitution with a significantly strengthened executive. The document was approved on 12 May 1996 ushering in the short-lived Fourth Republic. In flawed elections, Baré Maïnassara declared himself winner over four other candidates on the first round, and his UNIRD party won a majority of seats in the Assembly.

Baré Maïnassara was assassinated on 9 April 1999 by his presidential guard. Major Daouda Wanké reappointed Ibrahim Assane Maiyaki as prime minister for the transition government. He then appointed a transitional cabinet consisting of 20 members, most of whom were civilian. Wanké also replaced 7 of Niger's regional military leaders. He announced that he would not run for the presidency and disqualified all military and security personnel, as well as all members of the transitional government from standing for election. Wanké named a 60-member independent national election commission to oversee the establishment of the election roles and the polling. The CRN renounced any form of remuneration during the transition period and moved to reduce by half the salaries of future members of government.

The constitution of the Fifth Republic, passed in July 1999, provided for a semi-presidential government. The president is head of state, he appoints the prime minister (head of government) from a list of three candidates proposed by the parliamentary majority. The president names all 23 cabinet ministers and other high-ranking civilian and military officials. Presidential actions must be countersigned by the prime minister. The national assembly can unseat the prime minister through a no-confidence vote. The president can dissolve the national assembly, assume emergency powers, and convene the Council of the Republic in the event of a constitutional crisis. This Fifth Republic constitution created four new bodies: the constitutional court, the superior national defense council, the council of the republic (a conflict resolution body) and the economic, social and cultural council. The Council of the Republic was created to end the political impasse that brought down the Third Republic through the military coup in 1996. Amnesties for those involved in both the 1996 and 1999 coups were part of the constitutional draft.

In the October–November 1999 elections, Mamadou Tandja was elected to a five-year term. His party, the MNSD, took 38 of 83 parliamentary seats. On 5 January 2000, Tandja'a government was installed. Its 23-members are mainly MNSD-CDS faithful, including Prime Minister Hama Amadou. Two small parties supporting Tandja on the second round received minor portfolios. Four ministers from Wanké's government retained their posts.

The National Assembly, elected for a five-year term, had 75 members elected in multi-seat constituencies, and 8 members elected in single-seat national minority constituencies. Next elections were due November 2004.

14 POLITICAL PARTIES

Parties emerged only after World War II. In 1946, the African Democratic Rally (Rassemblement Démocratique Africain—RDA) became dominant with the help of several labor unions. By 1948, its popularity waned, and the Niger Progressive Party (Parti Progressiste Nigérien or PPN), the local branch of the RDA, was unable to reelect its candidate to the French National Assembly. Meanwhile, other parties, based on regional interests, gained strength.

In 1957, Djibo Bakary, the leader of a dissident RDA group, helped form a socialist party that became known as the Party of the African Regrouping (Parti du regroupement africain or PRA). Branches were quickly established in most of the other French-African territories.

Shortly before the voting on the French constitution in September 1958, the PPN joined with chiefs and dissident PRA members to form a coalition, the Union for the Franco-African Community (Union pour la Communauté Franco-Africaine), led by Hamani Diori, leader of the PPN. On 14 December 1958, the PRA group (known as the Sawaba), led by Djibo Bakary, was defeated by the new coalition, which won 54 of the 60 seats in the Assembly. The new Assembly for an autonomous Republic of the Niger within the French Community. Diori became president of the General Council, and following full independence, president of the republic. Diori consolidated the position of the PPN by allying himself with Niger's powerful Muslim traditional chiefs, exiling Bakary, and banning the Sawaba in 1959. In 1964 and 1965, Bakary organized attacks from abroad on Diori's life.

The PPN became the only legal party under the Diori regime. In the October 1970 elections, Diori won 99.98% of the votes cast, and the PPN won 97.09% of the votes cast for the National Assembly. After the coup of 15 April 1974, the military government suppressed all political organizations in the country. Both Diori and Bakary (who returned from exile) were imprisoned until 1980.

In 1989, Seybou created the National Movement for a Developmental Society (MNSD). The MNSD was intended to be the sole legal party, but the constitutional referendum of December 1992 authorized a multiple party system. In the

legislative elections on 12 January 1995 some 774 candidates ran for 83 Assembly seats. The MNSD won a slight majority (29 seats) and formed a coalition with the Democratic and Social Convention or CDS (24 seats). The coalition was factious, and in January 1996, leaders of a military coup dissolved the Assembly, overthrew the president, and banned political parties. Following the approval of a new constitution in May, political parties once again were allowed to exist.

In flawed presidential elections in July 1996, Baré Maïnassara took 52.22%, Mahamane Ousmane 19.75%, Mamadou Tandja 15.65%, and two other candidates took the remaining 12% of the vote. Legislative elections were held again in November 1996 for the reinstated 83-seat National Assembly. The pro-Maïnassara National Independents Union for Democratic Renewal (Union Nationale des Independents pour la renoveau democratique or UNIRD) won 52 seats, the Nigerian Alliance for Democracy and Progress-Zaman (ANDPS-Zaman Lahiya) 8, Union of Patriots, Democrats, and Progressives (Union des Patriotes Démocratiques et progressistes or UPDP-Shamuwa) 4, Union for Democracy and Social Progress (Union pour la démocratie et le progrès social or UDPS-Amana) 3, coalition of independents 3, with the remaining 6 seats divided among three other parties.

In the October–November 1999 presidential elections, Mamadou Tandja won convincingly with 32.3% on the first round and 59.9% on the second. Mahamadou Issoufou (Nigerien Party for Democracy and Socialism—PNDS) came in second with 22.8% and 40.1%. The others were Mahamane Ousmane (CDS) with 22.5%, Hamid Algabid (Rally for Democracy and Progress or Rassemblement pour la Démocratie et le Progrès—RDP) with 10.9%, Mumouni Djermakoye Amadou (ANDP) with 7.7%, Andre Salifou (UDPD) with 2.1% and Amadou Ali Djibo (Union des Nigériens Indépendants or Union of Independent Nigerians—UNI) with 1.7% of the vote.

A new political landscape emerged after the elections. The CDS of former president, Ousmane, rallied behind the MNSD to catapult Tandja and the MNSD to victory in the 24 November second round. Formerly, the CDS was pitted against the MNSD as part of the Alliance du Changement (AC) in the multiparty elections of 1991. Ousmane and Tandja were sworn enemies until General Baré's coup ousted Ousmane in 1996. The coup threw the CDS and the MNSD into the opposition, and made them both members of the umbrella alliance, the Front pour la Restauration et Défense de la Démocratie (FRDD) to compete in the elections in November 1996. The FRDD had comprised eight parties including the MNSD the CDS, and Issoufou's party, the Parti Nigerien pour la Démocratie et le Socialisme (PNDS).

In the National Assembly elected on 24 November 1999, 5 of 19 contending parties won seats. The MNSD took 38 of 83 seats, the CDS 17, the PNDS 16, the RDP 8, and the ANDP 4. Thus, the MNSD-CDS coalition had 55 of 83 seats. With its 16 seats, Issoufou's PNDS took leadership of the opposition coalition. The main allies of the opposition were the RDP and the ANDP bringing the coalition to 30 seats. The next elections for the National Assembly are due in November 2004.

[15]LOCAL GOVERNMENT

Like most of Francophone Africa, Niger has recently reorganized its territorial administration and devolved certain political authorities through decentralization. Formerly, Niger consisted of 7 departments, subdivided into 38 *arrondissements* (now 36), and a capital district. These units were administered by prefects and subprefects, who were appointed by the central government. There were 150 communes (urban centers), of which 4 were fully autonomous. A pyramidal system of councils at the village, *arrondissement*, departmental, and national levels with advisory powers existed. Members were directly elected at the village level, while some members of the higher councils were elected by the council below, and other members were appointed.

Democratization and demands for better governance led to popular participation in local government. However, devolving authority from the national level required adequate electoral safeguards, which historically were absent. In 1999, the Supreme Court ordered a rerun of municipal elections in 17 of the country's 72 municipalities, 21 of its 26 departments, and 5 of its 7 regions. Opponents objected on the grounds that their candidates had held a clear lead over those of the president's party. The ensuing deadlock contributed to the crisis of government and to the 9 April coup.

[16]JUDICIAL SYSTEM

The legal system is basically French in civil law, with important customary-law modifications. The High Court of Justice, which is appointed by the National Assembly from among its own membership, is empowered to try the president and members of the government for crimes or offenses committed in performance of their official duties. Defendants and prosecutors may appeal verdicts from lower courts, first to the Court of Appeals and then to the Supreme Court, which sits as the highest court of appeal. The Constitutional Court has jurisdiction over electoral and constitutional matters, including ruling on the constitutionality of laws and ordinances, as well as compliance with international treaties and agreements. The court is comprised of seven members.

Traditional and customary courts hear cases involving divorce or inheritance. There are no religious courts. Customary courts, located in larger towns and cities, are presided over by a legal practitioner with basic legal training who is advised about local tradition by a local assessor. The actions of chiefs in traditional courts and of the presiding practitioner in customary courts are not regulated by the code provisions. Appeals can be taken from both customary and traditional courts to the formal court system.

The government has also established a Court of State Security to try crimes against the state.

[17]ARMED FORCES

Niger's armed forced totaled 5,300 in 2002, with 5,200 serving in the army and the remaining 100 personnel in the air force. Paramilitary forces numbered 5,400 including the gendarmerie (1,400), the Republican Guard (2,500), and the National Police (1,500). Niger participated in the peacekeeping mission in the DROC. Defense spending amounted to $20.9 million in 2001, or 1.3% of GDP.

[18]INTERNATIONAL COOPERATION

Niger was admitted to UN membership on 20 September 1960, and is a member of ECA and all the other nonregional specialized agencies except IMO. Niger is also a member of the African Development Bank, ECOWAS, G-77, and the African Union, a signatory the Law of the Sea and a member of the WTO. It has joined with Benin, Côte d'Ivoire, Burkina Faso and Togo in the Council of the Entente, a customs union with a common solidarity fund.

[19]ECONOMY

Niger is an arid, landlocked country with much of its territory forming a portion of the Sahara. Most of its people live in a marginally productive and highly drought-prone band of arable land along Niger's southern border with Nigeria. Although at one time uranium mining was a mainstay of the Niger economy, revenues from uranium dropped by almost 50% in the late 1980s due to a decline in world demand for uranium. Export earnings declined from 22% of GDP in 1987 to 16% of GDP in 1998.

Subsistence agriculture prevails in the less than 3% of the country that is under cultivation. Agriculture and livestock production employed an estimated 95% of the labor force.

In January 1994 France devalued the CFA franc, causing its value to drop in half overnight. The devaluation of the CFA franc improved Niger's trade relationship with Nigeria, and boosted revenue from the export of such products as livestock, peas, onions, and the cotton industry. As of 2003, Niger had yet to recover from the devaluation, in 1993 the current account to GDP ratio was close to zero, afterwards reaching an average negative 10%. Exports could not keep pace with the rising price of imports.

The Niger economy relies on bilateral and multilateral aid, and the government has been encouraged to restructure the economy by the International Monetary Fund and the World Bank. With a history of military rule, and a bad debt repayment record, foreign aid has been slow coming. However, Niger became eligible for debt relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative in 2000, in the amount of $115 million. The fact that population growth has outpaced GDP has been a cause of Niger's increasing poverty.

The restoration of democratic rule in 2000 saw an increase in foreign aid. The government's privatization of state-owned enterprises, particularly in the telecommunications and electricity sectors, was to promote investment in 2003, as was exploration for gold deposits and oil. An increase in tourism to Niger's scenic northern desert has been diversifying the economy.

[20] INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Niger's gross domestic product (GDP) was estimated at $8.4 billion. The per capita GDP was estimated at $820. The annual growth rate of GDP was estimated at 3.1%. The average inflation rate in 2001 was 4.2%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 41% of GDP, industry 17%, and services 42%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $15.15 million. Worker remittances in 2001 totaled $17.68 million. Foreign aid receipts amounted to about $22 per capita and accounted for approximately 13% of the gross national income (GNI).

The World Bank reports that in 1999 per capita household consumption (in constant 1995 US dollars) was $159. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. The richest 10% of the population accounted for approximately 35.4% of household consumption and the poorest 10% approximately 0.8%. It was estimated that in 1993 about 63% of the population had incomes below the poverty line.

[21] LABOR

About 95% of the population in 2001 was engaged in subsistence agriculture and livestock raising. Only 15% of the labor force was in the formal sector, primarily engaged in government work and light industry. The labor force was estimated at five million in 1998, with approximately 70,000 individuals actually earning salaries or wages.

The Union of Workers' Syndicates of Niger (Union des Syndicats des Travailleurs du Niger—USTN) is the only trade union federation. It was founded in Niamey in 1960 and is affiliated with the African Trade Union Confederation. USTN has 38 member unions. Its head is appointed by the government. Unions represent a very small segment of the population, most members are government workers. Except for police and security forces, employees are permitted to engage in strikes.

The minimum wage varies for each class and category of salaried employees. The lowest minimum wage was approximately $33 per month in 2001, which does not provide a family with a decent standard of living. The legal workweek is 40 hours for most occupations, with some legal workweeks extending to 72 hours. The minimum age for employment is 14 years old. This is observed in the formal sector of the economy, but child labor persists in the informal economy and in agriculture.

[22] AGRICULTURE

Although only 2.8% of Niger's area is cultivated, farmers increased their production following the 1968–75 drought, and in 1980, the country became self-sufficient in food crops. The most plentiful rains in 30 years fell during the 1992–1993 season, pushing agricultural production up by 64%. Irrigation and off-season farming projects are of keen interest to the government and foreign donors. During 1990–2000, agricultural production grew by an annual average of 3.2%. Almost 95% of the active population is engaged in crop cultivation or animal husbandry. Agricultural techniques are still rudimentary; there are a few tractors in use (only 130 in 1998), and most farmers do not keep draft animals. Very little fertilizer is used. Irrigated land in 1998 totaled about 66,000 hectares (163,100 acres). Only 12% of Niger's total land area, located along the southern border, is potentially useful for rainfed cultivation. Over 95% of agriculture is on farms of less than five hectares (12 acres), with the average about three hectares (7.5 acres). Production of millet, the staple food of most of the people, depends heavily on rainfall. In 1999, millet production was 2,253,000 tons, sorghum was 481,000 tons, and rice was 73,000 tons. Other crops (with their estimated output) include cassava (230,000 tons), sugarcane (174,000 tons), onions (180,000 tons), and sweet potatoes (35,000 tons). Cowpeas are an important crop, but are only competitive as an export in neighboring Nigeria's market due to transportation costs. The government of Niger is encouraging crop diversification and the raising of export crops like onions, garlic, peppers, and potatoes, in addition to cowpeas.

Peanuts, formerly the main source of agricultural export revenue, are planted mainly in the Zinder area. Production increased from 8,980 tons in 1945 to a high of 298,000 tons in 1967. Because of a lack of producer incentives, production declined to only 87,000 tons in 1982, and only a fraction of that total was delivered to the government marketing agency, SOMARA, which had a monopoly on pricing and marketing peanut products until 1986. Production was reported at 108,000 tons for 1999.

Cotton, introduced in 1956 to reduce Niger's dependence on peanuts, has also suffered from lack of grower incentives. Production of seed cotton rose from 218 tons in 1956 to 6,682 tons in 1967 but was only around 4,000 tons in 1999.

[23] ANIMAL HUSBANDRY

Almost half the land area of Niger is classified as pasture, but, like agriculture, animal husbandry has suffered greatly from insufficient rainfall. In 2001 there were an estimated 2.2 million head of cattle, 6.9 million goats, 4.5 million sheep, and 415,000 camels. About 12% of Niger's GDP comes from livestock production, which engages 29% of the population. Official statistics of Niger seriously underrepresent total exports—most animals are herded across borders without documentation.

Meat production, which had dropped to 38,000 tons in 1973, was an estimated 135,000 tons in 2001. Production of milk from goats and cows came to 105,000 and 184,000 tons, respectively. Cattle hides came to about 6,000 tons; sheepskins, 2,000 tons; and goatskins, 4,000 tons. There is a tannery at Maradi. Sandals,

briefcases, and fine ladies handbags of high quality are produced in small numbers but seldom exported.

Meat exports are inspected and controlled by the customs service before leaving the country. Only inspected, tuberculin-tested cattle are used in export meat production. The Niger River valley south of Say is infested by the tsetse fly, and trypanosomiasis is, therefore, a major cattle disease.

[24]FISHING

There is no commercial fishing on a wide scale, but fishing is an appreciable source of revenue for the Sorko on the Niger River and the Boudouma on Lake Chad. The fishermen on Lake Chad consume most of their catch. Most of the total annual catch of 16,250 tons in 2000 was from the Niger River and its tributaries; a small amount is from the Lake Chad region.

[25]FORESTRY

The forest domain is only about 1% of Niger's surface. Roundwood production was estimated at 8,216,000 cu m (290 million cu ft) in 2000, 95% for fuel. Small amounts of gum arabic are extracted from acacia trees. Some tree planting has been undertaken, mainly with acacia species, but deforestation remains a serious problem. About 1,328 hectares (3,281 acres) were reforested annually during 1990–2000 and hundreds of thousands of trees have been planted, but these are highly vulnerable to drought.

[26]MINING

Uranium dominated Niger's mining sector, ranking it third in the world in production and fifth in reserves. Uranium mining was the country's leading industry in 2002, and uranium was the leading export commodity, accounting for 41% of exports in 1999. A uranium boom occurred in the late 1970s, but with the reduction in world demand in the 1980s, prices fell, although the government was partly protected by contracts negotiated earlier. Cement, brick, and chemical production were other leading industries, and Niger also produced clays, bituminous coal, gold, gypsum, limestone, molybdenum (in connection with uranium ore), phosphate rock, salt, sand and gravel, stone, cassiterite tin, and tungsten (and, at times, columbite, in connection with cassiterite).

Although uranium was the only mineral to be significantly developed, Niger was rich in a number of other minerals. The country's first gold mine, the Samira Hill open pit, was opened in 2000 by Niger's prime minister, and intended to produce 10,000 tons per day of ore. The combined reserves of Samira Hill and the nearby Libiri deposit were 10.1 million tons (2.2 grams per ton of gold). There were some natron and sodium sulfate deposits, an estimated 650 million tons of iron ore deposits at Say, near Niamey, and 400 million tons of phosphate deposits in "W" National Park, in the Niger River Valley. There were also unexploited deposits of manganese, lithium, copper, zinc, lead, silver, cobalt, kaolin, feldspar, gypsum, limestone, marble, and clay.

[27]ENERGY AND POWER

Niger depends on petroleum imports for most of its production of electrical energy. Coal is mined at Anou Araren by the Nigerien Society of Anou Araren Coal (Société Nigérienne de Charbon d'Anou Araren—SONICHAR). The coal is used as fuel in a 37.7 MW thermal power station that serves Agadez and the uranium mines. Proved reserves of coal at Anou Araren are 6 million tons. The production of electricity comes totally from thermal stations. Their combined installed capacity was 63,000 kW in 2001. In 2000, 220 million kWh of electricity was produced. A 125-MW hydroelectric complex has been proposed near Ayorou, on the Niger River.

Oil exploration has been taking place in the Agadem Basin, north of Lake Chad, since 1975. Elf Aquitaine of France and Exxon have a joint exploration permit, with Elf controlling 62.5% of the venture and doing the actual exploration. Oil exploration is underway in the northeastern part of the country.

[28]INDUSTRY

Niger's manufacturing sector is small and consists mainly of the processing of domestic agricultural commodities. Agricultural products are processed at a groundnut oil plant, rice mills, flour mills, cotton gins, and tanneries. A textile mill and a cement plant operate, and light industries produce beer and soft drinks, processed meats, noodle products, baked goods, soaps and detergents, perfume, plastic and metal goods, farm equipment, canned vegetables, pasta, and construction materials. The 1994 devaluation of the CFA franc made light manufacturing more competitive by decreasing the cost of local inputs by 50%, but also raised the price of imports dramatically. There is potential for development of fertilizer, seed, and equipment production in the agribusiness sector. There is a small cotton industry. Oil exploration has taken place, but as of 2000, no proven reserves had been discovered.

[29]SCIENCE AND TECHNOLOGY

Niger relies heavily on foreign sources for technical expertise, and French agencies are especially active; the Bureau of Geological and Mineral Research, the French Company for the Development of Textile Fibers, the Institute of Fruit and Citrus Fruit Research, and the French Institute of Scientific Research for Development and Cooperation all have offices in Niamey.

The National Institute of Agronomical Research of Niger, in Niamey, maintains two soil-science stations, at Tarka and Kolo. There is also a national office of solar energy and a veterinary laboratory in Niamey. The Livestock Service of Niger has a Sahelian experimental station at Filingué for breeding zebu cattle and a center for goat breeding and poultry raising at Maradi. The University of Niamey, founded in 1971, includes faculties of science, agronomy, and health services, and institutes of radioisotopes and of research on the teaching of mathematics. In 1987–97, science and engineering students accounted for 32% of college and university enrollments. The National Museum of Niger, founded in 1959 in Niamey, has a zoo, a geological and mineral exhibition, and paleontology and pre-history museums.

[30]DOMESTIC TRADE

The main domestic commercial center in Niger is in the capital city of Niamay. Merchants and peddlers in the small villages sell such items as beverages, cigarettes, soap, cloth, perfume, and batteries. About 90% of the work force is employed in subsistence farming and only 6% are involved in industry and commerce (2002). Large foreign concerns (usually French-owned) import products to be sold in stores in Niamey and in the secondary cities. In 1997 and 2000, the government made revisions to its investment code in an effort to encourage much needed foreign investment.

The work day is typically from 7:30 AM to 12:30 PM, and 3:30 PM to 6:30 PM in government offices, Monday through Friday. Private businesses generally are open during those hours as well.

[31]FOREIGN TRADE

Trade figures show that uranium accounts for about 42% of exports by value. The demand for uranium has steadily decreased since the 1980s. Exports of live animals and hides (primarily to Nigeria) represent 23% of exports. Vegetables (cowpeas, onions) are also exported, accounting for 11%. In 1999, Niger's exports went primarily to France (40%), Nigeria (25%), Japan (16%), and Spain (4%). Imports are led by consumer goods, primary materials, machinery, vehicles and parts, petroleum, and cereals.

Imports in 1999 came mostly from France (19%), Côte d'Ivoire (13%), China (7%), and Nigeria (7%).

Principal trading partners in 1999 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
France	79.9	70.9	9
Nigeria	48.6	25.2	23.4
Japan	32.2	19.8	12.4
Spain	7.5	2.0	5.5
Côte d'Ivoire	3.6	47.7	-44.1
United Kingdom	0.2	10.8	-10.6
United States	0.1	10.3	-10.2
China (inc. Hong Kong)	n.a.	26.3	n.a.
Pakistan	n.a.	10.5	n.a.
Germany	n.a.	7.9	n.a.

32 BALANCE OF PAYMENTS

Niger's balance of payments deficit is usually offset by large amounts of bilateral and multilateral aid. A reduction of imports, combined with small increases in the value of uranium and other exports, is expected to improve the trade imbalance in the early 2000s.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Niger's exports was $246 million while imports totaled $331 million resulting in a trade deficit of $85 million.

The International Monetary Fund (IMF) reports that in 1995 Niger had exports of goods totaling $288 million and imports totaling $306 million. The services credit totaled $33 million and debit $152 million. The following table summarizes Niger's balance of payments as reported by the IMF for 1995 in millions of US dollars.

Current Account	**-152**
Balance on goods	-18
Balance on services	-119
Balance on income	-47
Current transfers	32
Capital Account	**65**
Financial Account	**-46**
Direct investment abroad	-7
Direct investment in Niger	7
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	-18
Other investment liabilities	-28
Net Errors and Omissions	**114**
Reserves and Related Items	**18**

33 BANKING AND SECURITIES

The Central Bank of the West African States (Banque Centrale des États de l'Afrique de l'Ouest-BCEAO) is the bank of issue for Niger and other West African states. Niger has a monetary committee that reports to the BCEAO and works under BCEAO general rules but possesses autonomy in internal credit matters.

Two development banks remained following the collapse of the Banque de développement de la républica du Niger (BDRN) in 1990: Crédit du Niger (CN), and the Caisse nationale du crédit agricole (CNCA). Three commercial banks collapsed in Niger between 1988 and early 1992: the Banque internationale pour le commerce et l'industrie-Niger (BICI-N); the Banque de crédit et de commerce (BCC), which the African Development Bank's Nigeria Trust Fund agreed to take over following the collapse of the parent bank; and the Bank of Credit and Commerce International (BCCI). Banque Meridien-BIAO du Niger was taken over in September 1995 in a combined purchased by Banque Belgolaise of Belgium, which took 35%, and Cofipa, a European investment group (15%), the remaining 50% of the equity being sold to private Nigerian interests. The bank changed its name to BIA-Niger. The Banque arabe libyenne et nigérienne pour le commerce extérieur (Balinex) was rescued in March 1992 by Libya.

Smaller commercial banks operating in 2001 included the Bank of Africa; Ecobank; Banque Islamique du Niger; Sonibank (Societe Nigerienne de Banque); BCN (Banque Commerciale du Niger); and Credit du Niger.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $141.9 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $186.5 million. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4.95%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

34 INSURANCE

As of 1986, third-party automobile liability was compulsory, and no life insurance was being written. In 1987, automobile insurance accounted for 45% of all premium revenues. In 1997, there were at least five major insurance companies operating in Niger, among them LEYMA-La Société Nigérienne d'Assurances et de Réassurances. Transport, accident, fire, retirement, and all-risk insurance products were being offered.

35 PUBLIC FINANCE

Budgets are nominally balanced but only through the infusion of foreign loan funds and grants. Expenditures have been severely constrained because of the fall in receipts from the sale of uranium ore due to decline in world demand. The end of the uranium boom in the late 1980s left the public sector poorly equipped to adapt, as public expenditures had focused on intrastructure and construction projects at the expense of agricultural development. Uranium exports earnings more than halved from 1987 to 1998. Niger never completely recovered from the CFA franc devaluation. Consequently, heavy foreign debts were incurred. However, the country is eligible under the IMF's Heavily Indebted Poor Countries (HIPC) initiative for enhanced debt relief, and reached decision point in January 2001 and is expected to reach completion point by September 2003.

Privatization is underway in Niger, but more for budgetary and financial rather than structural purposes. As of April 2003, the Nigerien government had sold five formerly state-owned companies, including water and telephone utilities, and expected to privatize another seven companies in that year.

The US Central Intelligence Agency (CIA) estimates that in 2002 Niger's central government took in revenues of approximately $320 million and had expenditures of $320 million including capital expenditures of $178 million. External debt totaled $1.6 billion.

36 TAXATION

Although both a proportional and a general income tax of 60% are levied, few citizens of Niger are more than marginally taxed, since their incomes are too low. The most important sources of revenue are the taxes on industrial and commercial profits and the turnover tax on domestic goods and imports. Niger has value-added tax (VAT) with a standard rate set at 17% in 2003. Other significant sources of revenue from taxes are social security contributions, the registration tax, and excises on petroleum products, alcohol, and cigarettes. The corporate tax rate is 45%.

37 CUSTOMS AND DUTIES

In general, two main taxes make up the tariff system. A fiscal import duty of 5–66% is applied to almost all incoming goods, regardless of origin, and serves as a source of revenue. A common

external tariff (CET) of maximum 22% is levied on all goods from non-WAEMU (West African Economic and Monetary Union) countries. There are also a value-added tax (VAT) of 19% and a statistical tax of 4.5%. Goods imported from countries that have trade agreements with Niger pay a minimum customs duty, while those from other countries are subject to a higher general tariff. Goods from EU countries other than France are dutiable at less than the minimum.

[38]FOREIGN INVESTMENT

Except for uranium mining, foreign private capital has not been easy to attract to Niger. Prospective investors are discouraged by Niger's periods of military rule, small markets, inadequate infrastructure, bureaucratic delays, shortage of local capital, lack of skilled labor, and exorbitant transportation costs.

Niger's investment codes are liberal, with tax relief and tariff protection depending on the level of investment. Further advantages accrue to those investing in small-scale enterprise. The government seeks foreign investment in most sectors, and private-sector investment in parastatal enterprise is welcome.

In the period 1998 to 2000, Niger's share of world foreign direct investment (FDI) inflows was only one-tenth of its share of world production of goods and services. In 1997, FDI inflow peaked at $25.5 million, and then fell to $9 million in 1998. In 1999, the year the President Baré was assassinated, FDI inflow dwindled to $300,000. In 2000, FDI inflow recovered to $19.3 million, but fell to $13.3 million in 2001.

[39]ECONOMIC DEVELOPMENT

Government development programs have had three basic aims: first, to diversify production of foodstuffs; second, to develop underground water resources; and third, to develop and improve the country's infrastructure. France is the leading bilateral aid donor.

In 2000, the International Monetary Fund (IMF) approved a three-year $76 million Poverty Reduction and Growth Facility (PRGF) Arrangement for Niger, to support the government's economic reform and poverty reduction program. The World Bank, Paris Club creditors, and the African Development Bank have provided assistance to the country under the Heavily Indebted Poor Countries (HIPC) initiative. Niger has enacted revisions to the investment, petroleum, and mining codes, with attractive terms for investors. The country depends upon foreign direct investment for economic development. As of 2002, five of twelve state-owned enterprises scheduled for privatization had been sold to private hands.

[40]SOCIAL DEVELOPMENT

The National Social Security Fund provides pensions, family allowances, sickness and maternity benefits, and workers' compensation for employees in the private sector. These programs are financed by a 1.6% contribution from employees, and 2.4% contribution of payroll from employers. Retirement is set at ages 58–60. Civil servants participate in a national provident fund and also receive family allowances from the national government budget. These programs apply only to the minority of citizens who are formally employed, and subsistence farmers are excluded.

The government sponsors an office of women's affairs and a women's association, but that does little to improve the status of women, who are denied educational and employment opportunities. Women face both legal and social discrimination. Men are recognized as the legal head of household, and in cases of divorce, the husband receives custody of all children under eight years of age. Among the Hausa and Fulani peoples, women are largely cloistered and leave the home only if accompanied by a male. According to Islamic family code, men have preferential inheritance and property rights. Domestic abuse is common and women do not seek redress due to ignorance of the legal system and social stigmatization.

Female children suffer from limited access to education. Marriages at an early age are common, and young girls may be sent to live with her husband's family from the age of ten. Female genital mutilation, a practice which is both painful and potentially life threatening, is practiced by some ethnic groups.

Prison conditions are poor and facilities are overcrowded. Civil and political rights were suppressed after the coup in 1996, and excesses by security forces included the assassination of the head of state. International human rights organizations are permitted to visit facilities.

[41]HEALTH

In the 1990s, there were three physicians per 100,000 people. In addition there were 38 medical centers and 198 dispensaries throughout the country. As of 1999, it was estimated that there were fewer than 0.05 physicians per 1,000 people, and 0.1 hospital beds. In the same year, total health care expenditure was estimated at 2.6% of GDP. In 2000, 59% of the population had access to safe drinking water and only 20% had adequate sanitation.

In 1997, immunization rates for children up to one year old included: diphtheria, pertussis, and tetanus, 28%, and measles, 42%. In 1999, there were 252 reported cases of tuberculosis per 100,000 inhabitants. About 40% of children under five years old are considered malnourished. The goiter rate was 35.8 per 100 school-age children in 1996.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 50 and 4.8 per 1,000 people. In 2000, only 8% of married women (ages 15 to 49) used contraception and the fertility rate was 7.2 children per woman during her childbearing years. The average life expectancy was 46 years and the infant mortality rate was 114 per 1,000 live births. Maternal mortality was 590 per 100,000 live births in 1998. Common diseases reported in Niger in 1995 were: measles (67,985 cases), guinea worm (13,821), leprosy (4,044), and deaths from diarrheal diseases (28,000). As of 2002, the estimated number of deaths from AIDS was 17,700. HIV prevalence was 1.35 per 100 adults. In Niger, 20% of women suffer from female genital mutilation. No government laws prohibit this procedure.

[42]HOUSING

Most government buildings and many houses in the metropolitan centers are essentially French in style. The Crédit du Niger offers housing loans. According to the latest available information, for 1980–88 Niger's housing stock totaled 1,400,000 with 4.6 people per dwelling. The government has been working on projects to increase housing, particularly for low-income families, through the Federal Housing Authority, created in 1976.

The Tuareg nomads live in covered tents, while the Fulani live in small collapsible huts made of straw mats. The villagers in the east live in round straw huts. In the center of the country, villagers construct houses of "banco," a mixture of mud and straw that has, when dried, a hard, cementlike consistency.

[43]EDUCATION

The educational system is patterned on that of France, but changes are gradually being introduced to adapt the curriculum to local needs and traditions. Programs aim at expanding the educational system in order to reduce the adult illiteracy rate, which in the year 2000 still stands at 84.3% (males 76.5%; females, 91.7%). As of 1999, public expenditure on education was estimated at 2.7% of GDP.

Schooling is compulsory for children aged 7–15. In 1997–98, there were 3,175 primary schools with 11,545 teachers and 482,065 pupils. The pupil-teacher ratio at the primary level was 41 to 1 in 1999. In the same year, 21% of primary-school-age

children were enrolled in school, while 6% of those eligible attended secondary school. While primary schooling lasts for six years, secondary lasts for seven years. In 1997, there were 96,675 pupils in secondary schools, taught by 3,579 teachers. Of these, 95,530 were in general secondary; 1,340 in teacher training courses, and 805 were in vocational schools.

In 1991–92, 4,513 students were enrolled in institutions of higher education, with 232 teachers. In 1963, the National School of Administration was founded in Niamey. The University of Niamey, founded in 1973, has schools of the sciences, letters, education, mathematics, agriculture, health, economics, and social sciences. The Islamic University of West Africa at Say, mostly financed by the Organization of the Islamic Conference, was inaugurated in 1987.

[44]LIBRARIES AND MUSEUMS

There are state-run libraries in the large municipalities, as well as libraries maintained by religious orders, the military, and professional and other groups. The Regional Center of Research and Documentation for the Oral Tradition, in Niamey, was founded in cooperation with UNESCO in 1968; it preserves the oral history of West Africa and has a library of 5,000 volumes. Abdou Moumuni University in Niamey holds 25,000 volumes. The French Cultural Center in Niamey also holds 25,000 volumes. The National Museum of Niger, which has ethnographic and paleontological exhibits, is also in Niamey, as are a zoo, botanical gardens, craft workshops, and youth training centers. There are regional museums throughout the country, including the National Museum of Colonial History in Aba, the Archeology Museum in Nsukka, and the National War Museum of Umauhia in Umauhia, and a regional museum in Zinder.

[45]MEDIA

In 2001, there were about 20,000 mainline telephones in use, with an additional 6,700 cellular phones in use by 2002. The Voice of the Sahel and Télé-Sahel, the government's radio and television broadcasting units, respectively, broadcast in French, Djerma, Hausa, Tamachek, Kanuri, Fulfuldé, Toubou, Gourmantché, and Arabic. As of 2001, there were 5 AM and 6 FM radio stations. In 2002 there were three television stations. In 2000 there were about 121 radios and 37 television sets for every 1,000 people. The same year, one Internet service provider was serving about 3,000 subscribers.

Major publications include the daily, *Le Sahel,* with a 2002 circulation of about 5,000, and the weekly *Le Sahel Dimanche* (3,000); a monthly, the *Journal Officiel de la République du Niger,* is also published. All are government publications. There are about 12 private publications, usually published weekly or monthly. These include *Le Republicain* (3,000) and *La Tribune du Peuple* (3,000).

The 1996 constitution provides for freedom of speech and the press, though the current government is said to limit press freedom and stifle political discussion through intimidation, harassment, and detention.

[46]ORGANIZATIONS

The Chamber of Commerce, Agriculture, and Industry has headquarters at Niamey. There are also chambers of commerce in Agadez, Maradi, Tahoua, and Zinder. National youth organizations include the National Samariya Youth Movement, the Nigerien Student Union of the University on Niamey, and the Scout Association of Niger. There are several women's organizations promoting equal rights and government participation for women. The Red Cross is active.

[47]TOURISM, TRAVEL, AND RECREATION

The government has promoted both domestic and international tourism since 1984. The "W" National Park along the Niger River offers views of a variety of fauna, including lions and elephants. Other tourist attractions include Agadez's 16th-century mosque, one of the oldest in West Africa; villages built on piles in Lake Chad; the annual six-week gathering of nomads near Ingal; the Great Market and Great Mosque in Niamey, and the Sahara desert. Nigeriens engage in fishing, swimming, and a variety of team sports. Visas are required for most travelers, as is a vaccination certificate for yellow fever and cholera.

Tourism had suffered a steady decline throughout the early 1990s but has rebounded somewhat in recent years. There were 50,263 tourist arrivals in 2000, an increase of 17% from 1999 figures. Tourist receipts were estimated at $28 million in 2000. In 1999, reports indicated that there were 1,233 hotel rooms with 2,336 beds and a 39% occupancy rate.

In 2002, the US Department of State estimated the cost of staying in Niamey at about $128 per day. The costs of traveling outside the capital are significantly lower.

[48]FAMOUS NIGERIENS

Hamani Diori (1916–89), a former schoolteacher, became leader of the local section of the PPN in 1946, became president of the General Council of the Republic of Niger in 1958, and was president of the Republic of the Niger until April 1974, when he was deposed by a military coup. Seyni Kountché (1931–87) became head of state after the coup of 1974 and ruled the country until his death. Col. Ibrahim Bare Maïnassara (1950–99), who led a coup in January 1996 that ousted the democratically elected government, was assassinated in May 1999. He was succeeded by Daouda Malam Wanké, head of the presidential guard, who held the post until December 1999.

[49]DEPENDENCIES

Niger has no territories or colonies.

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NIGERIA

Federal Republic of Nigeria

CAPITAL: Abuja

FLAG: The national flag consists of three vertical stripes. The green outer stripes represent Nigerian agriculture. The white center stripe represents unity and peace.

ANTHEM: *Arise, All Compatriots*.

MONETARY UNIT: On 1 January 1973, the Nigerian pound (N£) was replaced by the naira (N) of 100 kobo at a rate of N2 = N£1. There are coins of ½, 1, 5, 10, 25, and 50 kobo and 1 naira, and notes of 5, 10, 20, and 50 naira. N1 = $0.0078 (or $1 = N128; as of April 2003).

WEIGHTS AND MEASURES: As of May 1975, the metric system is the official standard, replacing the imperial measures.

HOLIDAYS: New Year's Day, 1 January; National Day, 1 October; Christmas, 25 December; Boxing Day, 26 December. Movable Christian religious holidays include Good Friday and Easter Monday; movable Muslim religious holidays include 'Id al-Fitr, 'Id al-'Adha', and Milad an-Nabi.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Located at the extreme inner corner of the Gulf of Guinea on the west coast of Africa, Nigeria occupies an area of 923,768 sq. km (356,669 sq mi), extending 1,127 km (700 mi) E–W and 1,046 km (650 mi) N–S. Comparatively, the area occupied by Nigeria is slightly more than twice the size of the state of California. It is bordered by Chad on the NE, by Cameroon on the E, by the Atlantic Ocean (Gulf of Guinea) on the S, by Benin (formerly Dahomey) on the W, and by Niger on the NW and N, with a total boundary length of 4,900 km (3,045 mi), of which 853 km (530 mi) is coastline. The borders between Nigeria and Chad and Nigeria and Cameroon are disputed, and there have been occasional border clashes.

Nigeria's capital city, Abuja, is located in the center of the country.

[2]TOPOGRAPHY

Along the entire coastline of Nigeria lies a belt of mangrove swamp forest from 16 to 96 km (10–60 mi) in width, which is intersected by branches of the Niger and innumerable other smaller rivers and creeks. Beyond the swamp forest is a zone, from 80 to 160 km (50–100 mi) wide, of undulating tropical rain forest. The country then rises to a plateau at a general elevation of about 600 m (2,000 ft) but reaches a maximum of 2,042 m (6,700 ft) on the eastern border in the Shebshi Mountains, and the vegetation changes from woodland to savanna, with thick forest in the mountains. In the extreme north, the country approaches the southern part of the Sahara.

The Niger, the third-largest river of Africa, enters Nigeria from the northwest and runs in a southeasterly direction, meeting its principal tributary, the Benue, at Lokoja, about 550 km (340 mi) from the sea. It then flows south to the delta, through which it empties into the Gulf of Guinea via numerous channels. Other main tributaries of the Niger are the Sokoto and Kaduna rivers. The second great drainage system of Nigeria flows north and east from the central plateau and empties into Lake Chad. Kainji Lake, in the northwest, was created by construction of a dam on the Niger above Jebba.

[3]CLIMATE

Although Nigeria lies wholly within the tropical zone, there are wide climatic variations in different regions of the country. Near the coast, the seasons are not sharply defined. Temperatures rarely exceed 32°C (90°F), but humidity is very high and nights are hot. Inland, there are two distinct seasons: a wet season from April to October, with generally lower temperatures, and a dry season from November to March, with midday temperatures that surpass 38°C (100°F) but relatively cool nights, dropping as low as 12°C (54°F). On the Jos Plateau, temperatures are more moderate.

Average rainfall along the coast varies from about 180 cm (70 in) in the west to about 430 cm (170 in) in certain parts of the east. Inland, it decreases to around 130 cm (50 in) over most of central Nigeria and only 50 cm (20 in) in the extreme north.

Two principal wind currents affect Nigeria. The harmattan, from the northeast, is hot and dry and carries a reddish dust from the desert; it causes high temperatures during the day and cool nights. The southwest wind brings cloudy and rainy weather.

[4]FLORA AND FAUNA

The natural vegetation is divisible into two main sections directly related to the chief climatic regions of the country: (1) high forest, including both swamp and rain forests, and (2) savanna. Along the coastal area, the mangrove tree predominates, while immediately inland is freshwater swamp forest, which is somewhat more diversified and includes varieties of palms, the abura, and mahogany. North of the swamp forest lies near the rain forest, which forms a belt with an average width of some 130 km (80 mi). Here, trees reach as much as 60 m (200 ft) in height. Principal trees include the African mahogany, iroko, African walnut, and the most popular export wood, the obeche. Farther inland, the rain forest becomes displaced by tall grass and deciduous trees of small stature, characteristic of the savanna.

Few large animals are found in the rain forest; gorillas and chimpanzees in decreasing numbers are present, as well as baboons and monkeys. Reptiles abound, including crocodiles, lizards, and snakes of many species. Although many kinds of mammals can be found inland from the rain forest, these are not nearly so plentiful as in East or South Africa. Nigeria possesses two dozen species of antelope, but large concentrations of animals, even the common antelope, are rarely observed. The hippopotamus, elephant, giraffe, leopard, and lion now remain only in scattered localities and in diminishing number. Wildcats, however, are more common and widely distributed. Wildlife in the savanna includes antelope, lions, leopards, gazelles, and desert hyenas. Nigeria also abounds in bird life with a great number of species being represented.

[5]ENVIRONMENT

Many of Nigeria's environmental problems are those typical of developing states. Excessive cultivation has resulted in loss of soil fertility. Increased cutting of timber has made inroads into forest resources, exceeding replantings. By 1985, deforestation claimed 1,544 square miles of the nation's forest land. Between 1983 and 1993 alone, Nigeria lost 20% of its forest and woodland areas. Oil spills, the burning of toxic wastes, and urban air pollution are problems in more developed areas. In the early 1990s, Nigeria was among the 50 nations with the world's highest levels of carbon dioxide emissions, which totaled 96.5 million metric tons, a per capita level of 0.84 metric tons. Water pollution is also a problem due to improper handling of sewage. Nigeria has 221 cubic kilometers of renewable water resources. Fifty-four percent is used for farming activity and 15% for industrial purposes. Safe drinking water is available to 78% of urban dwellers and 49% of the rural population. The principal environmental agencies are the Environmental Planning and Protection Division of the Federal Ministry of Works and Housing, and the analogous division within the federal Ministry of Industry.

In 2001, 26 of Nigeria's mammal species were threatened. Nine types of birds and 16 plant species were also endangered. Endangered species include the drill, Presuu's red colobus, and the Ibadan malimbe. The Sahara oryx has become extinct in the wild.

[6]POPULATION

The population of Nigeria in 2003 was estimated by the United Nations at 124,009,000, which placed it as number 10 in population among the 193 nations of the world. It is the most populated country in Africa. In 2003 approximately 3% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 101 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.53%, with the projected population for the year 2015 at 161,726,000. The population density in 2002 was 141 per sq km (364 per sq mi). Regional differences are significant; population is densest in the south and sparsest in the north.

It was estimated by the Population Reference Bureau that 44% of the population lived in urban areas in 2001. The principal cities include Lagos, the former capital and still the largest city, with an estimated metropolitan population of 13,488,000 and the highest population density of any major African urban conglomeration. The capital city, Abuja, had a population of 403,000 in that 2003. Ibadan had a metropolitan population of 1,739,000 people, and Kano had over 1 million. According to the United Nations, the urban population growth rate for 2000–2005 was 4.1%.

The prevalence of AIDS/HIV has had a significant impact on the population of Nigeria. The United Nations estimated that 5.8% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Immigrants are drawn from neighboring nations by economic opportunity. On 17 January 1983, Nigeria, suffering from an economic crisis brought about by decreased earnings from oil, ordered all resident aliens to leave the country. Some 700,000 Ghanaians departed during the following weeks, as did smaller numbers from Benin, Cameroon, Chad, Mali, Niger, Togo, and Burkina Faso. In 1985, about 200,000 to 250,000 aliens were expelled, including about 100,000 from Ghana and 50,000 from Niger.

As of 1999, there were some 6,000 refugees in Nigeria. Of these, some 2,660 were settled in a camp at Oru. The majority of refugees were from Sierra Leone (1,865), Chad (1,600), and Liberia (1,300). The remainder was made up of small groups from Congo, Sudan, and Ethiopia. In 2,000 the total number of migrants was 751,000, including 7,300 remaining refugees. The net migration rate in 2000 was -0.2 migrants per 1,000 population. Worker remittances in that year amounted to $1,301 million, or 5% of GDP. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The predominant racial group is West African Negroid. The purest lineage is now found in the southeastern forest belt, but Negroid stock forms the basic substratum throughout most of Nigeria. Non-Negroid racial types include the Fulani (Fulbe), of Mediterranean extraction, who are widely dispersed throughout the north but who have become largely assimilated to the predominant Negroid type, and the Semitic Shuwa Arabs, who are confined to the Lake Chad area in the extreme northeast.

There are three dominant ethnolinguistic groups. The Yoruba predominate in Ogun, Ondo, Oyo, and Osun states. The Ibo (Igbo) predominate in Anambra, Imo, Abia, and Enugu states. The Hausa and Fulani constitute the largest single groups in Sokoto, Kaduna, Jigawa, Katsina, and Kano states. Other important groups include the Kanuri in Borno and Yobe states; the Edo (Bini) in Edo State; the Ibibio in Akwa Ibam State; the Ijaw (Ijo) in Rivers State; the Tiv in Benue and Plateau states; and the Nupe in Niger State. The Hausa in the past have been officially estimated to constitute 21% of the population; Yoruba, 21%; Ibo, 18%; Fulani, 12%; Ijaw, 10%; Kanuri, 4.1%; Ibibio, 3.6%; Tiv, 2.5%; and others, 18.7%.

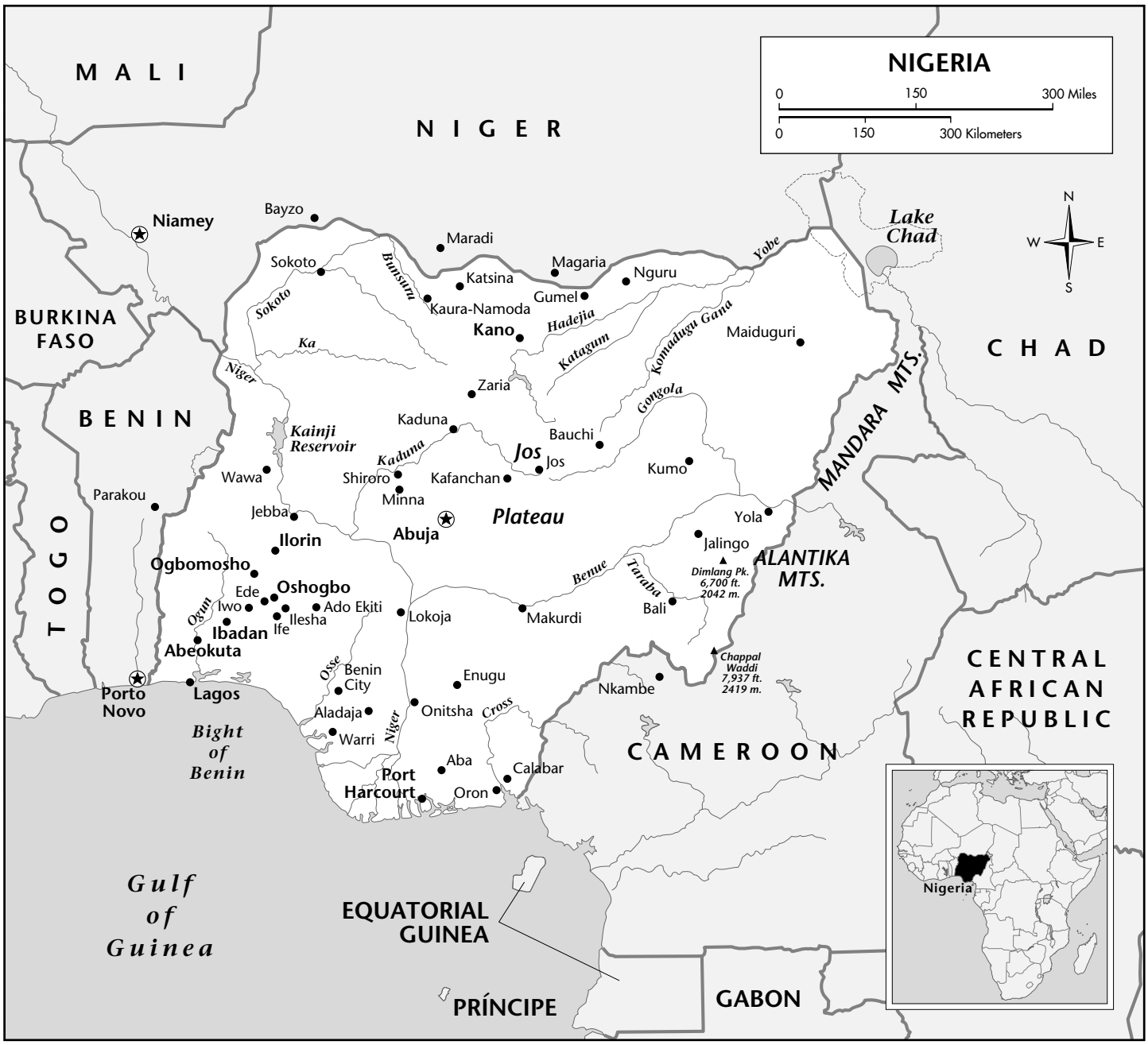
[9]LANGUAGES

The official language is English, although there are over 300 distinct indigenous tongues. Hausa is the mother tongue of more than 40% of the inhabitants of the northern states. Yoruba is commonly used in southwestern urban centers, including Lagos. Ibo and Fulani are also widely spoken. Ethnic divisions roughly reflect the distribution of other vernaculars.

[10]RELIGIONS

Religious affiliation in Nigeria is strongly related to ethnicity, with rather distinct regional divisions between ethnic groups. The northern states, dominated by the Hausa and Fulani groups, are predominantly Muslim while the southern ethnic groups have a large number of Christians. In the southwest, there is no predominant religion. The Yoruba tribe, which is the majority ethnic group in the southwest, practice Christianity, Muslim, and/or the traditional Yoruba religion, which centers on the belief in one supreme god and several lesser deities.

Overall statistics indicate that about 50% of the population are Muslim, with a majority practicing the Sunni branch of the faith. About 40% are Christian and about 10% practice traditional African religions or no religion at all. Many people



LOCATION: 2°30′ to 14°30′ E; 4°30′ to 14°17′ N. BOUNDARY LENGTHS: Chad, 87 kilometers (55 miles); Cameroon, 1,690 kilometers (1,050 miles); Atlantic coastline, 853 kilometers (530 miles); Benin, 773 kilometers (480 miles); Niger, 1,497 kilometers (930 miles). Broken lines indicate rivers and lakes that are dry for most of the year, only filling with water during infrequent rainy periods. TERRITORIAL SEA LIMIT: 30 miles.

include elements of traditional beliefs in their own practice of Christianity or Islam. The Christian community is composed of Roman Catholics (the largest denomination), Methodists, Anglicans, Baptists, Presbyterians, and members of Evangelical and Pentecostal groups.

Though the constitution prohibits state and local governments from declaring an official religion, a number of states have recently adopted various forms of the Islamic criminal and civil law known as Shari'ah, a move which many Christians believe to be an adoption of Islam as the de facto religion. The constitution also provides for freedom of religion, however, some states have restricted religious demonstrations, processions, or gatherings as a matter of public security. Business owners and public officials have been known to discriminate against individuals of a faith different than their own in matters of providing services and hiring practices. The same type of discrimination exists between members of different ethnic groups. Certain Christian and Muslim holidays are officially observed.

There is a high degree of tension between Christians and Muslims with a record of violence against both groups. However, conflicts may stem primarily from ethnic and regional differences, since there are a number of reports of violence between different ethnic groups of the same religion.

11 TRANSPORTATION

The main waterways are the Niger and Benue rivers and a system of navigable creeks and lagoons in the southern part of the country. The Niger is navigable to Onitsha by large riverboat and to Lokoja by barge throughout the year. Ports farther upstream on the Niger and Benue can be reached in the high-water season.

Inland waterways total about 8,575 km (5,328 mi). Lagos remains Nigeria's principal port, handling more than 75% of the country's general cargo. Other ports are Port Harcourt, Calabar, and the delta port complex of Warri, Sapele, Koko, Burutu, Bonny, and Alesa Eleme. The Merchant Marine operated a fleet of 43 ships totaling 331,094 GRT in 2002. A 1987 decree requires 40% of total cargo generated by trade with Nigeria to be carried on Nigerian shipping.

The Nigerian railway system, operated by the statutory Nigerian Railway Corp., consists of 3,557 km (2,210 mi) of single track and is the fifth largest in Africa. The greater part of the system consists of two generally north-south lines, originating in Lagos and Port Harcourt. The western line runs northeast from Lagos through Ibadan, Ilorin, and Kaduna to Kano; the eastern line runs from Port Harcourt through Enugu and Makurdi, and joins the western line at Kaduna. Extensions carry the former north to Nguru and the latter north to Kaura-Namoda. Three branch lines connect other industrial and commercial centers to the main system. A 645-km (400-mi) extension of the Port Harcourt line from Kafanchan to Maiduguri, linking the main system with the northeastern corner of the country, was completed in 1964. Years of neglect have seriously reduced the capacity and utility of the railway system; a project to restore it was underway in 1999.

Nigeria in 2002 had an estimated 193,200 km (120,054 mi) of roads, of which 59,892 km (37,216 mi) were paved, including 1,194 km (742 mi) of expressways. In 2000, some 694,600 vehicles were registered, including 501,300 passenger cars and 193,300 commercial vehicles.

Air traffic has been growing steadily. In 2001 there were an estimated 70 airports, 36 of which had paved runways. International service is provided from Lagos (Murtala Muhammed), Port Harcourt, and Kano airports by more than two dozen international airlines; a new cargo-oriented international airport in Abuja was operational in 1987. Nigeria Airways, which operates internal Nigerian services and participates in international services, became a wholly Nigerian-owned company in 1961. Its regularly scheduled flights link Lagos and 15 of the 19 state capitals. Nigeria Airways also flies to many West African destinations, to Nairobi, Kenya, and Jiddah, Sa'udi Arabia, and to New York, London, Amsterdam, and Rome. In 2001, 529,400 domestic and international passengers were carried on scheduled flights.

12 HISTORY

The history of Nigeria prior to the beginnings of British administration is sparsely documented, but archaeological evidence indicates that an Iron Age culture was present sometime between 500 BC and AD 200, and agriculture and livestock raising long before then. About the 11th century AD, Yoruba city-states developed in western Nigeria, and some, such as Benin, became powerful kingdoms in later centuries. During medieval times, northern Nigeria had contact with the large kingdoms of the western Sudan (Ghana, Mali, and Songhai) and with countries of the Mediterranean across the Sahara. Islamic influence was firmly established by the end of the 15th century, and Kano was famous not only as a center of Islamic studies but also as a great commercial entrepôt of the western Sudan. Until the arrival of the British, northern Nigeria was economically oriented toward the north and east, and woven cloth and leatherwork were exported as far as the North African ports of the Mediterranean. At the beginning of the 19th century, a jihad, or holy war, led by a Fulani sheikh, Uthman dan Fodio, established Fulani rule over the surviving Hausa kingdoms, until the British conquest at the end of the century.

In the south, the Portuguese were the first Europeans to establish close relations with the coastal people. In the late 15th century, they established a depot to handle trade goods and slaves from Benin. The Portuguese monopoly was broken after a century, and other European nations participated in the burgeoning slave trade. The British abolished slave trading in 1807, and thereafter-British policy was directed at enforcing that ban on other nations. Interest in legitimate commerce developed slowly, but the discovery of the mouth of the Niger in 1830 provided an important impetus. The extension of British influence over Nigeria was gradual and, initially at least, unplanned. In 1861, the British annexed the island of Lagos, an important center of palm oil trade, and thereafter, they gradually extended their influence over the adjacent mainland of Yorubaland.

In 1887, British influence over the eastern coast, which had been promoted since 1849 by consular agents, was regularized by the establishment of the Oil Rivers Protectorate. This too was gradually extended inland and became the Niger Coast Protectorate in 1894. The acquisition of the interior of Nigeria, however, was accomplished largely by Sir George Goldie, founder of the Royal Niger Company, who by 1885 had eliminated commercial competition on the Niger and, by claiming treaties with responsible African authorities, had secured recognition of British influence over the Niger Basin by the European powers at the Berlin Conference. This influence was more fancied than real, but it provided the basis for British rule over northern Nigeria, which was consolidated by a series of punitive expeditions culminating in the establishment of the Protectorate of Northern Nigeria in 1900.

The separate administrative units were finally amalgamated in 1914 into the Colony and Protectorate of Nigeria, with Sir Frederick Lugard as governor-general. Despite the ostensible unification, the administrative individuality of the three separate regions—North, East, and West—was maintained. The chief characteristic of British rule in Nigeria was its system of local administration, known as indirect rule. The success of the system depended on fairly centralized hierarchical political units. It functioned well in the North, with variable success in the West, and poorly in the East.

After World War II, increasing pressures for self-government resulted in a succession of short-lived constitutions. The constitution of 1954 established a federal form of government, greatly extending the functions of the regional governments. A constitutional conference of May and June 1957 decided upon immediate self-government for the Eastern and Western regions, the Northern to follow in 1959. The step from self-government to independence was quickly taken. On 1 October 1960, Nigeria became a fully independent member of the British Commonwealth, and on 1 October 1963 it became a republic. Nnamdi Azikiwe was elected the first president of the Federal Republic of Nigeria.

Internal disorders, which began in 1962 and were caused mainly by regional resentment over the domination of the federal government by Northern elements, culminated in a military coup on 15 January 1966. Organized by a group of Eastern junior army officers, the coup led to the deaths of the federal prime minister, Sir Abubakar Tafawa Balewa; the prime minister of the Northern Region, Sir Ahmadu Bello; and the prime minister of the Western Region, Chief S. L. Akintola. By 17 January, Maj. Gen. Johnson Aguiyi-Ironsi, commander-in-chief of the army, had suppressed the revolt and assumed supreme power. He suspended the constitution and dissolved the legislature, established a military government, and appointed military governors to replace the popularly elected civilian governors in the regions. On 29 July 1966, mutinous elements in the army, largely Northern army officers, staged a countercoup, killed Gen. Ironsi, and replaced him with Lt. Col. Yakubu Gowon as head of the military government. The July coup led to the massacre of thousands of Easterners residing in the Northern Region and to the exodus of more than 1 million persons (mostly Ibos) to the Eastern Region.

On 28 May 1967, Col. Gowon assumed emergency powers as head of the Federal Military Government and announced the division of the country into 12 states; 6 states were formed from the Northern Region; 3 states from the Eastern Region; and the Mid-West, Western, and Lagos areas became separate states. Rejecting the realignment, Eastern Region leaders announced on 30 May the independent Republic of Biafra, with Lt. Col. Odumegwu Ojukwu as head of state. On 6 July, the federal government declared war on the fledgling republic. By the time the war ended, on 12 January 1970, Biafra had been reduced to about one-tenth of its original 78,000-sq-km (30,000-sq-mi) area, and a million or more persons had perished, many of disease and starvation. Following the surrender, many Ibos returned to their former positions in Lagos, and Gen. Gowon's military regime sought to rehabilitate the three Eastern states as quickly as possible.

In October 1970, with the civil war behind him, Gen. Gowon set 1976 as the target date for Nigeria's return to civilian rule. Political change came slowly, however, and in October 1974, Gowon announced an indefinite postponement in plans for the transfer of power. The regime's recalcitrance in this and other areas, including its failure to check the power of the state governors and to reduce the general level of corruption, led to Gowon's overthrow on 29 July 1975. His successor, Brig. Murtala Ramat Muhammad, moved vigorously in dismissing inefficient and corrupt officials and in establishing an ombudsman commission. One of his plans was to establish a new capital territory in the center of the country, at Abuja. On 13 February 1976, Muhammad was assassinated in the course of an abortive insurgency. He was replaced as head of the government by the former chief of staff of the armed forces, Lt. Gen. Olusegun Obasanjo, who pledged to carry on his predecessor's program. In March 1976, a decree established a 19-state federation. Political party activity was again permitted in late 1978, and a new constitution took effect on 1 October 1979, the day Alhaji Shehu Shagari took office as president. Leader of the conservative National Party of Nigeria, he also had the support of the Nigerian People's Party (NPP), led by former president Azikiwe. The NPP withdrew its support in 1981, leaving Shagari at the head of a minority government. In August 1983, Shagari won reelection to a second term as president; in late December, however, he was ousted in a military coup.

The new military regime, led by Maj.-Gen. Muhammadu Buhari, provoked growing public dissatisfaction because of its increasingly authoritarian character, and a military coup on 27 August 1985 brought Maj.-Gen. Ibrahim Badamasi Babangida to power. Assuming the title of president, Babangida banned Second Republic (1979–83) officials from participation in politics for 10 years. A return to full civilian rule was pledged by 1992, with local elections on a nonparty basis, the creation of a constituent assembly, the establishment of no more than two political parties, state elections, a national census, and finally presidential elections. The first step in the process—local elections on 12 December 1987—were marred by irregularities. To deal with Nigeria's economic troubles, stemming from the fall of world oil prices in the 1980s, Babangida inaugurated a "homegrown" Structural Adjustment Program (SAP) prompted by the IMF but not directed by them. It involved cuts in public spending, decreased state control over the economy, stimulation of exports, devaluation of the currency, and rescheduling of debt. Yet, government's own budgetary excesses undermined the SAP.

A mostly elected Constituent Assembly met in 1988 and approved modifications in the 1979 constitution. The process of party formation proved awkward in a society as heterogeneous as Nigeria's. None of the 13 potential parties gained Babangida's approval. Instead, he decided to create two new parties, one "a little to the right" of center, another "a little to the left." Neither challenged government effectively.

Babangida's guided transitional program from military to a democratic civilian Third Republic was scheduled to be completed in 1992. But, despite growing prodemocracy demands, it was marked by crisis after crisis. Clashes between Muslims and Christians in 1991 and 1992 spread through northern cities. Hundreds were killed in the rioting itself and then by the army seeking to contain the riots.

In elections for state governors and assemblies, the National Republican Convention (NRC) won 13 of 30 assemblies and 16 governorships. The Social Democratic Party (SDP) carried 17 and 14, respectively. But voter indifference and fear of intimidation was high. When state governments took office, intraparty wrangling and political violence marred their performance.

Nonetheless, by January 1992, Nigerians geared up for the national presidential and legislative elections scheduled for later in the year. Nigeria's first successful census since independence (results announced in March 1992) indicated a population of 88.5 million, some 20 million fewer than estimated. The election register had to be revised downward, from 70 million to 39 million voters. On 20 May 1992, the government banned all political, religious, and ethnic organizations other than the two approved political parties.

Legislative elections were conducted on 4 July and the SDP won 47 of the 91 Senate seats and 310 of the 593 seats in the House of Representatives. The NRC won 37 and 267 seats, respectively. The ruling military council pushed back the transition date until January 1993 and postponed the inauguration of the National Assembly to coincide with the establishment of the Third Republic.

In August and September, the country began the process of narrowing the field of presidential candidates from 20 to 2 in preparation for the December elections. But on 17 November 1992, Babangida announced a third delay in the transfer of power from 2 January until 27 August 1993. Political violence and charges of electoral fraud disrupted the first round of presidential primaries. The second round in September was flawed, too. Faced with a virtual breakdown of the electoral machinery, the military council suspended the primary results in October. All 23 of the presidential aspirants were banned from future political competition. These disruptions were compounded by high levels of student and labor unrest, detentions of dissidents, and ethnic and religious fighting. Nonetheless, the military council had promised civilian government in 1993.

A new round of presidential nominations took place in March 1993. Chief M.K.O. Abiola (SDP) and Alhaji Bashir Tofay (NRC), both Muslim businessmen with ties to Babangida, won nomination. The presidential election of 12 June took place amid a flurry of legal efforts to halt it and great voter confusion. Abiola apparently defeated Tofa handily, 58.4% to 41.6% according to unofficial results.

But the National Electoral Commission set aside the results on 16 June and Babangida annulled the election a week later citing irregularities, poor turnout, and legal complications. Abiola, backed largely by the Yoruba people, demanded to be certified as president-elect. Civil unrest, especially in Lagos, followed.

After weeks of uncertainty and tension, Babangida resigned the presidency and his military commission on 26 August 1993. He handpicked a transitional council headed by Chief Ernest Shonekan. By mid-November, Gen. Sani Abacha forced Shonekan to resign and he installed himself as head of state. On 18 November 1993, he abolished all state and local governments and the national legislature. He replaced many civilian officials with military commanders. He banned political parties and all political activity and ordered strikers to return to work. The following week, he named an 11-member Provisional Ruling Council composed mainly of generals and police officials. He also created a 32-member Federal Executive Council to head

government ministries. It included prominent civilians and some prodemocracy and human rights activists.

On 11 June 1994, Abiola proclaimed himself president and then went into hiding. He was arrested later that month, an action that portended much that was to come for Nigeria. Massive protests followed Abiola's arrest, but Abacha's military repressed the demonstrators violently. On 6 July Abiola pleaded not guilty to three counts of treason; the following day laborers went on strike to protest the Abacha regime. In the following months millions of Nigerian workers reportedly walked out in support of Abiola and refused to attend scheduled government talks. Abiola remained in prison through June 1996, when his outspoken wife Kudirat Abiola was assassinated. Strikes and protests continued on Abiola's behalf.

In August, the General fired his army and navy commanders. Two weeks later he banned several newspapers, declaring that his government had absolute power and would not give in to prodemocracy demonstrators. Late in September, claiming that it was part of his plan to "rejuvenate the machinery of government," Abacha removed all civilians from his ruling council. Three months later he suspended habeas corpus and continued to round up and jail opponents. At the same time he rejected a court order demanding the release of Abiola from prison for medical treatment. In March 1995 Abacha ordered the arrest of former Nigerian leader Olusegun Obasanjo on suspicion of treason. Later in the month he dissolved labor unions and jailed their leaders. On 25 April Abacha canceled a 1 January 1996 deadline for the return of civilian rule and refused to discuss the matter. Though he lifted a ban on political parties in June 1995, Abacha placed tight restrictions on their operations. The July convictions in secret trials of 40 suspected traitors brought international condemnation and demands of leniency from critics of the Nigerian government. Ultimately Abacha relented on 1 October, commuting the death sentences of his convicted opponents and declaring that he would relinquish power to an elected government in 1998.

Despite these promises, many outside observers remained skeptical, largely due to fallout from the case of Ken Saro-Wiwa, leader of the Movement for the Survival of Ogoni People. Sentenced to death in October 1995 for a quadruple murder, many believed that Saro-Wiwa had been convicted on trumped-up charges stemming from his opposition to a proposed drilling agreement in Nigeria's main oil-producing region. The executions in early November of Saro-Wiwa and eight others brought a torrent of criticism from the international community and resulted in Nigeria's suspension from the British Commonwealth and an embargo from the European Union on arms and aid to Nigeria. Bowing to this pressure, the Abacha government amended in May 1996 the law under which Saro-Wiwa and the others had been convicted and offered to hold talks on the matter with the UK.

Abacha announced efforts in November 1996 to spur economic change and raise living standards in the country, a pronouncement met with skepticism by an increasingly angry opposition. By December, opponents of the government detonated two bombs aimed at Col. Mohammed Marwa, head of the Nigerian military. Col. Marwa escaped both attacks.

In April 1998 four of Nigeria's five major political parties nominated Abacha as their presidential candidate. Amid opposition accusations that the transition plan was designed to prolong Abacha's rule, legislative elections held on 25 April were heavily boycotted. Nigeria's political fortunes changed suddenly on 8 June when Abacha died of an apparent heart attack. General Abdoulsalami Abubakar took charge and promised to continue Abacha's transition. On 7 July Abiola died of heart failure while still in custody.

On 20 July General Abubakar announced a new plan for return to civilian rule culminating in a transfer of power in May 1999. On 5 December local council elections took place with three parties qualifying to move on to state and national elections by winning 5% of the vote in 24 of 36 states. On 11 January 1999 elections for state governorships and legislatures were held.

Elections for president and the national legislature were held on 27 February 1999. Obasanjo (PDP) won the presidential elections with 62% of the vote, Olu Falae received 38%, and the All Peoples Party (APP) was unable to settle on a presidential candidate. Despite Falae's charges of election rigging, international observers from the Carter Center and the National Democratic Institute reported no evidence that electoral abuses changed the overall results. In April Olu Falae closed his case against Obasanjo after a federal appeals court in Abuja rejected two pleas. Power was handed over officially to the new government in May. Twenty heads of state attended Obasanjo's inauguration on 4 June.

Obasanjo's agenda includes restoration of law and order, fighting corruption, and unifying Nigeria's ethnically and religiously diverse peoples. The Federal Government increased the oil-producing states' share of revenue from 3% to 13%. However, these states were demanding a 50% share, and the increase may not resolve disputes over local ownership, control of resources, and embezzlement. In 1999, Nigeria was second on Transparency International's list of most corrupt countries (Cameroon was first). Some $700 million assets of Abacha and his associates had been frozen in Swiss bank accounts.

In 1999 fighting in the Delta region killed several hundred people while outbreaks of fighting between Yorubas and Hausa in the area of Lagos resulted in hundreds more deaths. The Igbo have demanded reparations of $87 billion for the 1967–70 civil war. In February 2000, days of violent clashes between Muslims and Christians killed as many as 750 persons (mostly Igbo Christians, other south easterners and some Yorubas) in Kaduna, and destroyed several churches and mosques following announcements that a fuller or full application of Islamic law, Shari'ah, would be introduced in Zamfara and at least five other northern states. The code includes punishments such as flogging and amputation, and in principle only affects Muslims, but has caused great consternation among non-Muslims.

In June and July 2001, between 100 and 200 people were killed in Nasarawa state in fighting between the Tiv and other ethnic groups. In October, more than 200 villagers were killed by the army in the east-central state of Benue in retaliation for the murder of 19 soldiers amid fighting between the Tiv and Junkun. From 7–13 September 2001 in the central city of Jos, a total of 915 lives were lost in inter-communal violence between Muslims and Christians, although the nongovernmental organization Human Rights Watch described the conflict as more political and economic than religious.

On 27 January 2002, more than 1,000 people died as a result of a series of explosions at an army munitions dump in Lagos. Many of the victims fell into a canal and drowned as they tried to leave the northern neighborhood of Ikeja. In February, some 100 people were killed in Lagos in ethnic clashes between Yorubas and Hausa. Thousands fled their homes. In November, more than 200 people were killed in riots between Muslims and Christians in Kaduna, following the publication of a newspaper article suggesting that the prophet Mohammed would have wished to marry one of the Miss World contestants competing in that beauty pageant to be held in Abuja on 7 December. The pageant was subsequently moved to London. Also in November, the Nigerian government stated that it would intervene to save the life of Amina Lawal, a 30-year old woman sentenced to death by stoning after she was found guilty in a Shari'ah court of having had extra-marital sex. Her case provoked large-scale protests from the international community.

In October 2002, the International Court of Justice ruled in favor of Cameroon in its territorial dispute with Nigeria over the

oil-rich Bakassi peninsula. Fighting between the two countries over the region broke out in 1994, at which point Cameroon requested a world court ruling on the border dispute. The decision cannot be appealed.

Nigerians, once dominated by the military, have become disappointed in the civilian rule initiated in 1999, due to the increasing poverty, ethnic strife, religious intolerance, declining standards in health and education, and a stagnant economy. From 1999 until the end of 2002, approximately 10,000 Nigerians were killed in political and sectarian violence. Presidential elections due on 19 April 2003 are seen to be critical in moving the country forward. It was hoped that the first civilian-to-civilian transfer of power since independence was achieved in 1960 would be successful.

13 GOVERNMENT

The 1979 constitution, promulgated by the outgoing military government, established a federal system resembling that of the United States, with a directly elected president and vice president (whose names appear on the same ballot) and separate executive, legislative, and judicial branches.

The military government that took command after the December 1983 coup suspended the 1979 constitution. The president held executive and legislative authority, in consultation with the 28-member Armed Forces Ruling Council, and appointed the cabinet.

After the Abacha seizure of power on 17 November 1993, the 1979 constitution remained suspended. A military-dominated Provisional Ruling Council (PRC) ruled by decree. A 32-member Federal Executive Council managed government departments, and the PRC dissolved the elected national and state legislatures and the local councils, replacing elected civilian governors with military administrators. The PRC also announced that it would hold a constitutional conference to plan for the future and to establish a timetable for a return to democracy. On 21 November 1993, Abacha signed a decree restoring the 1979 constitution (Second Republic). Nonetheless, legal experts disagreed which documents should form the basis for Nigerian government and law.

The new constitution, which became law in May 1999, restored constitutional rule under the Fourth Republic. Nigeria became a federal republic comprising 36 states and a Federal Capital Territory at Abuja. The national legislature is bicameral with 109 Senate seats and 360 House seats. Members of both houses are elected by universal suffrage (age 18) to a 4-year term. The president is elected to no more than two 4-year terms. The president chairs a Federal Executive Council, which he appointed on 30 June 1999. The last presidential and National Assembly elections were held in February 1999. Legislative and presidential elections are due in April 2003.

14 POLITICAL PARTIES

Tribal, religious, and regional differences have hindered the formation of a truly national Nigerian political party in Nigeria. Before 1966, the major parties were the Northern People's Congress (NPC), overwhelmingly dominant in the Northern Region and possessing a plurality in the federal House of Representatives; the National Council of Nigerian Citizens (NCNC), dominant in the Eastern Region and junior partner in coalition with the NPC in the federal House of Representatives; and the Action Group, majority party in the Western Region and the leading opposition group in the federal legislature. Policies and platforms of the major parties were similar, generally supporting welfare and development programs. Following the 1959 elections, the NCNC joined in a coalition with the NPC in the federal government.

The first national elections in independent Nigeria, held on 30 December 1964, were contested by two political alliances: the Nigerian National Alliance (NNA), led by Sir Ahmadu Bello, premier of the Northern Region, and the United Progressive Grand Alliance (UPGA), led by Michael Okpara, premier of the Eastern Region. The NNA comprised the NPC, the Western-based Nigerian National Democratic Party, and opposition parties representing ethnic minorities in the Eastern and Mid-Western regions. The UPGA included the NCNC, the Action Group, the Northern Elements Progressive Union (the main opposition party in the Northern Region), and the United Middle Belt Congress (a non-Muslim party strongly opposed to the NPC). Northerners feared Ibo domination of the federal government and sought support from the Yoruba, while the UPGA accused the Muslim Northerners of anti-Southern, antidemocratic, and anti-Christian attitudes. The election results, announced on 6 January 1965, gave a large majority to the NNA (198 of 267 constituencies). Before the balloting began, the UPGA charged that unconstitutional practices were taking place and announced that it would boycott the elections, in which only 4 million of the 15 million eligible voters actually cast ballots. On 4 January 1965, President Azikiwe called on Prime Minister Balewa to form a new government. In the supplementary elections held on 18 March 1965, the UPGA won all 51 seats in the Eastern Region and 3 seats in Lagos. This was followed by announcement of an enlarged and reorganized cabinet on 31 March. Ten months later the Balewa government was overthrown, the military assumed power, and on 24 May 1966 all political parties were banned.

When legal political activity resumed in 1978, five parties emerged: the National Party of Nigeria (NPN), representing chiefly the North and an educated, wealthy elite; the Nigerian People's Party (NPP), strong among the Ibos and slightly to the left of the NPN; the Unity Party of Nigeria (UPN), Yoruba-led and Socialist-oriented; the People's Redemption Party, advocating radical social change; and the Great Nigeria People's Party, espousing welfare capitalism. Shagari, the NPN presidential candidate, received the most votes (33.9%) in the 11 August 1979 presidential election, with Obafemi Awolowo of the UPN a close second (29.2%). In National Assembly elections held on 7 and 14 July 1979, the NPN won 36 of the 95 Senate seats and 168 of 440 House of Representatives seats. The UPN was second with 28 and 111, respectively; the NPP third with 16 and 78. Each of the five parties won control of at least two state governments in elections held 21 and 28 July 1979. In the presidential election of August 1983, incumbent President Shagari of the NPN won reelection to a second 4-year term, polling 12,047,638 votes (47%). Obafemi Awolowo of the UPN placed second with 7,885,434 votes (31%). That same month, Shagari's NPN posted victories in Senate and House elections. However, there were widespread charges of irregularities in the balloting. All existing political parties were dissolved after the December 1983 coup.

Two parties, the right-of-center National Republican Convention (NRC) and a left-of-center Social Democratic Party (SDP) were permitted limited activity during the transition from military rule. The two-chamber National Assembly to which they were elected never was granted genuine power. On June 12, 1993, Nigerians apparently elected Moshood Abiola, a wealthy businessman, president, but General Ibrahim Babangida annulled the vote over alleged corruption. Ernest Shonekan replaced him for the interim, and on November 17 General Sani Abacha took power, suspending all partisan and political activity. The May 1994 legislative elections were widely boycotted by foes of Abacha's military regime. On 1 October 1995, Abacha announced a three-year program for return to civilian rule.

Political parties, suppressed by the military government, were allowed to form in July 1998. Three parties were registered by the Provisional Ruling Council for participation in local, state and national elections: the All People's Party or APP led by Mahmud

Waziri; the People's Democratic Party or PDP led by Soloman Lar; and the Alliance for Democracy or AD, led by Ayo Adebanjo.

In the February 1999 election Obasanjo (PDP) won 62.8% of the vote; Olu Falae (AD/APP), received 37.2%. In the Senate, the PDP claimed 66 seats, the APP 23, the AD 19, with 1 other seat. In the House of Representatives, the PDP took 215 seats, the APP 70, the AD 66, and others 9. International observers reported some flaws, but generally approved the results.

Since these elections, the three registered parties have suffered from leadership squabbles. Two factions have claimed leadership of the AD, which is dominant only in the Yoruba southwest. The APP elected a new chairman in December 1999, after its former chairman, Mahmud Waziri defected to the PDP. The next presidential and legislative elections were due in April 2003. In December 2002, 24 new political parties registered for the elections.

[15]LOCAL GOVERNMENT

In March 1976, a reorganization of Nigeria's major administrative divisions was undertaken. The 12 preexisting states were reconstituted into 19 states as follows: Ogun, Ondo, and Oyo states were created out of the former Western State; Imo and Anambra states from East-Central State; Niger and Sokoto states from North-Western State; Benue and Plateau states from Benue-Plateau State; and Bauchi, Borno, and Gongola from North-Eastern State. Seven other states remained basically unchanged except for minor boundary adjustments and some name changes; these are (with original names where applicable, in parentheses) Lagos, Kaduna (North-Central), Kano, Bendel (Mid-West), Cross River (South-Eastern), Rivers, and Kwara. The Federal Capital Territory of Abuja comprises 7,315 sq km (2,824 sq mi) and was carved from the central part of the country between Kaduna, Plateau, and Niger states. A fixed amount of most federal revenue is allotted to the states and localities.

Under the military regime established in 1983, all state governors were appointed by the ruling council; in 1987, all but one governor was a military officer. The governor of each state served as chairman of an appointed state executive council. By the end of the Babangida regime in August 1993, there were 30 states (there are now 36) governed by elected state legislatures and governors. On 18 November 1993, these governments were abolished and the civilian governors were replaced by military commanders.

The transition to civilian rule announced 20 July 1998 led to local council elections on 5 December 1998. The PDP, APP, and AD qualified to present candidates to state and national elections by winning 5% of the vote in 24 of the 36 states. The state governorships and legislatures were contested on 11 January 1999. As of mid-2002, the PDP controlled 21 of 36 state governments.

[16]JUDICIAL SYSTEM

Both the suspended 1979 constitution and the never implemented 1989 constitutions, as well as the new constitution promulgated on May 29, 1999 provide for an independent judiciary. In practice, the judiciary is subject to executive and legislative branch pressure, influence by political leaders at both the state and federal levels, and suffers from corruption and inefficiency.

Under the 1999 constitution, the regular court system comprises federal and state trial courts, state appeals courts, the Federal Court of Appeal, the Federal Supreme Court, and Shari'ah (Islamic) and customary (traditional) courts of appeal for each state and for the federal capital territory of Abuja. Courts of the first instance include magistrate or district courts, customary or traditional courts, Shari'ah courts, and for some specified cases, the state high courts. In principle, customary and Shari'ah courts have jurisdiction only if both plaintiff and defendant agree, but fear of legal costs, delays, and distance to alternative venues encourage many litigants to choose these courts.

Trials in the regular court system are public and generally respect constitutionally protected individual rights, including a presumption of innocence, the right to be present, to confront witnesses, to present evidence, and to be represented by legal counsel. However, low compensation for judges, understaffing, poor equipment, bribery, special settlements, and a host of developmental factors decrease the reliability and impartiality of the courts.

Under the Abubakar Government, military tribunals continued to operate outside the constitutional court system, but they were used less and less frequently as military rule waned; the tribunals officially were disbanded by the implementation of the new constitution and the return to civilian rule. The tribunals had in the past been used to try both military personnel and civilians accused of various crimes, but groups asserted that these tribunals failed to meet internationally accepted standards for fair trial.

In October 1999, the governor of Zamfara signed into law two bills passed by the state legislature aimed at instituting Shari'ah law in the state. As a result, school children are now being segregated by sex in Zamfara schools, some public transportation, and some health facilities. There were fears among non-Muslims that despite legal provisions, women and other groups would be subjected to discrimination in Shari'ah courts. As of early 2003, eleven other northern states had adopted various forms or adaptations of Shari'ah law, including: Sokoto, Kebbi, Niger, Kano, Katsiana, Kaduna, Jigawa, Yobe, Bauchi, Borno, and Gombe. Some of these states have already issued sentences of public caning for consumption of alcohol, amputations for stealing, and death by stoning for committing adultery.

[17]ARMED FORCES

The armed forces numbered 78,500 in 2002. The army had 62,000 personnel armed with 200 main battle tanks and 100 *Scorpion* tanks. The navy, with a total strength of 7,000, possessed one frigate and eight patrol and coastal combatants. The air force, composed of 9,500 personnel, had 86 combat aircraft and 16 armed helicopters.

Paramilitary forces included 2,000 port security police, a coast guard, and a security and civil defense corps of 80,000. Nigeria has observers and peacekeeping forces stationed in Croatia, the DROC, Eritrea/Ethiopia, Iraq/Kuwait, Sierra Leone, and Western Sahara. Nigeria spent $374.9 million on defense in 2001 or 1% of GDP.

[18]INTERNATIONAL COOPERATION

Nigeria, a Commonwealth member, was admitted to the UN on 7 October 1960, and since that time has become affiliated with ECA and all the nonregional specialized agencies. It is also a member of G-77 and the African Union, and is a signatory of the Law of the Sea and a member of the WTO.

Nigeria joined OPEC in June 1971 and became a signatory to the Lomé Convention among African, Caribbean, and Pacific countries. Nigeria signed an agreement with the EEC in February 1975, giving Nigeria free access to EEC markets and concessionary loan and industrial cooperation privileges in exchange for most-favored-nation status for EEC members. In May 1975 Nigeria signed an agreement setting up ECOWAS. Among the regional organizations of which Nigeria is a member are the Niger Basin Authority and the Lake Chad Basin Commission.

[19]ECONOMY

The Nigerian economy, with an enterprising population and a wealth of natural resources, offers tremendous potential for economic growth. However, poor economic policy, political instability, and an overreliance on oil exports has created severe structural problems in the economy. Crude oil accounted for over 95% of exports and over 80% of government revenue in 2002; Nigeria is the world's sixth-largest exporter of oil. However, agricultural remains the basic economic activity for the majority of Nigerians. Crop yields have not kept pace with the average population growth of 3%, and Nigeria must import most of its food.

When the oil boom of the 1970s came to an end in the early 1980s, Nigeria's failure to bring domestic and foreign expenditures in line with its lower income led to a rapid buildup of internal and external deficits. Nigeria deferred payments on its large foreign debt, adopted austerity measures, scaled back ambitious development plans, and introduced a foreign exchange auction system that devalued the naira. These policies had a positive effect and from 1986 to 1990 real GDP grew at a 5.4% average annual rate.

However, in 1992 real GDP grew at only 4.1%, while the large government deficits, 10% of GDP in 1992, continued to expand. A crippling blow to the economy came in mid-1994 when oil workers in the southeast, unhappy with the way the central government collects oil revenue without giving any back, went on strike. With daily output down 25% because of the strike, the government's lack of revenue forced it to stop servicing most of its $28 billion external debt. In the meantime the budget deficit reached $1 billion, over 12% of GDP.

In 1996, the World Bank reported that an estimated $2 billion in oil revenues from the early 1990s was diverted in a secret government bank account. There were also reports that significant amounts of oil revenue were being lost due to fraudulent practices at the country's oil terminals. In response, the Nigerian government appointed two inspection firms to oversee the loading of crude oil tankers.

By 2002 external debt stood at $31.1 billion. A $1 billion credit from the IMF was allowed to expire in 2001, and the country thus was not forced to pursue economic reforms. High unemployment and declining productivity hamper growth. As of 2002, the pace of privatizing state-owned enterprises and balancing the budget was slow, but liberalization of the telecommunications sector was underway. However, in 2003, the newly installed government had committed itself to privatizing the country's four oil refineries. The rate of HIV infection was on the rise, as was income inequality.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Nigeria's gross domestic product (GDP) was estimated at $105.9 billion. The per capita GDP was estimated at $840. The annual growth rate of GDP was estimated at 3.5%. The average inflation rate in 2001 was 14.9`%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 39% of GDP, industry 33%, and services 28%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $1.301 million or about $11 per capita and accounted for approximately 5% of GDP. Foreign aid receipts amounted to about $1 per capita.

The World Bank reports that in 1998 per capita household consumption (in constant 1995 US dollars) was $194. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. Approximately 51% of household consumption was spent on food, 31% on fuel, 2% on health care, and 8% on education. The richest 10% of the population accounted for approximately 40.8% of household consumption and the poorest 10% approximately 1.6%. It was estimated that in 2000 about 45% of the population had incomes below the poverty line.

[21]LABOR

The total labor force in Nigeria was estimated at about 66 million in 1999. Of those gainfully employed, 70% were in agriculture, with about 10% in industry, and 20% in services. The estimated unemployment rate in 2002 was 28%.

The four labor federations were merged in 1978 into the Nigerian Labour Congress (NLC), which was strengthened by legislation establishing a compulsory dues checkoff system. Unions were strengthened by government decrees and a new constitution in 1999. Freedom of association and the right to strike were restored. The NLC is the only legal trade union organization (outside the petroleum industry) and claimed a membership of about four million in 2001. About 10% of the workforce was unionized in 2002.

In 2002, the minimum wage level of approximately $75 per month for federal workers and between $55 and $65 per month for state employees. Formal sector private employers follow the public sector standard. These wages are sufficient to provide a family with a decent standard of living. The workweek is set at 40 hours, but there is no law prohibiting excessive compulsory overtime. Children as young as 13 may work with special restrictions. In reality, as a result of crumbling public schools and dire economic conditions, many children of all ages work. The law stipulates minimum occupational health and safety standards, but such standards are not effectively enforced.

[22]AGRICULTURE

In terms of employment, agriculture is by far the most important sector of Nigeria's economy, engaging about 70% of the labor force. Agricultural holdings are generally small and scattered; farming is often of the subsistence variety, characterized by simple tools and shifting cultivation. These small farms produce about 80% of the total food. About 30.7 million hectares (76 million acres), or 33% of Nigeria's land area, are under cultivation. Nigeria's diverse climate, from the tropical areas of the coast to the arid zone of the north, make it possible to produce virtually all agricultural products that can be grown in the tropical and semitropical areas of the world. The economic benefits of large-scale agriculture are recognized, and the government favors the formation of cooperative societies and settlements to encourage industrial agriculture. Large-scale agriculture, however, is not common. Despite an abundant water supply, a favorable climate, and wide areas of arable land, productivity is restricted owing to low soil fertility in many areas and inefficient methods of cultivation. Agriculture contributed 32% to GDP in 2001.

The agricultural products of Nigeria can be divided into two main groups: food crops, produced for home consumption, and export products. Prior to the civil war, the country was self-sufficient in food, but imports of food increased substantially after 1973. Bread, made primarily from US wheat, replaced domestic crops as the cheapest staple food for much of the urban population. The most important food crops are yams and manioc (cassava) in the south and sorghum (Guinea corn) and millet in the north. In 1999, production of yams was 25.1 million tons (67% of world production); manioc, 33.1 million tons (highest in the world and 20% of global production); cocoyams (taro), 3.3 million tons; and sweet potatoes, 1,560,000 tons. The 1999 production estimates for major crops were as follows (in thousands of tons): sorghum, 8,443; millet, 5,457; corn, 5,777;

rice, 3,399; peanuts, 2,783; palm oil, 842; sugar cane, 675; palm kernel, 565; soybeans, 405; and cotton lint, 57. Many fruits and vegetables are also grown by Nigerian farmers.

Although cocoa is the leading non-oil foreign exchange earner, growth in the sector has been slow since the abolition of the Nigerian Cocoa Board. The dominance of smallholders in the cocoa sector and the lack of farm labor due to urbanization holds back production. Nigeria has the potential to produce over 300,000 tons of cocoa beans per year, but production only amounted to 145,000 tons in 1999. Rubber is the second-largest non-oil foreign exchange earner. Despite favorable prices, production has fallen from 155,000 tons in 1991 to 90,000 tons in 1999. Low yield, aging trees, and lack of proper equipment have inhibited production.

Agricultural exports (including manufactured food and agricultural products) decreased in quantity after 1970, partly because of the discouraging effect of low world prices. In 1979, the importing of many foods was banned, including fresh milk, vegetables, roots and tubers, fruits, and poultry. The exporting of milk, sugar, flour, and hides and skins was also banned. During 1985–87, imports of wheat, corn, rice, and vegetable oil were banned as declining income from oil encouraged greater attention to the agricultural sector. In 1986, government marketing boards were closed down, and a free market in all agricultural products was established. In 2001, agricultural exports totaled $323.5 million. Exports of cocoa beans that year totaled $210.4 million; cotton lint, $21 million.

[23]ANIMAL HUSBANDRY

Livestock production accounts for about 6% of GDP. There were an estimated 19.7 million head of cattle in Nigeria in 2001, over 90% of them in the north, owned mostly by nomadic Fulani. The prevalence of the tsetse fly in other areas restricts the majority of cattle to the fly-free dry savanna areas. The cattle owned by the Fulani and Hausa consist mainly of zebu breeds; cattle in the south are mainly Shorthorns. There were also an estimated 26.5 million goats, 21.5 million sheep, 5.3 million pigs, one million asses, 205,000 horses, and 135 million chickens.

Improvements in stock, slaughterhouse, cold storage, and transport facilities have made parts of Nigeria almost self-sufficient in meat production, but many Nigerians outside the north suffer protein deficiency in their diet. In 1998, 1.05 million tons of meat and 432,000 tons of cow's milk were produced. The Livestock and Meat Authority controls operations in transport and slaughtering in the north. An estimated 20.4 million sheep and goats and 1.8 million head of cattle were slaughtered in 1999.

[24]FISHING

Fish is an important dietary element and one of the few sources of animal protein available to many Nigerians. Fishing is carried on in Nigeria's many rivers, creeks, and lagoons, and in Lake Chad; trawlers operate along the coast. The total fishing catch was 441,337 tons in 2000, not enough to meet national requirements.

Both federal and state governments are encouraging the development of local fisheries, inland and at sea, by sponsoring research, stocking reservoirs, and offering training in improved fish culture and fishing gear. Fish ponds have been established in the southern part of the country. The fishing industry output has yet to regain its 538,000-ton high of 1983.

[25]FORESTRY

About 14.8% of Nigeria, or roughly 13,517,000 hectares (33,400,000 acres) is classified as forest or woodland. High forest reserves occur mostly in Ogun, Ondo, and Oyo states; savanna forest reserves, chiefly in the northern states, are limited in value, yielding only firewood and local building materials. In 2000, 67,767,000 cu m (2.4 billion cu ft) of roundwood were produced, 85% for fuel. That year, Nigeria's consumption of fuel wood and charcoal was third highest in Africa. Exports of timber and finished wood products were banned in 1976 in order to preserve domestic supplies. The ban was subsequently lifted and the forestry sector recorded gains. However, the country suffers from desertification, anemic reforestation efforts, and high levels of domestic wood consumption.

[26]MINING

The oil sector was the cornerstone of the Nigerian economy—Nigeria was Africa's largest oil producer, and petroleum and petroleum products accounting for 95% of exports in 2002. Crude oil, coal, tin, and columbite production were Nigeria's top four industries, and other leading industries included cement and other construction materials, chemicals, fertilizer, ceramics, and steel.

Nigeria produced 300 tons (gross weight) of cassiterite tin concentrate in 2000, up from 150 in 1997. A smelter at Jos produced refined tin for export. In 2000, production of columbium and tantalum concentrates totaled 80 tons, up from 60 in 1997. Because of surging demand for tantalite in 2000 by the manufacturers of consumer electronics, the price rose from $14 per kg to $165. Nigeria had plentiful supplies of limestone, and production totaled 2 million tons in 2000, supplying cement plants. In addition, Nigeria produced amethyst, aquamarine, barite, bitumen, clays, diamond, emerald, feldspar, garnet, gold, granite, kaolin, lead, marble, phosphate rock, sand and gravel, sapphire, shale, soda ash, stone, talc, topaz, tourmaline, tungsten, zinc, and zircon. Gypsum output declined from 383,250 tons in 1996 to 30,000 in 2000. Nitrogen production was halted in 1999, and no iron ore was produced in 1998–2000, even though extensive iron deposits included reserves of 2,500 million tons with an average content of 37%.

To attract local and foreign investment in the development of the nonfuel minerals sector and to broaden the country's industrial base, the Mining and Minerals Decree No. 34, enacted in 1999, provided for three-year tax holidays, exemption from customs duties for mining equipment, convertibility of foreign currency, and free transferability of funds. It also reaffirmed that all mineral rights were held by the federal government, although the national legislature was debating reallocation of mineral rights to the states. However, the country's reputation for civil strife, corruption, environmental degradation, fraud, poor infrastructure, and political uncertainty continued to temper international investors' interest in most projects. The adoption of Islamic Shari'ah law in many of the northern states added uncertainty to internal mineral projects in northern Nigeria. Mineral resource companies also had to cope with expectations that the companies should provide extensive physical and social infrastructure.

[27]ENERGY AND POWER

Coal has been superseded as the chief source of Nigeria's electric power by oil, natural gas, and newly developed hydroelectric facilities. In 1969, the 11,500 MW Kainji Dam, 100 km (62 mi) north of Jebba, was inaugurated. The N£87.6-million dam was built with loans from the IBRD (N£34.5 million) and from the United Kingdom, the United States, Canada, Italy, and the Netherlands. The 560 MW Jebba plant on the Niger, the 600 MW Shiroro plant on the Kaduna, and a 1,320 MW thermal station at Igbin, near Lagos, were also expected to add to hydroelectric capacity. Hydroelectric production accounted for 35.9% of total power generation during 2000, thermal for the rest, based almost entirely on oil or gas for fuel. Installed capacity in 2001 totaled 5,888,000 kW. Electricity produced in 2000 totaled an estimated 15.9 billion kWh. About 40% of the population, and only 10% of rural households, had access to electricity as of 2002.

Within four decades, oil has grown to a position of dominance in the Nigerian economy. As of 2000, Nigeria was sub-Saharan Africa's largest oil producer. A Dutch-UK consortium made the first commercial strike of oil in 1956 and began to export in 1958. A number of other companies, mainly US and French, subsequently began exploration, and large reserves were discovered. Production was reduced substantially by the civil war, but by 1973 output was up to 2 million barrels a day. Proved reserves in early 2001 amounted to about 22.5 billion barrels. Crude oil production rose from 1,285,000 barrels per day in 1982 to 1,945,000 barrels per day in 1992. Production in 2000 averaged 2,140,000 barrels per day. Oil export revenues in 2001 amounted to $19.5 billion, or 90% of total export revenues.

The main fields are located mostly in Rivers, Imo, and Bendel states of the delta region, both onshore and in the Gulf of Guinea. In May 1974, the state-owned Nigerian National Oil (later Petroleum) Co. (NNPC) acquired a 55% share in all the petroleum companies in Nigeria. In 1979, the NNPC raised its equity share to 60% and also took over British Petroleum's remaining 20% share in the Shell/BP Consortium. Since 1993, the foreign oil companies have proposed a move from joint venture to production sharing contracts, which would save millions of dollars in annual operating costs because the companies would pay taxes and royalties directly to the government. Since the 1990s oil production and export have been disrupted by attacks related to ethnic tensions and environmental concerns in oil-producing areas. A flow station operated by Shell was out of operation for 18 months, losing 40,000 barrels per day of production, as the result of damage inflicted by armed attackers in 2001. Illegal siphoning of fuel out of pipelines has caused a number of explosions, of which the most disastrous was one in October 1998, which caused a fire that killed over 1,000 people. At least 60 more people died in an explosion in Lagos at the end of 2000.

Crude oil production has resulted in the joint production of natural gas, 75% of which is wasted through flaring. Gas associated with oil production comes from about 150 fields, many in the swampy areas of the Niger River Delta. In 1996, Shell announced it would start a $250 million gas utilization project to end flaring at its production facilities by 2010. The $3.8 billion Bonny Island liquefied natural gas (LNG) plant, completed in September 1999, was expected to produce 7.1 billion cu m (250 billion cu ft) of LNG annually. There are also plans to construct a pipeline to export Nigerian natural gas to Benin, Togo, Ghana, and Côte d'Ivoire. In 1999, Nigeria produced 6.9 billion cu m (243 billion cu ft) of natural gas. In 2001 reserves were estimated at 3.5 trillion cu m (120 trillion cu ft), the ninth largest in the world.

[28] INDUSTRY

Manufacturing accounted for less than 5% of GDP in 1999, but experienced 4.9% growth in 2000. Due to the high costs of production that result from inadequate infrastructure, Nigeria's manufacturing capacity utilization remains low. Industry as a whole contributed 33% of GDP in 2000, mostly in the oil sector.

Nigeria is the 10th largest producer of oil in the world, and third in Africa. The oil sector supplies 95% of foreign exchange earnings and over 90% of total exports. Nigeria has proven oil reserves of 22.5 billion barrels. Nigeria's crude oil refining capacity was 439,000 barrels per day in 2002. There are four refineries in Nigeria, and hydrocarbon production is centered around Eleme, Warri, and Kaduna. Sabotage, fires, extended maintenance, and management problems plague the oil industry, however. As well, there has been political unrest raised over the issue of the equitable sharing of Nigeria's oil profits with the population. Nigeria has an estimated 124 trillion cubic feet (Tcf) of natural gas reserves, and the natural gas industry is seen to have great potential.

In October 2002, the International Court of Justice ruled in favor of Cameroon in its border dispute with Nigeria over the oil-rich Bakassi peninsula.

The textile industry is still in early stages of development. Between 60% and 70% of all raw materials used in textile production come from local sources. Foreign investment in the textile industry is led by Chinese and Indian investors. Other areas of expansion include cement production, tire production, and furniture assembly. The Delta Steel Plant at Aladja, built by a German-Austrian consortium, began production in 1982 and supplies three steel rolling mills at Oshogbo, Katsina and Jos. The steel complex at Abeokuta began producing in 1983 and was renovated in 1995. In 1999 most of these steel mills were inoperative, and the ones that did work had very small production rates.

Other important industries included sawmills, cigarette factories, breweries, sugar refining, rubber, paper, soap and detergent factories, footwear factories, pharmaceutical plants, tire factories, paint factories, and assembly plants for radios, record players, and television sets. Nigeria had five state-owned motor-vehicle assembly plants for Volkswagen, Peugeot, and Mercedes products. Nigeria's motor vehicle production rate increased by 10% in 2000–01.

[29] SCIENCE AND TECHNOLOGY

Learned societies include ones for ecology, engineering, entomology, fisheries, forestry, genetics, geography, medicine, microbiology, nutrition, and veterinary medicine. The Federal Ministry of Science and Technology has 25 attached research institutes that focus on cereals, cocoa, lake ecology, horticulture, forestry, livestock, root crops, veterinary medicine, oceanography and marine sciences, oil palms, rubber, and tropical agriculture, among other areas. The Geological Survey of Nigeria, founded in 1919, is concerned with geological mapping, mineral exploration, geophysical and geochemical surveys, and consultation on geological problems.

The National Museum branch in Jos, founded in 1989, has zoological and botanical gardens and a transport museum. Obafemi Awolowo University in Ile-Ife has a natural history museum founded in 1948. Nigeria has 60 universities and colleges offering courses in basic and applied science. In 1987–97, science and engineering students accounted for 42% of college and university enrollments.

The Nigerian Academy of Science, founded in 1977, promotes and coordinates scientific and technological activities, trains scientists, advises the government on scientific matters, and organizes symposia and lectures. In 1987–97, research and development expenditures totaled 0.1% of GNP; 76 technicians and 15 scientists and engineers per million people were engaged in research and development.

[30] DOMESTIC TRADE

The distribution of consumer goods is effected largely through a complex network of intermediary traders, who extend the area of distribution and often break down products into very small units for delivery to the ultimate consumer. A few trading companies, especially those with European equity and management, carry full product lines. Village markets are universal but tend to be more highly organized in the densely populated areas of the south. The great market centers such as Ibadan and Kano are attended by many thousands daily. Domestic commerce is limited by poor infrastructure, widespread fraud and corruption, and shortages of fuel that are exacerbated by illegal smuggling of gasoline across Nigeria's borders. The economy is still primarily cash based. As of 2002, credit cards were just being introduced to local banks. Advertising has increased markedly since independence. Newspapers, magazines, radio, television, billboards, and movies are all utilized.

Businesses and government offices are generally open from 8:00 AM to 1:00 PM and from 2:00 PM to 4:00 PM, Monday through Friday. In the Muslim north, establishments close at 1:00 PM on Friday.

31 FOREIGN TRADE

Nigeria's exports have been on a dramatic upswing in recent years. Between 1998 and 1999, they grew more than three-fold, and by 2000 nearly doubled again. Exports in 2002 were 95% dominated by crude oil. Cocoa was the largest agricultural export. Leading imports were machinery, chemicals, transportation equipment, manufactured goods, and food.

The US was Nigeria's biggest trade partner, followed by India. Nigeria (the largest supplier of oil to the US) exported $8.5 billion worth of oil to the US. Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
United States	16,615	954	15,661
India	5,664	288	5,376
Spain	3,390	110	3,102
France	2,395	470	1,925
Italy	1,615	394	1,221
Côte d'Ivoire	1,217	n.a.	n.a.
Brazil	964	259	705
Netherlands	366	364	2
China (inc. Hong Kong)	203	492	-289
Germany	162	859	-697
United Kingdom	10	1,091	-1,081

32 BALANCE OF PAYMENTS

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Nigeria's exports was $20.3 billion while imports totaled $13.7 billion resulting in a trade surplus of $6.6 billion.

The International Monetary Fund (IMF) reports that in 1999 Nigeria had exports of goods totaling $12.9 billion and imports totaling $8.59 billion. The services credit totaled $980 million and debit $3.48 billion. The following table summarizes Nigeria's balance of payments as reported by the IMF for 1999 in millions of US dollars.

Current Account	**506**
Balance on goods	4,288
Balance on services	-2,496
Balance on income	-2,578
Current transfers	1,292
Capital Account	**-48**
Financial Account	**-4,002**
Direct investment abroad	...
Direct investment in Nigeria	1,005
Portfolio investment assets	50
Portfolio investment liabilities	-39
Other investment assets	-3,319
Other investment liabilities	-1,699
Net Errors and Omissions	7
Reserves and Related Items	**3,538**

33 BANKING AND SECURITIES

In 1892, Nigeria's first bank, the African Banking Corp., was established, patterned along British lines. Before World War II, two large British banks, the Bank of British West Africa and Barclays Bank, virtually monopolized Nigerian banking. After 1945, a number of African-owned banks entered the field; between 1946 and 1952, however, more than 20 such banks failed. The bank of issue became the Central Bank of Nigeria (CBN) in 1958. It regulated most commercial banking operations in Nigeria, but the federal Ministry of Finance retained control of most international activities of the financial sector. The Nigerian Industrial Development Bank (NIDB) was established in 1964 to provides long- and medium-term financing to concerns in the industrial nonpetroleum, mining, and tourist sectors.

The 1969 Banking Decree required that all banking institutions be incorporated in Nigeria, and a 1976 law gave the government 60% ownership of all foreign banks. The Banking Decree also established minimum capital requirements for licensed banks, based on the total deposits. Important additional sources of credit were provided by thrift and loan societies and by the branches of the National Development Corporation. The National Bank for Commerce and Industry helped finance smaller enterprises. Merchant banking expanded rapidly from 1973 onward, when the Union Dominican Trust Company began operations.

With the adoption of the Structural Adjustment Program (SAP) in 1986, the licensing of new banks was liberalized. In July 1990 the state banks were privatized. Beginning in 1990 the country allowed the establishment of foreign banks, but sixty percent of the foreign banks that were established in Nigeria had to be held by Nigerian interests. In the same year the government began a program to establish 500 community banks. From 1985 to 1993, the number of banks rose from 40 to 120, but declined to 89 in 1998.

While there are over 100 banks in Nigeria, the main banks in 2002 included the Afribank, Universal Trust Bank, FSB International Bank, Diamond Bank Limited, United Bank for Africa (with Banque Nationale de Paris and Bankers Trust shareholdings), Union Bank of Nigeria, and First Bank of Nigeria (partly owned by Standard Chartered), Nigeria International Bank Limited. All but the last bank on the list were charged in 1996 with import duty and excise collection. Twenty-seven ailing banks were liquidated by the government in 1997, while others merged. The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $7.3 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $11.8 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 20.5%.

The Nigerian (formerly Lagos) Stock Exchange (NSE) began operations on 1 July 1961, following passage of the Lagos Stock Exchange Act; the government promulgated regulations for the exchange and provided that all dealings in stock be carried out only by members of the exchange. The Securities and Exchange Commission (SEC) fixed prices of all new securities, and regulated the prices of those already being traded. Transactions of 50,000 shares or more were subject to SEC approval. The government encouraged public issues of shares by Nigerian companies in an effort to mobilize local capital for the country's development. The exchange, in Lagos, with branches in Kaduna and Port Harcourt, dealt in government stocks and in shares of public companies registered in Nigeria. After the provision of new investment incentives under the Nigerian Enterprises Promotion Decree of April 1974, activity on the stock exchange increased.

In a bid to encourage foreign interest in the NSE, a computerized central securities clearing system (CSCS) was installed on 14 April 1997, although it got off to a quiet start. The custodian bank for the system was Nigeria International Bank/Citibank. The benefit of the system was that trades would be settled within one week and eventually within two days, compared with the long delays hitherto experienced in effecting share transfers after purchases and sales. On 21 April 1997, a CBN directive lifted the restrictions on equity ownership of individual and corporate investors in Nigerian banks. Under this legislation, it was possible for an individual or another corporation to own up to a 100% share in a bank. Prior to the

directive, the maximum shareholding for an individual was just 10%, while for companies it was 30%.

Market capitalization of the Nigerian Stock Exchange was $5.4 billion in 2001, up 27.5% from the previous year. The NSE All Share Index was up 35% in 2001, at 10,963.1

34 INSURANCE

The Nigerian Reinsurance Corp. requires foreign insurance companies to reinsure 20% through the corporation. In 1976, the government took a 60% interest in foreign-owned insurance companies. The only compulsory insurance is that for motor vehicles. Laws of 1976 and 1977 regulate insurance firms, particularly those in the life insurance field, and provide for their registration, investigation, and minimum capitalization. The regulatory body is the Director of Insurance, under the Federal Ministry of Trade (Insurance Division). In 2001, there was $54 million of life insurance premiums written.

35 PUBLIC FINANCE

The federal government is responsible for collecting taxes on income, profits, and property, as well as import and export taxes and excise duties. It also runs the national transportation system. The petroleum sector provides over 83% of budgetary revenues. A large share of these revenues is redistributed to state governments. The budget is consistently in deficit. In 1998, debt financing amounted to $4.4 billion, but the 1999 budget provided for only $1.7 billion.

Public investment flourished during the oil boom years of the 1970s. When the oil market prices collapsed in the 1980s however, the Nigerian government maintained its high level of spending, thus acquiring substantial foreign debt. Although privatization efforts began in 1986, increased government spending outside the official budget since 1990 has damaged public finance reform. As a result, the federal deficit increased from 2.8% of GDP in 1990 to 9% in 1998. Privatization has picked up considerably in recent years, however; the government sold all state-owned banks, fuel distribution companies, and cement plants in 2000. Nigeria is still looking to unload the troubled Nigerian Airways and the state telephone company NITEL.

Nigeria's official foreign debt is about $32 billion, about three-fourths of which is owed to Paris Club countries. Nigeria reached a one year debt rescheduling agreement in August 2000, but after a year had passed the country was still unable to meet some of the requirements. The IMF agreed to give Nigeria a few more months to meet the conditions, but as of September 2001, it did not appear that even that deadline would be met.

The US Central Intelligence Agency (CIA) estimates that in 2000 Nigeria's central government took in revenues of approximately $3.4 billion and had expenditures of $3.6 billion. Overall, the government registered a deficit of approximately $200 million.

36 TAXATION

By far the most important direct tax is the petroleum profits tax. The rate on taxable profits of petroleum companies since 1975 has been 85%, but a guaranteed profit of $2.30 per barrel was established in 1986.

With the restoration of democracy, most state and local governments have found it necessary to introduce their own local levies in the face of dwindling revenues from the Federation Account to the State and Local Governments.

Despite the heavy dependence on petroleum and mining revenues, other direct taxes remain relatively high. The corporate tax rate was 30% in 2002. A reduced rate of 20% is available for companies engaged in manufacturing, agricultural production or mining solid minerals, and for wholly export-oriented enterprises. A withholding tax of 10% is applied to dividends but with exemptions for export-oriented businesses and small manufacturers. Also dividends paid in script or company shares are not taxable. However, income from the export of Nigerian goods by foreign companies was not subject to the tax. There was also a capital gains tax of 10% and a tax of 10% on dividends. Taxpayers are subject to a 10% capital gains tax on the disposal of assets inside or outside of Nigeria, although as of 1 January 1998 capital gains from the sale of stocks and share is exempt. Companies are liable for an education tax of 2% of taxable profits. The tax on companies engaged in upstream (exploration and production) activities in the petroleum sector is 85% of chargeable profits.

Under the Personal Income Tax Act, both Nigerian and foreign residents in Nigeria are subject to tax on their worldwide income. Personal income tax rates range from 5% to 30% on taxable incomes. Property taxes are assessed by state governments.

In 1993, the Value-added Tax Decree (VAT Act) abolished the 1986 Sales Tax Decree of 1986, establishing a VAT with a standard rate of 5% chargeable on most goods and services. Exempted goods include medical and pharmaceutical products, basic foodstuffs, books and educational materials, baby products, locally manufactured fertilizers, all exports, plants and machinery used in export processing zones (EPZs). Of the proceeds collected, 50% goes to state government, 35% to local governments, and 15% to the administrative costs of the tax. States are also authorized to impose a tax on goods and services rendered in the state. Excise duties on beer, tobacco, textiles, and other goods are also levied.

37 CUSTOMS AND DUTIES

The federal government levies customs duties on most imports, but these duties were substantially reduced in 1986 and in 1995. The import duty varies from 5% to 60%, averaging 12%. All imports are also subject to a 7% port surcharge and a 5% value-added tax (VAT). The paperwork necessary for exporting and importing is lengthy. The taxation system has been widely avoided and valuations are arbitrary.

Prohibited exports include raw hides and skins, timber and building materials, raw palm kernels, and unprocessed rubber (to protect building and processing industries). Most goods produced in Nigeria may be freely exported. Prohibited imports include live chicks, flour, vegetable oils, gypsum, mosquito repellent coils, plastic domestic articles, used tires, and weapons.

38 FOREIGN INVESTMENT

Nigeria is West Africa's most populous country, and one of the most developed. Investment in the petroleum industry was carried out on a very large scale in the 1970s, including funds devoted to production, refining, and petrochemicals. The petroleum industry was largely nationalized during that period. Upstream operations are dominated by the Shell Petroleum Development Company of Nigeria. The company has been involved in conflict with local groups, particularly the Movement for the Survival of the Ogoni People (MOPOS), which accuse Shell of causing life-threatening environmental damage, while the company contends that the damage is caused by interference with its operations. Downstream, two consortiums with foreign participation control about 30% of the market: TotalFinaElf Nigeria Plc and Unipetrol/Agip.

In December 1989, a new Nigerian Enterprises Decree permitted 100% foreign ownership in any new venture except those in banking, oil, insurance, and mining. The government uses an open tender system for awarding government contracts. However, a patronage system exerts powerful influence over the awarding of such contracts. Government scandals, political instability, and endemic corruption (Nigeria is regularly ranked among the most corrupt countries in the world, often at the top of the list) have inhibited foreign investment.

In 1992, the Nigerian Free Zone Act was passed establishing the Nigerian Export Processing Zone Authority (NEPZA). Free trade zones (FTZ), so renamed in 2001, are expanses of land with improved ports and/or transportation, warehousing facilities, uninterrupted electricity and water supplies, advanced telecommunications services and other amenities to accommodate business operations. Under the free zone system, as long as end products are exported (although 25% can be sold in the domestic market), enterprises are exempt from customs duties, local taxes, and foreign exchange restrictions, and qualify for incentives—tax holidays, rent-free land, no strikes or lockouts, no quotas in EU and US markets, and, under the 2000 African Growth and Opportunity Act (AGOA), preferential tariffs in the US market until 2008. When fully developed, free zones are to encompass industrial production, offshore banking, insurance and reinsurance, international stock, commodities, and mercantile exchanges, agro-allied industry, mineral processing, and international tourist facilities.

As of 2003, Nigeria had five free trade zones (FTZs) being developed. The most advanced is the Calabar FTZ in the southeast; established in 1992 with accommodations for 80 to 100 businesses, it had only 6 companies in 2001. By May 2003, however, 76 licenses had been issued for the Calabar FTZ and 53 enterprises were operating. The Calabar harbor, which was scheduled for further dredging, serves mainly as a berthing port for textile and pharmaceutical products. The Omne Oil and Gas FTZ near Port Harcourt had about 85 registered oil and gas-related enterprises, and was generating about $1.2 million in government revenue annually. The other three FTZs—at Kano, Maigatari, and Banki—were still at the stage of infrastructure construction. Under the related Export Processing Zones (EPZ) initiative 7 factory sites in Ondo, Akwa Ibim and Kano states, with another 12 under construction in Lagos, have received infrastructure improvements, tax exemptions, and incentives to reduce their production costs in order to make their exports more competitive. There are also five export-processing farms (EPFs), selected for their export potential to receive site improvements, exemptions, and incentives. Finally, Singaporean interests have spent about $169 million developing the private Lekki FTZ.

In 1995, the military government decreed the establishment of the Nigerian Investment Promotion Commission (NIPC) as well as the liberalization of the foreign exchange market. These, with amendments, remain the bases of Nigeria's policy of encouraging foreign investment. Foreign direct investment (FDI) inflow was reported at $1.5 billion in 1997,and about $1 billion in both 1998 and 1999 (UNCTAD estimates). In late 2002, the Nigerian government announced that since the return to an elected government in May 1999, N56.94 billion in FDI had flowed into the country, from a total of 170 foreign companies. As broken down by the government, 38 companies made investments totaling N4.24 billion in 1999; 55 companies invested N20.81 billion in 2000; 34 companies invested N21.25 billion in 2001; and 43 companies invested N63 billion from January to June 2002.

In what may prove to be more decisive developments, the IMF in October 2001 ended its support program for Nigeria, substituting a probationary staff-monitored program (SMP) because of policy lapses by the government and consequent failures to meet prescribed targets, particularly for inflation. After a review in February 2002, the IMF put an end to the SMP because of failure to meet targets agreed to in December 2001. By the end of 2002, Nigerian foreign reserves had fallen from $10 billion in 2001 to $7.2 billion. In March 2003, the government announced withdrawal from IMF economic programs in favor of its own alternative. Protective tariffs of 100% to 150% were put on a number of imported goods to protect local industry. The lack of IMF endorsement of the country's macroeconomic policies is likely to worsen the climate for foreign investment in Nigeria.

[39]ECONOMIC DEVELOPMENT

The agriculture sector was the focus of intense development interest during the 1990s, with food self-sufficiency the goal. In 1990, agriculture was the subject of a separate three-year development plan involving public and private spending targets concentrating on the family farmer. The program included price stabilization plans and schemes to revitalize the palm oil, cocoa, and rubber subsectors. The Agricultural Development Projects continued through the decade, but implementation of goals was difficult. The country still imports most of its wheat from the United States.

An integrated petrochemical industry was also a priority. Using the output of the nation's refineries, Nigeria produced benzene, carbon black, and polypropylene. The development of liquid natural gas facilities was expected to lead to the production of methanol, fertilizer, and domestic gas. Nigeria's refineries operated at less than optimal rates throughout the 1990s.

In the manufacturing sector, the government was backing a policy of local sourcing whereby locally produced raw materials were converted into finished products. By 1999, manufacturing accounted for less than 1% of gross domestic product (GDP).

By the beginning of the 2000s, the government was more concerned about halting corruption and reigning in the state budget than economic development. Nevertheless, the Niger Delta Development Commission (NDDC) was created to coordinate economic and social development in the oil-producing region.

Nigeria's foreign debt stood at around $28.5 billion in 2001, a large portion of which was interest and payment arrears. The Obasanjo administration in the early 2000s was supporting private-sector-led, market-oriented economic growth, and had begun economic reform programs. Privatization of state-owned enterprises continued. A Stand-By Arrangement with the International Monetary Fund (IMF), approved in 2000, lapsed in 2001 as the government's economic reform program went off track. There were indications a new IMF program for the country would be negotiated in 2003–04.

[40]SOCIAL DEVELOPMENT

There are two kinds of welfare services in Nigeria—those provided by voluntary agencies and those provided by the government. Voluntary agencies comprise those fully or partially subsidized by the government, those financed by a parent body such as a church or mosque, and those financed from subscriptions of their members. Workers are protected under the Labor Code Act (1958) and the Workmen's Compensation Act, which provides protection for workers in case of industrial accidents. A national provident fund scheme, inaugurated in 1961, was the first broad social security measure in Nigeria. The scheme is contributory and is designed to make systematic financial provisions for workers when unemployment occurs due to old age or illness. This program covers employees of firms with five or more workers, and a special system exists for public employees.

Although sex discrimination is banned under the 1999 constitution, traditional practices still deprive women of many rights and the adoption of Shari'ah law by many northern states has more severely limited the rights and freedom of women. Women may not obtain a passport without her husband's permission. It is customary for all assets to be turned over to the parents after the death of a male, leaving the widow economically destitute. Segregation by gender occurs in some schools, health facilities, and, in some states, on public transportation. Purdah, the Islamic practice of completely segregating a woman from men other than those within her family, is practiced in some families,

primarily in the north. In Shari'ah courts, women's testimony is given less weight than that of men. Female genital mutilation (FGM) is widespread throughout the country despite government opposition. Domestic violence is widespread, and wife beating is permissible under the penal code.

Nigeria's human rights situation has improved under the Abubakar and Obasanjo governments, but service abuses remain. Arbitrary arrest and detention are still used to silence the government's critics. There are also reports of torture and extrajudicial killings. Prison conditions, furthermore, are considered to be life threatening. Overcrowding and poor sanitary conditions are compounded by limited food, water and medicine for inmates. Sentences of stoning and amputation are still used.

[41]HEALTH

Nigeria's health care delivery system consists of a network of primary, secondary, and tertiary facilities. As of 1992, primary care was largely provided through approximately 4,000 health clinics and dispensaries scattered throughout the country. As for secondary care, there were about 700 health care centers and 1,670 maternity centers; tertiary care was handled through 12 university teaching hospitals with about 6,500 beds. As of 1999, there were an estimated 0.2 physicians and 1.7 hospital beds per 1,000 people. The target areas for mass procurement of medical equipment are the teaching hospitals. The lack of proper facilities and inadequate remuneration of public sector health care workers have also spurred the development of a limited number of privately-owned hospitals which cater to those who can afford them. The country is in need of medical supplies and equipment. Some pharmaceuticals are manufactured in Nigeria. In 2000, 57% of the population had access to safe drinking water and 63% had adequate sanitation. As of 1999, total health care expenditure was estimated at 2.8% of GDP.

Despite the receding influence of such endemic diseases as yellow fever, health problems in Nigeria remain acute. Malaria and tuberculosis are the diseases of most frequent incidence, but serious outbreaks of cerebrospinal meningitis still occur in the north. Just under half of all deaths are thought to be among children, who are especially vulnerable to malaria and account for 75% of registered malaria deaths. The prevalence of child malnutrition for children under age five as of 1999 was 46%. Goiter was present in 20% of all school-age children in 1996. Nigeria had the highest number of measles cases reported in 1995 of all African nations (95,915 cases and 12,393 deaths). In 1995, diarrheal diseases claimed 204,400 lives. As of 2000, almost 15% of all Nigerian children did not live to their fifth birthday. Malaria and diarrheal diseases accounted for, respectively, 30% and 20% of childhood mortality. Immunization rates for 1997 for children up to one year old were as follows: tuberculosis, 53%; diphtheria, pertussis, and tetanus, 45%; polio, 45%; and measles, 69%. Only 1% of children were immunized for yellow fever in 1993.

Schistosomiasis, guinea worm (19,766 cases in 1995), trachoma, river blindness, and yaws are other diseases of high frequency. Progress has been made in the treatment of sleeping sickness (trypanosomiasis) and leprosy. The former has been nearly eliminated by the introduction of new drugs, while the introduction of sulfone therapy has nearly halted the incidence of new cases of leprosy in the eastern states. A program for the eradication of river blindness and malaria has been undertaken in cooperation with The World Health Organization. The government is also working on the control of sexually transmitted diseases, including HIV/AIDS, through public education and behavior change.

HIV/AIDS has reached epidemic levels in Nigeria. At the end of 2001, the number of people living with HIV/AIDS was estimated at 3.5 million (including 5.8% of the adult population) and deaths from AIDS that year were estimated at 170,000. HIV prevalence in 1999 was 5.1 per 100 adults.

Only 15% of married women used contraceptives in 2000. The fertility rate in 2000 was 5.3 children per woman surviving her childbearing years. The life expectancy for the Nigerian was only 47 years in 2000. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 39.2 and 14.1 per 1,000 people.

Tobacco consumption has decreased from 0.5 kg (1.1 lbs) in 1984–86 to 0.4 kg (0.9 lb) a year per adult in 1995.

[42]HOUSING

Housing generally has not ranked high on the scale of priorities for social spending and state governments have tended to rely upon local authorities to meet the problem. Efforts at providing low-cost rural housing have been minimal, despite the creation of the Federal Mortgage Bank of Nigeria in 1977, and shantytowns and slums are common in urban areas. Overcrowding in urban housing is a serious problem. It has been estimated that about 85% of the urban population live in single rooms, often with eight to twelve persons per room. Living conditions are poor. In 1996, only about 27% of urban dwellers had access to piped water. Less than 10% of urban dwellers had an indoor toilet.

As of 1979, about 37% of all housing units were cement or brick roofed with asbestos or corrugated iron; 34% were mud plastered with cement and roofed with corrugated iron. In the same year, 44% of urban dwellings were rented, 37% were owner occupied, 17% were rent free, and 2% were "quasi-rented" at below-average rates. The total number of housing units in 1992 was 25,661,000.

[43]EDUCATION

The 1979 constitution made primary education the responsibility of the states and local councils. State and federal authorities have concurrent powers over post-primary education. The first six years of primary education were made compulsory in 1976. Recent years have seen a marked growth in educational facilities. Projected adult illiteracy rates for the year 2000 stand at 35.9% (males, 27.7%; females, 43.8%). As of 1995, public expenditure on education was 0.5% of GDP.

The advancement in education in the southern states, compared with the relative lag in the northern states, reflects the contribution of Christian missions to the Nigerian educational system. Teacher-training colleges are operated by missions or voluntary societies; their schools, however, are regulated and largely supported by the government. Primary education begins in the local language but introduces English in the third year. In 1994 there were 16,190,947 students in 38,649 primary schools, taught by 435,210 teachers. In secondary schools, 4,451,329 students were taught by 152,592 teachers. The pupil-teacher ratio at the primary level was estimated at 37 to 1 in 1995.

There are 13 polytechnic colleges and four colleges of technology. A major obstacle to the further advancement of education in Nigeria is the shortage of qualified teachers; large numbers of foreigners are employed, particularly by the universities. In 1993–94, universities had 12,031 teaching staff and 207,982 pupils.

[44]LIBRARIES AND MUSEUMS

The National Library of Nigeria was founded in Lagos in 1962 and had about 1.054 million volumes in 2002, including some 35,000 United Nations documents and the National Information and Documentation Center. State governments have libraries in their respective capitals and in all the local government headquarters. Almost all of the 20 universities have libraries. In 2002 the largest public library in Kano held 300,000 volumes. The chief university library is that of the University of Ibadan, which contains 450,000 volumes. Other sizable university

collections are at the University of Lagos (375,000 volumes), the University of Ife (401,000), and the University of Nigeria at Nsukka and Enugu (717,000). The High Court of Lagos State holds a collection of 600,000 volumes. There are dozens of other privately maintained collections throughout the country.

In 2001, Nigeria had over 30 museums. The National Museum in Lagos contains many specimens of Nigerian art, mostly pieces of statuary and carvings, remarkable for their variety and quality. It also has archaeological and ethnographic exhibits. Other museums represent more specialized interests: the museum at Ife opened in 1955 in response to halt the looting of national art treasures, and contains world-renowned bronze and terra cotta heads; the decorative arts museum at Benin City has a collection of bronzes; and that at Oron has a valuable collection of ancestor carvings. The museum at Jos, opened in 1952 originally as the National Museum, is a center of research into the prehistoric culture of Nigeria. The Esie Museum, at Ilorin in Kwara State, has stone antiquities, and the National Museum at Kaduna has archaeological and ethnographic exhibits, including a "craft village." The Owo Museum, in Ondo State, displays arts, crafts, and ethnographic relics. There are also museums in Kano, Argungu, and Oshogbo. Lagos also houses the Centre for Black and African Art and Civilization.

45 MEDIA

Telephone and telegraph communications are the responsibility of the Federal Ministry of Communications through its parastatal NITEL. As of 2000 there were an estimated 500,000 mainline telephones in service. By 2001, there were an additional 200,000 cellular phones in use. Trunk lines and UHF links connect all the major towns, and all of these have exchange units, including automatic exchanges at Lagos, Ibadan, Kaduna, Kano, Jos, and Port Harcourt. Postal services are provided by another parastatal—NIPOST. There are post offices in all 305 local-government headquarters and other major towns.

Radio broadcasting is the joint responsibility of the federal and state governments, operating under the Federal Radio Corp. of Nigeria, created in 1978; state radio stations broadcast in English and local languages. Television, introduced in 1959, now operates throughout the country under the direction of the Nigerian Television Authority, with stations in all state capitals and channels set aside for the state governments. Several states also run their own stations. In 2001, there were nine television stations and six radio stations that were privately owned. In that year, there were about 83 AM and 36 FM radio stations. In 2000, the country had 200 radios and 68 television sets for every 1,000 people. About 11 Internet service providers were serving 100,000 subscribers in 1999.

In 2002 there were 26 major daily newspapers in Nigeria, some of them published by the federal or state governments. Leading Nigerian daily newspapers (with their 2002 estimated circulations) are:

	CIRCULATION
Daily Times (national)	400,000
National Concord (Lagos)	200,000
Daily Champion (Lagos)	150,000
Nigerian Observer (national)	150,000
The Punch (national)	150,000
Nigerian Tribune (national)	109,000
New Democrat (Kaduna)	100,000
Nigerian Standard (Jos)	100,000
New Nigerian (national)	80,000
The Guardian (Lagos)	80,000

The constitution provides for freedom of speech and of the press and the government generally respected these rights; however, there were problems in some areas, particularly in restrictions on anti-government reports.

46 ORGANIZATIONS

Cooperatives are very important in Nigerian economic life. Many different societies are included in this category—consumers' societies, thrift and credit societies, and others—but the most important are the marketing societies, which play a significant role in handling export produce, and sometimes in the production of both food and cash crops. However, the Structural Adjustment Program is gradually replacing cooperatives with farmers' societies and export societies. There are chambers of commerce in all 19 state capitals and Abuja, and a National Association of Chambers of Commerce, Industry, Mines, and Agriculture in Lagos and Abuja.

The Girl Guides, the Boy Scouts, YWCA organizations, Muslim societies, Jamat Aid groups, and other community, social, and service groups are active in all towns and villages. There are sports clubs in Lagos and all the state capitals. Other national youth organizations include the National Association of Nigerian Students, the Ahmadyya Youth Association of Nigeria, and the Catholic Youth Organization of Nigeria. National women's organizations include the Nigeria Association of University Women and the National Center for Women in Development.

Literary and art associations meet regularly in Lagos, Kaduna, Enugu, and other major cities. Nigerian Academy of Sciences promotes public interest and education in the sciences. The Constitutional Rights Project, founded in 1990, is a social action group. International organizations with national chapters include Amnesty International and the Red Cross.

47 TOURISM, TRAVEL, AND RECREATION

Persons entering Nigeria must have a passport and visa, except for citizens of one of the Economic Community of West African States (ECOWAS). Moreover, all travelers must be in possession of a valid yellow fever inoculation certificate; antimalaria precautions are recommended. There are five-star hotels in Lagos, Abuja, and Kaduna, and first-class hotels in all the state capitals. Sports and social clubs offer facilities for swimming, sailing, tennis, squash, golf, and polo.

Receipts from tourism amounted to $200 million in 2000, when 1,491,767 foreign tourists visited Nigeria.

In 2002, the US government estimated the cost of staying in Lagos at about $300 per day. Daily expenses were estimated at $230 for Abuja and $80 in Kaduna.

48 FAMOUS NIGERIANS

Famous Nigerians of the 19th century include 'Uthman dan Fodio (d.1817), who founded the Fulani empire at the beginning of the century, and Samuel Ajayi Crowther (1809–92), a Yoruba missionary of the Church of England who was consecrated first bishop of the Niger Territories in 1864.

The Palm Wine Drinkard and other stories by Amos Tutuola (1920–1997) exploit the rich resources of traditional Nigerian folk tales. Benedict Chuka Enwonu (b.1921), Nigeria's leading painter and sculptor, has gained international fame, as has Wole Soyinka (b.1934), a prominent playwright who was awarded the 1986 Nobel Prize for Literature, the first African so honored. Novelists of note include Chinua Achebe (b.1930) and Cyprian Ekwensi (b.1921). Sports figures include Dick Tiger (1929–71), twice world middleweight champion and once light-heavyweight champion.

Herbert Macaulay (1864–1946) is regarded as the father of Nigerian nationalism. Among contemporary political figures, Dr. (Benjamin) Nnamdi Azikiwe (1904–96), long one of the leading West African nationalists and formerly premier of the Eastern Region, was a founder of the NCNC and first governor-general and president of independent Nigeria. Former chief rival of Azikiwe and founder of the Action Group, Chief Obafemi Awolowo (1909–87) resigned as premier of the Western Region

to lead the opposition in the federal House of Assembly. He was named commissioner for finance in the Federal Military Government. The hereditary leader of the Hausa-Fulani ruling class in northern Nigeria and leader of the NPC until his assassination in January 1966 was Alhaji Sir Ahmadu Bello, sardauna of Sokoto (1909–66), who became prime minister of the Northern Region in 1954. The first prime minister of the Federation was Alhaji Sir Abubakar Tafawa Balewa (1912–66), who also was assassinated in the 1966 coup. Chief Simeon Olaosebikan Adebo (1913–94), a leading Nigerian diplomat, has held several UN posts. Maj. Gen. Yakubu Gowon (b.1934) headed the Federal Military Government from July 1966 to July 1975, when he was deposed in a bloodless coup during his absence from Nigeria at an OAU meeting. Gowon is credited with formulating the post–civil war policy of reconciliation with the Ibos that resulted in the country's rapid recovery. Alhaji Shehu Shagari (b.1925) served in several high government posts before being elected president in 1979. Reelected in 1983, he was subsequently deposed in a military coup from which Maj. Gen. Muhammadu Buhari (b. 1942) emerged as leader of the Supreme Military Council and head of state.

49 DEPENDENCIES

Nigeria has no territories or colonies.

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RWANDA

Republic of Rwanda
Republika y'u Rwanda

CAPITAL: Kigali

FLAG: Three horizontal bands of sky blue (top, double width), yellow, and green, with a golden sun with 24 rays near the fly end of the blue band.

ANTHEM: Rwanda Rwacu (Our Rwanda).

MONETARY UNIT: The Rwanda franc (RFr) is a paper currency. There are coins of 1, 5, 10, 20, and 50 francs and notes of 100, 500, 1,000, and 5,000 francs. RFr1 = $0.00192 (or $1 = RFr519) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Democracy Day, 28 January; Labor Day, 1 May; Independence Day, 1 July; Peace and National Unity Day, 5 July; Assumption, 15 August; Anniversary of 1961 Referendum, 25 September; Armed Forces' Day, 26 October; All Saints' Day, 1 November; Christmas, 25 December. Movable religious holidays include Easter Monday, Ascension, and Pentecost Monday.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Rwanda, a landlocked country in east-central Africa, has an area of 26,338 sq km (10,170 sq mi), extending 248 km (154 mi) NE–SW and 166 km (103 mi) SE–NW. Comparatively, the area occupied by Rwanda is slightly smaller than the state of Maryland. It is bordered on the N by Uganda, on the E by Tanzania, on the S by Burundi, and on the W and NW by the Democratic Republic of the Congo (DROC—the former Zaire), with a total boundary length of 893 km (555 mi).

Rwanda's capital city, Kigali, is located near the center of the country.

[2]TOPOGRAPHY

Rwanda lies on the great East African plateau, with the divide between the water systems of the Nile and Congo rivers passing in a north–south direction through the western part of the country. To the west of the divide, the land drops sharply to Lake Kivu in the Great Rift Valley; to the east, the land falls gradually across the central plateau—its grassy highlands are the core areas of settlement of Rwanda's peoples—to the swamps and lakes on the country's eastern border. Almost all of Rwanda is at least 1,000 m (3,300 ft) above sea level; the central plateau is between 1,500 and 2,000 m (4,950–6,600 ft) high. In the northwest on the border with the DROC are the volcanic Virunga Mountains; the highest peak, Mt. Karisimbi (4,519 m/14,826 ft), is snowcapped. Lake Kivu, 1,460 m (4,790 ft) above sea level, drains into Lake Tanganyika through the sharply descending Ruzizi River. The Kagera River, which forms much of Rwanda's eastern border, flows into Lake Victoria.

[3]CLIMATE

The high altitude of Rwanda provides the country with a pleasant tropical highland climate, with a mean daily temperature range of less than 2°C (4°F). Temperatures vary considerably from region to region because of the variations in altitude. At Kigali, on the central plateau, the average temperature is 21°C (70°F). Rainfall is heaviest in the southwest and lightest in the east. A long rainy season lasts from February to May and a short one from November through December. At Gisovu, in the west, near Kibuye, annual rainfall averages 160 cm (63 in); at Gabiro, in the northeast, 78 cm (31 in); and at Butare, in the south, 115 cm (45 in).

[4]FLORA AND FAUNA

Most of Rwanda is a region of savanna grassland. There is little forest left; the country is one of the most eroded and deforested in all of tropical Africa. Remaining woodlands are small areas of tropical forests along the western border, north and south of Lake Kivu. The most common trees are eucalyptus—imported from the south in the 1890s—acacias, and oil palms.

Wildlife was abundant before the region became agricultural. There are still elephants, hippopotamuses, buffalo, cheetahs, lions, zebras, leopards, monkeys, gorillas, jackals, hyena, wild boar, antelope, flying lemurs, crocodiles, guinea hens, partridges, ducks, geese, quail, and snipe. Because the region is densely populated, these are becoming fewer, and some species are disappearing.

[5]ENVIRONMENT

The war in Rwanda, beginning in 1990, has damaged the environment. The ability of the nation's agricultural sector to meet the demands of its large population are complicated by the overuse and infertility of the soil. Soil erosion and overgrazing are also serious. The remaining forested area is under intense pressure from uncontrolled cutting for fuel. During 1981–85, deforestation averaged 3,000 hectares (7,400 acres) per year. Between 1983 and 1993, Rwanda lost 4.8% of its forest and woodland areas. Malaria and sleeping sickness have spread because forest clearing and irrigation have increased the breeding areas for disease-carrying insects. Rwanda has 6.3 cubic kilometers of renewable water resources with 94% used for farming and 2% used for industrial activity. Only 60% of the nation's city dwellers and 40% of the rural population have safe drinking water. The nation's cities produce about 0.1 million tons of solid waste per year.

In northeastern Rwanda the beautiful Kagera National Park is a game reserve, sheltering many types of wildlife. Volcano National Park, which surrounds Mt. Karisimbi and was Africa's first wildlife park, is one of the last existing homes of the mountain gorilla, which numbered 280 in 1986, up from 250 five years earlier. The national parks suffered from uncontrolled poaching and unauthorized cultivation until recent years. As of 2001, nine of the nation's mammal species and six of its bird species are threatened with extinction. Threatened species include the chimpanzee, African elephant, and black rhinoceros. Sixteen species of fish have become extinct.

[6]POPULATION

The population of Rwanda in 2003 was estimated by the United Nations at 8,387,000, which placed it as number 88 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 91 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.16%, with the projected population for the year 2015 at 10,565,000. The population density in 2002 was 281 per sq km (727 per sq mi). Rwanda is the most densely populated country on the African continent.

It was estimated by the Population Reference Bureau that 6% of the population lived in urban areas in 2001. The capital city, Kigali, had a population of 369,000 in that year. According to the United Nations, the urban population growth rate for 2000–2005 was 4.2%.

The prevalence of AIDS/HIV has had a significant impact on the population of Rwanda. The United Nations estimated that 9.1% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Before independence, many Rwandans, compelled by famine and underemployment, migrated to neighboring Zaire (now DROC), Uganda, and Tanzania. The Hutu and Tutsi political quarrels have caused numerous Tutsi to flee their homeland, many of them going to Burundi, where there were 245,600 refugees at the end of 1992. In the mid-1960s, nearly 400,000 Rwandans were listed as permanent residents of Uganda. Some 85,800 Rwandan refugees were in Uganda at the end of 1992.

With renewed violence in 1994, one half of Rwanda's 7.5 million population was forced to flee their homes. Of these displaced persons, 2.4 million refugees fled to neighboring countries. In 1996, violence in Burundi forced 100,000 Rwandans to repatriate. After the civil war in the DROC in October of 1996, 720,000 of the 1.1 million Rwandan refugees were forced to repatriate. In 1996 and early 1997, Tanzania returned 480,000 Rwandan refugees from its western regions. Another 10,000 returned from Uganda. In addition, one million refugees who left Rwanda in the 1950s and 1960s have also returned since 1994. By the end of 1997, fewer than 100,000 Rwandans remained outside the country; some 30,000 of these in the DROC were expected to return.

As of 1999, Rwanda hosted some 36,000 refugees and asylum-seekers, including Congolese, Burundi, Somalis, Ethiopians, and Sudanese. More than 30,000 refugees from the DROC were situated in two camps, Kiziba in Kibuye Prefecture and Gihembe in Byumba Prefecture. There was also an urban group of refugees and asylum-seekers in Kigali. In 2000 the net migration rate was 62.8 migrants per 1,000 population, a significant change from -58.4 per 1,000 in 1990.

[8]ETHNIC GROUPS

The population is about 84% Hutu, a Bantu people, traditionally farmers. The Tutsi, a warrior people, constitute about 15% of the total population, but many have fled into neighboring territories for refuge, especially since civil strife began in 1959. The Tutsi migrated to Rwanda sometime before the 15th century. There are also some Twa, a Pygmy tribe of hunters related to the Pygmies of the DROC; the earliest known inhabitants of the region; they now constitute about 1% of the population of Rwanda. There are also small numbers of Asians and Europeans.

[9]LANGUAGES

The main language is Kinyarwanda, a member of the Bantu language family. The official languages are Kinyarwanda, French, and English. Kiswahili, a form of Swahili, is used in commercial centers.

[10]RELIGIONS

European missionaries, notably the White Fathers, introduced Christianity to Rwanda in the late 19th century. A 2001 study indicates that about 94% of the population are Christians: 50% Catholic and 44% Protestant. Muslims account for about 5% of the total population and about 2% professed no religion at all. A small number of people practice indigenous religions exclusively, but is believed that many adherents of other faiths incorporate traditional elements into their own practice. These elements include belief in a supreme being, Imaana, and a number of lesser deities, who can be communicated with through the spirits of ancestors. There are small groups of Baha'is, Hindus, and others.

Though relations between religious groups are generally amicable, social and political discrimination against Jehovah's Witnesses has developed based on the refusal of its adherents to serve in security patrols or participate in patriotic ceremonies and rituals.

[11]TRANSPORTATION

In 2002, an estimated 12,000 km (7,457 mi) of road, one of the most intensive systems in all of Africa, radiated through Rwanda, but only about 1,000 km (621 mi) were paved. Five principal roads connect Kigali to other Rwandan cities, and an asphalted road connects Butare and Cyangugu. Most roads become impassable during the rainy season, and there are few bridges. In 1995, there were 7,868 automobiles, and 2,048 commercial vehicles in use. Bus service connects Kigali to the 10 prefectures. The most important roads for landlocked Rwanda's external trade run from Kigali to Kibungo and from Kigali to Kakitumba, thence connecting by road and rail with Indian Ocean ports in Tanzania and Kenya. About 90% of foreign trade is via the Kakitumba route, which leads to the Kenyan ports via Uganda. Rwanda has no railroads. There is traffic on Lake Kivu to the DROC from Gisenyi, Kibuye, and Cyangugu.

There were 8 airports in 2001, 4 of which had paved runways. International airports are at Kigali-Kanombe and at Kamembe, served by Air Rwanda, Sabena, Air Zaïre, Aeroflot, Air Burundi, Kenya Airways, Air Tanzania, Ethiopian Airlines, and Air France. Direct flights from Europe are available from Brussels, Paris, and Athens. Internal air traffic is provided by Air Rwanda to six domestic airfields.

[12]HISTORY

Stone Age habitation, as far back as 35,000 years, has been reported in the region now called Rwanda. The first known inhabitants of the area were the Twa, a pygmoid group following hunting and gathering subsistence patterns. Later, between the 7th and 10th centuries AD, the Bantu-speaking Hutu people, who followed a settled, agricultural way of life, arrived, probably from the region of the Congo River basin. Between the 14th and 15th

LOCATION: 1°4′ to 2°50′ S; 28°51′ to 30°55′ E. BOUNDARY LENGTHS: Uganda, 169 kilometers (105 miles); Tanzania, 217 kilometers (135 miles); Burundi, 290 kilometers (180 miles); Democratic Republic of the Congo (DROC), 217 kilometers (135 miles).

centuries, the Tutsi, a pastoral people of Nilotic origin, arrived from the north and formed numbers of small and independent chieftaincies. At the end of the 15th century, a few of these chieftaincies merged to form a state, near Kigali, under the leadership of Ruganzu I Bwimba. In the 16th century, the Tutsi dynasty began a process of expansion that continued into the late 19th century under the prominent Tutsi leader Kigeri IV Rwabugiri (d.1895).

The Tutsi conquest initiated a process of political integration. The ownership of land was gradually transferred from the Hutu tribes to the mwami, the king of the Tutsi, who became the supreme head and, in theory, absolute master of the country. He was the incarnation of the state and enjoyed an almost divine prestige. A feudal social system based on caste—the conquering Tutsi and the subject Hutu—was the dominant feature of social relations, and especially of economic and political relations. The ownership of cattle, a vital element in the social system, was controlled by the Tutsi, who in turn parceled out their use to the Hutu. The Hutu did the farming and grew the food, but had no part in government. The Tutsi did no manual labor. To a certain extent, however, the castes were open to each other, and the northwest remained Hutu-controlled. Intermarriage, especially between Tutsi males and Hutu females, was common. The Hutu language, Kinyarwanda, was eventually adopted by the Tutsi.

The first European known to have explored the region was John Hanning Speke, who traveled with Richard Burton to Lake Tanganyika in 1858, where he turned north in his search for the headwaters of the Nile. In 1871, Stanley and Livingstone landed at Bujumbura (now the capital of neighboring Burundi) and explored the Ruzizi River region. After the Berlin Conference of 1884–85, the German zone of influence in East Africa was extended to include Rwanda and Burundi, and in 1894, a German lieutenant, Count von Götzen, discovered Lake Kivu. Roman Catholic missionaries soon followed. After the mwami submitted to German rule without resistance in 1899, the Germans administered the territory through the traditional authorities in accordance with the laws and customs of the region. Belgium occupied the territory in 1916 during World War I, and was awarded a mandate that was known as Ruanda-Urundi (present-day Rwanda and Burundi) by the League of Nations in 1923. In 1925, an administrative union was formed between the Ruanda-Urundi mandate and the Belgian Congo (now the DROC). A key policy of Belgian rule was the strengthening of the effective control of the Tutsi dynasty—under Belgian supervision—throughout Ruanda.

In 1946, Ruanda-Urundi became a UN trust territory under Belgian administration. Events in Africa after World War II aroused Hutu political consciousness and led the Hutu to demand the abolition of social and political inequalities. In November 1959, a Hutu revolution began, continuing sporadically for the next few years. Many Tutsi either were killed or fled to neighboring territories. The Belgian authorities, along with the Roman Catholic missionaries, provided crucial support to the Hutu during this troubled period. A provisional government, republican in tendency and composed predominantly of members of the Parmehutu Party, was set up in Ruanda in October 1960. In the following January, the leaders of the Parmehutu proclaimed the deposition of the mwami and the creation of a republican regime. The new regime was recognized de facto by the administering authority, but the UN declared it to have been established by irregular and unlawful means.

On 25 September 1961, legislative elections and a referendum on retaining the institution and person of the mwami were held in Ruanda at the insistence of the UN General Assembly and under the supervision of the UN Commission for Ruanda-Urundi. The elections gave the Parmehutu, led by Grégoire Kayibanda, an overwhelming majority. In the referendum, about 95% of the electorate took part, voting 4 to 1 to abolish the monarchy. The UN strongly urged both Ruanda and Urundi to come to independence united, but reluctantly agreed that neither country wished to do so. On 27 June 1962, the UN General Assembly passed a resolution providing for the independent states of Rwanda and Burundi, and on 1 July, Rwanda became an independent country.

In December 1963, following an abortive invasion by Tutsi refugees from Burundi, a massive repression launched against the remaining resident Tutsi population caused the death of an estimated 12,000 Tutsi. The massacre was the signal for a renewed exodus of Tutsi elements into the neighboring territories of Uganda, Tanzania, the Congo (DROC), and Burundi. In all, 150,000 Tutsi fled between 1959 and 1964.

In January 1964, the monetary and economic union that had existed between Burundi and Rwanda was terminated. Despite severe economic difficulties, Grégoire Kayibanda was reelected to a third four-year term as president in 1969. However, continuing internal unrest led the Rwandan army to overthrow the Kayibanda government in July 1973, and Maj. Gen. Juvénal Habyarimana assumed the presidency. His regime, dominated by officers from the north, took a more moderate stand on the issue of Hutu-Tutsi relationships than had the previous administration.

In 1975, he institutionalized his military regime, creating a one-party state under his National Revolutionary Movement for Development (MRND). A system of ethnic quotas was introduced that formally limited the Tutsi minority to 14% of the positions in the workplace and in the schools.

The regime was corrupt and authoritarian, and popular discontent grew through the 1980s. The MRND agreed to allow partisan competition and several new parties emerged in 1990 and 1991. But the greatest threat to the regime came in October 1990, when over 1,000 Tutsi refugees invaded Rwanda from Uganda. This group, called the Rwanda Patriotic Front (RPF) had considerable success, considering that around 1,000 French, Belgian, and Zairian paratroopers helped defend the government in Kigali. Government forces retaliated by massacring Tutsi. A cease-fire was worked out later in October and Uganda, Burundi, and Zaire agreed to send in peacekeeping forces to supervise it. But fighting broke out again in January 1991. Further cease-fires were negotiated between government and Tutsi rebels in Brussels, Belgium, in March 1991 and in Arusha, Tanzania, in July 1992, but fighting continued.

In November 1990 Habyarimana announced that political parties would be permitted in 1991 and that tribal names would be abolished from national identity cards. In April 1992 Habyarimana appointed an opposition politician, Dismos Nsengiyaremye, as prime minister. The new cabinet included 9 members of the MRND and 10 opposition party members. Their supporters fought in the streets. Hardliners around Habyarimana were accused of trying to sidetrack the democratization process. By June government had officially recognized 15 opposition parties. Talks with Tutsi leaders continued on power sharing, but the Hutu-Tutsi division appeared to be beyond reconciliation. A power sharing agreement was signed in Tanzania in January 1993, but this failed to end fighting. Another peace agreement was signed on 4 August 1993. The UN Security Council authorized on 5 October 1993 a peacekeeping force to assist in implementing the agreement. Unrest continued and no transitional government, which the agreement called for, was established.

In 1994 a total breakdown occurred. In February the minister of public works was assassinated. His supporters, in turn, murdered an opposition politician. In April, a rocket downed an airplane carrying the presidents of Rwanda and Burundi. All aboard were killed. They had been returning to Kigali from regional peace talks in Tanzania. From that point on, Rwanda became a killing field as members of the Rwandan army and bands of armed Hutu massacred Tutsis and many moderate Hutu politicians, including Prime Minister Agathe Uwilingiyimana. The extremist Coalition for the Defense of the Republic (CDR) encouraged and directed the killing. In response, the RPF stepped up its liberation efforts.

By July 1994 several hundred thousand persons had been killed and several hundred thousand more had fled their homes and the country to Burundi, Tanzania, and Zaire. The RPF occupied over half the country, seizing Kigali and restoring some semblance of order. While the international community was aware of the genocide occurring in Rwanda, little was done until the RPF had occupied a large part of the country. The UN approved a large expansion of the limited peacekeeping force in the area as the RPF consolidated its control and established a government of national unity, headed by a Hutu president, Pasteur Bizimungu. Major General Paul Kagame, a leader of the RPF, became minister of defense and vice president. The government announced that Hutu refugees, numbering in the millions, were safe to return to Rwanda, but few believed them and the conditions at the refugee camps, primarily in Zaire, began to deteriorate as disease and starvation became rampant. A 70-member Transitional National Assembly was formed in late 1994 in the hopes of returning order to the country. In February 1995, the UN Security Council created the International Criminal Tribunal for Rwanda.

Meanwhile, the government of Zaire's policy of forcible repatriation proved catastrophic as thousands of refugees died or disappeared. From April 1994 to 1997, some 100,000 Hutu refugees lost their lives while Interahamwe guerillas—suspected of having perpetrated the genocide in Rwanda—were allowed free reign in the camps. In Rwanda, almost 90,000 suspected killers were arrested and detained in miserable conditions in whatever facilities the government could find, including soccer stadiums. The slow pace of the trials was a cause of considerable concern, but UN and Rwandan authorities defended the thoroughness, offering it as evidence that the government was not interested in wholesale revenge. Of the nearly 90,000 prisoners, 1,946 had been indicted by 1997. A process of *gacaca*—trial by local communities, began in June 2002 to speed up the trials of some 119,000 detainees.

When it became clear to Rwanda that the refugee camps in Zaire had become little more than training camps for Hutu paramilitaries, Rwandan and Ugandan troops enlisted Zairian rebel leader Laurent Kabila to oust longtime dictator Mobutu Sese-Seko. In less than eight months Mobutu was overthrown, and Kabila was made president of the Congo (former Zaire) in May 1997. A year later, irreconcilable differences between Kabila and Kagame and Museveni of Uganda, led to "Africa's first world war" eventually involving nine African countries. Peace talks in South Africa in 2002 resulted in a formal cease-fire, troop withdrawals, and a plan for a transition government in the Congo to which Rwanda's proxy the RCD-Goma was a signatory. By June 2003 with the backing of UN (MONUC) troops, the transition plan had commenced implementation, but fighting between Congolese soldiers, rebel groups, and Rwandan regulars continued.

In addition to conducting the gacaca trials, Rwanda faced several challenges to national healing and rebuilding. In April 2002, Bizimungu was jailed for possessing documents the government said advocated civil disobedience and ethnic division. He was still in jail awaiting trial a year later. In May 2002, the DRC filed a case with the International Court of Justice in the Hague accusing Rwanda of genocide against 3.5 million people in DRC. By late 2002, some 19,000 Rwandan refugees had been repatriated home from Tanzania, and another 5,000 from Zambia. In June 2003, Kagame signed a new constitution approved by national referendum into law, but international human and civil rights groups feared the constitution would limit multiparty pluralism and freedom of expression.

In July 2003, the government announced that presidential elections would be held on 25 August and parliamentary elections on 29 September, ending nine years of transitional rule. Opposition presidential candidate Faustin Twagiramungu, having returned from eight years in exile said that he planned to form a new party before the elections, but he called for postponing them to allow more time for organization. His former Mouvement Démocratique Républicain was about to be banned following a parliamentary decision that the cabinet adopted in May. A new law the parliament passed recently gave political parties 15 days to register again, ahead of the polls, and allowed candidates to run as independents—an option that Twagiramungu was likely to choose. By July 2003, four parties had declared their support for Kagame's candidacy.

13 GOVERNMENT

The constitution of December 1978 provided for a unitary republic with executive, legislative, and judicial branches. The executive was headed by a president elected for a five-year term who presided over the council of ministers and was commander in chief of the armed forces. The secretary-general of the National Revolutionary Movement for Development, the sole legal

political party, was empowered to act in the president's stead in the case of incapacity. The president shared legislative power with the country's unicameral legislature, the National Development Council, which consisted of 70 members.

A new constitution was adopted on 18 June 1991. It legalized independent parties. The executive branch consisted of an elected president and a prime minister and a Council of Ministers chosen from the legislature. The unicameral legislature continued the name, National Development Council.

The 4 August 1993 Peace Accord signed with the RPF called for a 22-month transition period leading to multiparty elections and the establishment of several new institutions. By 1994, the Rwandan patriotic Front had established control of the country, instituting a government of national unity, headed by President Pasteur Bizimungu, himself a Hutu.

In May 1995, the 70-seat transitional national assembly (TNA) created a new constitution. In early 2000 Bizimungu resigned, accusing the Tutsi-controlled parliament of unfairly investigating his allies on corruption charges. The vice president, Paul Kigame was inaugurated 22 April 2000, the country's first Tutsi president since independence from Belgium in 1962. In 2001 four additional seats—two for women and two for youth—were added to the TNA.

[14]POLITICAL PARTIES

In the last years of Belgian administration many political organizations were formed. In March 1957, Grégoire Kayibanda and other young Hutu leaders issued a public manifesto demanding a continuation of Belgian rule until the Hutu were better prepared to assume a role in political affairs. In June 1957, they formed the Hutu Social Movement, which, in 1959, became the Party of the Hutu Emancipation Movement (Parti du Mouvement de l'Emancipation Hutu—Parmehutu). Parmehutu thereupon set a policy of ending Tutsi rule and abolishing the feudal system.

The Rwanda National Union Party (Union Nationale Rwandaise—UNAR), founded in September 1959 by Prosper Bwanakweli and backed by the mwami, was the leading monarchist party, calling for immediate self-government and independence under a hereditary (Tutsi) constitutional monarchy.

In the 1961 elections, Parmehutu received 77.7% of the votes cast; UNAR won 16.8%, and other minority parties 5.5%. Under a system of proportional representation, 35 of the 44 seats in the National Assembly went to Parmehutu. Parmehutu extended its control in the 1969 elections, and thereafter became the only political party in Rwanda until its disbanding by the military in 1973.

In 1975, President Habyarimana founded and became party president of the National Revolutionary Movement for Development (Mouvement Révolutionnaire Nationale pour le Développement—MRND), which became the nation's only legal party. Party membership is automatic at birth. The president of the MRND was the sole candidate in national presidential elections and appointed the party's secretary-general and central committee. In December 1981, the 64 deputies to the National Development Council were elected from 128 candidates chosen by the MRND. In the elections of December 1983, 140 MRND candidates vied for 70 seats in an enlarged Council; 17 former deputies were defeated.

In November 1990, the president announced that opposition political parties would be permitted to organize in 1991. Several new parties emerged, including the Democratic Republican Movement (MDR), the Liberal Party (LP), the Democratic and Socialist Party (PSD), and the Coalition for the Defense of the Republic (CDR). The latter, headed by Martin Bucyana, was charged with provoking the 1994 massacres.

Cracks within the Tutsi-based Rwandan Patriotic Front (RPF) and the Transitional National Assembly and government of unity widened following corruption probes and political and ethnic infighting.

Following President Bizimungu's resignation, Kagame was overwhelmingly elected president on 17 April 2000 during a special joint session of parliament and the cabinet receiving 81 of a possible 86 votes. Under the Arusha peace accord, the number of seats by party in the transitional government was predetermined and shared by eight parties: FPR 13, Democratic Republican Movement (MDR), 13; Democratic and Socialist Party (PSD), 13; Liberal Party (PL), 13; Christian Democrats (PDC), 6; RPA 6; Rwandan Socialist Party (PSR), 2; Islamic Democrats (PDI), 2; and others, 2.

Elections were scheduled for August and September 2003, and in July 2003 the government announced that it recognized only two political parties that had registered with the Ministry of Local Government—the Rwandan Patriotic Front of President Paul Kagame, and the Parti Liberal. Opposition leaders were calling for the elections to be postponed to give them more time to organize.

[15]LOCAL GOVERNMENT

Rwanda is divided into 12 prefectures, or provinces, which coincide with former Belgian administrative divisions. The prefectures are supposed to be administered by prefects appointed by the president. The former subchiefdoms and extratribal divisions were reorganized into 143 communes or municipalities. The commune, the basic political and administrative unit in Rwanda, is administered by an elected communal council presided over by a mayor. Until recently, communes had limited scope, however, decentralization has given local governments new powers and authorities previously reserved for central government.

[16]JUDICIAL SYSTEM

The Rwandan legal system is based on Belgian and German civil codes and customary law. There are courts of the first instance, provincial courts, courts of appeal, and a court of cassation. Also functioning are a constitutional court composed of the court of cassation and a council of state; a court of accounts, which examines public accounts; and a court of state security for treason and national security cases.

Although the constitution provides for an independent judiciary, certain provisions also give the executive branch and the president authority to appoint and dismiss judges. In practice, the courts are susceptible to government influence and manipulation.

The constitution guarantees defendants the right to counsel. A shortage of attorneys, however, leaves many criminal defendants unrepresented. In many regions the chaos resulting from the 1994 civil war has disrupted the normal functioning of the judicial system. As of late 1996 the judicial system was functioning on a limited basis. The government asked for help from the international community to rebuild the judiciary and appoint lower court officials.

[17]ARMED FORCES

Rwanda's armed forces totaled between 60,000 and 75,000 active troops in 2002 for all services including the National Police. The army of 49,000–64,000 are mostly infantry with equipment including 12 main battle tanks. The air force of about 1,000 operate at least five combat aircraft. Rwanda has a reported 15,000–20,000 troops stationed in the DROC. The paramilitary consists of up to 10,000 national police and local defense forces of approximately 2,000. In 2001, expenditures for defense were $58 million or 3.1% of GDP. Opposition forces may number around 15,000 in the *Army for the Liberation of Rwanda* which consists of Hutu rebels. The civil war of 1994

weakened the government armed forces, who could not stop the Hutu–Tutsi tribal conflict.

[18]INTERNATIONAL COOPERATION

Rwanda was admitted to UN membership on 18 September 1962, and is a member of ECA and all of the non-regional specialized agencies except IAEA and IMO. It is also a member of the African Development Bank, G-77, and AU. Rwanda is a signatory of the Law of the Sea and a member of the WTO.

In 1976, Rwanda joined Burundi and Zaire in the Economic Community of the Great Lakes Countries, formed to develop the economic potential of the basin of Lakes Kivu and Tanganyika; its headquarters are in Gisenyi. In 1977, Rwanda joined Burundi and Tanzania in forming an economic community for the management and development of the Kagera River Basin. Uganda became a part of the community in 1980. Its headquarters are in Kigali.

[19]ECONOMY

Rwanda has an agricultural economy with relatively few mineral resources. Coffee and tea are exports. During 1980–90, the Rwandan GDP annually grew by 2.3%, but the average growth rate declined by 3.6% between 1988 and 1998. The 1994 genocide threw the economy into a negative spiral, but foreign aid in the late 1990s brought about positive growth. Real growth rate of GDP in 2001 was 5%. The country has a high population density (the most densely populated in Africa), intensified by a 1.6% annual population growth rate between 1992 and 1998, which puts pressure on the land and the economy. The manufacturing base is limited to a few basic products. Soil erosion has limited growth in the agricultural sector. Poor markets, lack of natural resources, underdeveloped entrepreneurial and managerial skills, and difficult transportation problems all inhibit economic growth, along with the ethnic massacres of 1994 and the subsequent displacement of population. However, the IMF estimated that during 1995 Rwanda had recovered 40% of its pre-1994 economy. In the late 1990s, the government began a privatization program, in association with the World Bank, although the country has found it difficult to attract foreign investment. Rwanda became eligible in 2000 for $810 million in debt relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative. Low world coffee prices in the early 2000s deprived Rwanda of hard currency derived from export earnings.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Rwanda's gross domestic product (GDP) was estimated at $7.2 billion. The per capita GDP was estimated at $1,000. The annual growth rate of GDP was estimated at 5%. The average inflation rate in 2001 was 5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 46% of GDP, industry 20%, and services 34%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $3.657 million. Worker remittances in 2001 totaled $5.447 million. Foreign aid receipts amounted to about $33 per capita and accounted for approximately 17% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $212. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. The richest 10% of the population accounted for approximately 24.2% of household consumption and the poorest 10% approximately 4.2%. It was estimated that in 2000 about 70% of the population had incomes below the poverty line.

[21]LABOR

According to official 2002 estimates, about 3.6 million persons were economically active. As of that year, more than 90% were engaged in subsistence agriculture. The government is the largest single employer of wage laborers.

The Central Union of Rwandan Workers (CESTRAR), Rwanda's largest and formerly sole authorized trade union organization, separated from the government and the MRND in 1991 as part of the political reforms under the new constitution. Four new independent unions were recognized by the government in 1991–92: the Union Association of Health Personnel in Rwanda; the Interprofessional Union of Workers of Rwanda; the Union of Secondary School Teachers; and the Association of Christian Unions, which represents public and private sector workers, small businessmen, and subsistence farmers. Since the 1994 genocide, Rwanda's union movement has somewhat recovered from the collapse which it, like all other institutions in the country, suffered. About 75% of those active in the modern (wage) sector were unionized as of 2001.

While the pre-genocide labor law is still technically in effect, the government is unable to implement its provisions. The minimum legal age for regular employment is 18 (14 for apprenticeships). Minimum wages vary with position and sector. The legal standard workweek is 40 hours, with 45 being the maximum.

[22]AGRICULTURE

In 1999, about 91% of Rwanda's economically active population earned their living, directly or indirectly, from agriculture. Except for heavily eroded regions, the soil has a good humus content and is fertile, especially in the alluvial valleys and in the volcanic soils of the northwest. About 1.1 million hectares (2.8 million acres) are under cultivation. Subsistence agriculture predominates, and the basic agricultural unit is the small family farm of about one hectare (2.5 acres).

In 1999, the principal food crops (in tons) were plantains, 2,897,000; sweet potatoes, 863,000; cassava, 317,000; potatoes, 176,000; dry beans, 140,000; and sorghum, 108,000. The corn crop came to 55,000 tons and the sugarcane crop to 40,000 tons. The plantain crop is used principally for making beer and wine. Coffee, grown by some 600,000 smallholders, is the chief cash crop; in 1999, 9,000 tons were produced. Tea production came to about 13,000 tons in 1999. Coffee and tea together generally contribute 80% to export earnings. Rwanda also exports quinine and pyrethrum.

Rwanda has had devastating periods of famine. In 1928–29, more than 400,000 Rwandans died or were forced to migrate; in 1943–44, the figure was 300,000. Government planning has aimed at mitigating such catastrophes by striving for annual increases of food-crop production. Included in the government effort has been the introduction of rice cultivation by agronomists from Taiwan and China. Export diversification has been encouraged by the government, including production of alternatives such as sunflowers, and fruits and vegetables for the European winter market. In 2001, agricultural products accounted for 39% of exports, but there was an agricultural trade deficit of $32.8 million.

[23]ANIMAL HUSBANDRY

Most farmers also raise livestock. In 2001 there were 816,000 head of cattle, 757,000 goats, 160,000 sheep, and 180,000 pigs. Chickens were also widely raised; in 2001 there were an estimated 1.2 million. About 170,000 cattle were slaughtered in 1999, providing 18,000 tons of beef and veal.

The number of cattle owned by an individual has traditionally been a key indicator of status in Rwanda's social system. This factor has resulted in the accumulation of large herds of poor-quality stock. The government is striving to eliminate excess cattle and to improve the remainder by the introduction of modern stock-raising methods.

[24]FISHING

Fishing in the lakes and rivers is principally for local consumption. In 2000, Rwanda produced an estimated catch of 6,726 tons. The presence of methane-producing organisms in Lake Kivu limits the development of aquatic life.

[25]FORESTRY

There are no commercially exploitable woodlands; existing growths are too inaccessible for profitable development, although they are used locally for fuel and building. Erosion and cutting (due to farming and stock raising) have almost entirely eliminated Rwanda's original forests. Remaining growths are concentrated along the top of the Nile-Zaire divide and on the volcanic mountains of the northwest. There are scattered savanna woodlands in the eastern prefectures. Forests cover an estimated 307,000 hectares (759,000 acres) Roundwood removals came to an estimated 7,836,000 cu m (2.77 billion cu ft) in 2000, 96% for fuel.

[26]MINING

Before the massacres of 1994, mineral commodities typically provided 10% of export earnings, mainly from concentrates of tin, tungsten, and colombium-tantalum ores, and gold bullion. Although Rwanda has recovered most of the mineral output lost in 1994, many obstacles continued blocking full utilization of existing resources. Among them were the absence of high-grade ores, the lack of sufficient capital, continued civil unrest, massive population displacements, a 65% poverty rate, a shortage of skilled labor, the country's landlocked status, transportation costs among the highest in Africa, a recent increase in oil prices, a nagging Hutu extremist insurgency, and involvement in two wars in the Democratic Republic of Congo. In 1999, mining accounted for less than 1% of GDP, and tungsten and tin ore and concentrates accounted for 5% of exports. Cement was Rwanda's top industry in 2002, and tin ore was the fourth-ranking export commodity.

In 2000, estimated mineral production included 345 tons of tin ore (metal content), compared to 260 in 1998 and 400 in 1993; tungsten ore, 130 tons, compared to 49 in 1996 and 175 in 1993; cement, 69,600 tons; columbite-tantalite ore and concentrate (gross weight), 83,000 kg, down from 224,000 in 1998; and mined gold, 10 kg. Rwanda also produced natural gas. Some lava beds of the west and northwest contained potassium compounds useful for fertilizers. Exploitation of the country's peat deposits could become necessary to meet the subsistence farming sector's energy needs, Rwanda's deforestation rate being the third highest in Africa.

The Rwandan mineral industry consisted mostly of a number of small cooperatives and individual artisanal miners who produced ores and concentrates from scattered locations generally in a 30-km-wide zone that extended east–west through Kigali. In 2000, the government privatized Régie d'Exloitation et de Développement des Mines, the state mining exploration company.

[27]ENERGY AND POWER

Rwanda imports all of its petroleum products from Kenya. The parastatal PETRORWANDA controls 40–45% of the market for petroleum imports. These included, in 1994, average daily imports of 1,880 barrels of distillates, 750 barrels of gasoline, 300 barrels of jet fuel, and 190 barrels of kerosene. Before the civil war, about 1 million cu m of methane gas was extracted from Lake Kivu each year; the gas was either used by the brewery in Gisenyi or converted into compressed fuel for trucks. Rwanda has an estimated 60 billion cu m of natural gas reserves and 6 billion cu m of peat reserves, which could also be used as a domestic energy resource.

Rwanda's electrical energy derives chiefly from hydroelectric sources. Electricity production in 2000 totaled 113 million kWh, of which 2.7% was from fossil fuels and 97.3% from hydropower. Consumption of electricity in 2000 was 174.1 million kWh. Most of the country's electric power comes from four hydroelectric stations. Additional power is imported from the DROC. Total installed capacity in 2001was 31,000 kW, almost all of it hydroelectric. In 1983, a $63-million hydroelectric station was constructed on the Ruzizi River, on the border with the DROC.

[28]INDUSTRY

Manufacturing contributed 10% to Rwanda's GDP in 1998. The value added by industry dropped 75% in 1994, reflecting the turmoil and massacres of that year. The industrial sector as a whole contributed 20% to GDP in 2000, and the industrial production growth rate in 2001 was 7%.

Most industrial activity centers around food processing. Manufacturing and processing establishments have been at the artisan level, turning out items such as pottery, wicker baskets, bricks, shoes, tile, and insecticide. Rwanda has light industry which produces sugar, coffee, tea, flour, cigars, beer, wine, soft drinks, metal products, and assembled radios. Rwanda also has textile mills, soap factories, auto repair shops, a match factory, a pyrethrum refinery, and plants for producing paint, cement, pharmaceuticals, and furniture. War in 1994 severely disturbed industry. As of 2001, only 40% of pre-war industries had restarted operations. There are abundant natural gas reserves in Lake Kivu, which Rwanda shares with the Democratic Republic of the Congo. Rwanda has expressed interest in explointing those reserves, and in 2000, the country planned to build an inland methane gas plant.

[29]SCIENCE AND TECHNOLOGY

The Institute of Agronomical Sciences of Rwanda, attached to the Ministry of Agriculture, and the Institute of Scientific and Technological Research have their headquarters in Butare, and the Directorate of Geological and Mineralogical Research within the Ministry of Industry is in Kigali. The National University of Rwanda, in Butare, has faculties of sciences, medicine, agriculture, and applied sciences. In 1987–97, science and engineering students accounted for 28% of college and university enrollments. In 1987–97, research and development expenditures totaled less than 0.1% of GNP; 8 technicians and 35 scientists and engineers per million people were engaged in research and development.

[30]DOMESTIC TRADE

Kigali is the main commercial center in Rwanda. There are a few small supermarkets in Kigali offering imported items at rather high prices. However, smaller outdoor marketplaces selling locally produced foods and goods predominate in most areas. Nearly 90% of the work force is employed in agriculture, primarily at a subsistence level.

Business hours are from 8 AM to noon and from 2 to 5 PM, Monday through Friday. Banks are open from 8:30 AM to noon and from 2 to 5 PM, Monday–Friday.

[31]FOREIGN TRADE

Between 1996 and 1999, exports grew 424%, while imports grew by a considerably smaller 25%. However, the value of imports still equals more than four times the value of exports.

Imports for 1999 consisted chiefly of food, machinery and equipment, steel, petroleum products, cement, and construction material.

Rwanda's main commodity exports are coffee (56%) and tea (27%). Other exports include gold (17%) and animal hides and skins (0.9%).

Kenya is Rwanda's most important export market by far. Japan, Belgium, and Kenya are Rwanda's biggest suppliers of imports. Principal trading partners in 1999 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Kenya	34.0	30.0	4.0
Germany	4.3	12.2	-7.9
Belgium	3.5	30.9	-27.4
Italy	0.1	4.8	-4.7
South Africa	0.1	7.3	-7.2
Japan	n.a.	31.5	n.a.
Saudi Arabia	n.a.	19.2	n.a.
United Arab Emirates	n.a.	11.1	n.a.
United States	n.a.	7.9	n.a.
France	n.a.	5.5	n.a.

32BALANCE OF PAYMENTS

The current account balance in relation to GDP was consistently negative through the 1990s, not only because of the 1994 genocide. Although the economy improved dramatically post-1994, export earnings in the early 2000s were hindered by low international coffee prices, depriving the country of hard currency. Rwanda's external debt stood at $1.3 billion in 2000. In the same year, Rwanda became eligible for $810 million in debt service relief from the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative. In 2002, the IMF approved a three-year $5 million loan to Rwanda.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Rwanda's exports was $61 million while imports totaled $248 million resulting in a trade deficit of $187 million.

The International Monetary Fund (IMF) reports that in 2001 Rwanda had exports of goods totaling $93 million and imports totaling $245 million. The services credit totaled $50 million and debit $189 million. The following table summarizes Rwanda's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-118**
Balance on goods	-152
Balance on services	-139
Balance on income	-20
Current transfers	193
Capital Account	**50**
Financial Account	**-44**
Direct investment abroad	…
Direct investment in Rwanda	5
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	-1
Other investment liabilities	-48
Net Errors and Omissions	**42**
Reserves and Related Items	**70**

33BANKING AND SECURITIES

From 1922 until the independence of Zaire (Belgian Congo, now DROC) in 1960, the monetary and banking systems of Rwanda and Burundi were integrated with those of the Congo. In July 1962, upon becoming independent, Rwanda and Burundi formed a joint monetary union administered by a common central bank. This bank was dissolved, and its functions as a central banking institution were transferred, in April 1964, to the National Bank of the Republic of Rwanda. The Banque nationale du Rwanda (BNR) was looted in July 1994 but reopened later in the year and has since reopened its branches in Butare and Ruhengeri. The bank imposes foreign exchange controls and administers the import licensing system. It is eager for independence and is wary of excessive government borrowing from it.

There are four main commercial banks, of which two predate the war and two were established in 1995. The former are the Banque de Kigali, which is jointly owned by the state and two Belgian institutions-Belgolaise Bank and Générale de Banque-and the Banque commerciale du Rwanda, which is majority state-owned. The new institutions are the Banque de commerce, développement, et l'industrie (BCDI), whose main shareholders are Rwandans, and the Gold Trust Bank of Rwanda, whose main shareholders are Ugandan Asians. Rwanda also has a savings bank and a postal savings bank. The Rwandese Bank of Development and the People's Bank of Rwanda are the nation's development banks. The Banque Rwandaise de Développement (BRD) was also looted but reopened in mid-1995 with a large amount of bad debt. The extensive rural credit network was shattered and is slowly reestablishing itself.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $143.6 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $285.9 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 13%. There is no stock exchange in Rwanda.

34INSURANCE

The Rwandan National Insurance Co., formed in 1975, is 90% state owned. The Rwandan Insurance Society was founded in 1984. Insurance companies wishing to do business in Rwanda must be at least 51% Rwandan owned. Sonarwa and Soras, owned by the French group UAP, have recently restarted operations on a modest scale.

35PUBLIC FINANCE

Rwanda has both an ordinary budget for recurrent operations and a development budget for controlling development projects. In the 1960s and 1970s, prudent public finance management and generous foreign aid helped keep deficits and inflation low. With the fall of coffee prices during the 1980s, however, the government increased its control over the economy, and raised annual budget deficits to the equivalent of 11% of GDP by 1990. In 1998, Rwanda signed a structural adjustment facility with the IMF, and started privatization of state-owned enterprises with the World Bank.

The US Central Intelligence Agency (CIA) estimates that in 2001 Rwanda's central government took in revenues of approximately $199.3 million and had expenditures of $445 million. Overall, the government registered a deficit of approximately $245.7 million. External debt totaled $1.3 billion.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	199
Tax revenue	64.0%	127
Non-tax revenue	8.7%	17
Grants	27.3%	54

36TAXATION

Direct taxation includes a tax on industrial and commercial profits, at 35% in 2003. Taxes on dividends and a turnover

(sales) tax are also levied. Indirect taxation, forming the bulk of government tax revenue, is derived largely from import and export duties.

Individual taxes are levied in accordance with a progressive schedule with five brackets: 0% for income up to about $342; 15% on the next increment of income up to $685; 25% on the next increment up to $1,142; 30% on the next increment up to $1,826; and 35% on the increment above $1,826. The tax law of 2002 provides for a number of additional deductions in calculating taxable income including pension payments, disability benefits, medical expenses, travel expenses, and on-the-job meal and training expenses. Diplomats and diplomatic staff, high ranking executives of international organizations, as well as persons and companies under special agreements ratified by law, are given special tax exemptions. Privileged persons include those dealing in exports as well as with donor-funded projects under an agreement with the government of Rwanda and the donor.

Rwanda has legislated a value-added tax (VAT) with a standard rate of 18% on all taxable goods and services.

[37]CUSTOMS AND DUTIES

Import duties have been the most important source of tax revenues since independence. There are two kinds of duties, both levied ad valorem: customs duties, averaging 15–30%, and revenue duties, averaging 5–15% (up to 60% for some goods). A 1% handling fee is also levied. Most imports require a license. Rwanda is a member of Common Market of Eastern and Southern Africa (COMESA).

[38]FOREIGN INVESTMENT

Rwanda has attempted to attract foreign investment. The investment code of 1 July 1962, modified in 1977, offers preferential treatment to foreign companies judged to be of primary importance. These advantages include reduction of or exemption from import duties and exemption from the tax on dividends for the first five years. Profits may be repatriated at the official exchange rate. There are no restrictions on personnel recruitment and no demands for Africanization. Nevertheless, foreign investment is small because of Rwanda's small domestic market, inadequate infrastructure, and civil turmoil. Net direct foreign investment in 1995 was $1 million (0.1% of GDP), down from $8 million in 1990. In contrast, foreign aid in 1995 amounted to $711 million, or over 50% of GDP.

[39]ECONOMIC DEVELOPMENT

Rwanda's attempt to establish food self-sufficiency has delayed many of its development plans in other sectors. Rwanda typically receives foreign aid from various European donors and the EU. After the 1994 genocide, Rwandan officials requested $1.4 billion from the UN for reconstruction. Net concessional aid from international financial institutions and UN organizations in 1994 amounted to $226 million. Foreign aid continued to rise in 1995, and leveled out through the late 1990s. Working with the International Monetary Fund (IMF) and World bank, Rwanda hopes to restructure the economy and privatize the public sector in order to foster growth.

In 2000, Rwanda became eligible for $810 million in debt service relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative. In 2002, the IMF approved a $5.6 million three-year Poverty Reduction and Growth Facility (PRGF) Arrangement for Rwanda. Economic performance improved in the early 2000s. Demobilization and reintegration of army soldiers and ex-combatants, the jurisdiction of trials related to the genocide (gacaca courts), and assistance to genocide victims were priorities for government expenditure in 2002–03.

[40]SOCIAL DEVELOPMENT

Social security programs aimed at meeting the individual's basic welfare needs have been established in law since independence. Old age pensions for workers, sickness and maternity benefits, and payments for those injured on the job are provided for all wage earners. There are government- and missionary-sponsored mutual aid societies, which increasingly supply the many social services once provided by the clan and family under Rwanda's traditional social structure. In 1994, there was a total breakdown of all governmental services throughout the country. Most of the population live in poverty and engage in subsistence agriculture.

Although sex discrimination is outlawed by the constitution, women have only limited property rights and are not treated equally in employment, education, and other areas. Men are designated as legal heads of households, and women do not have equal property rights. In 1999 the legislature passed a law allowing women to inherit property from their fathers and husbands and provides a choice of property arrangements for married couples. Domestic violence and wife beating are prevalent.

Although the security situation has improved dramatically since the genocide of 1994, sporadic episodes of violence continue to erupt, and the government's human rights record remains poor. Rwandan troops have also committed excesses in the Democratic Republic of the Congo.

[41]HEALTH

In 1995, an estimated 500,000–800,000 Rwandan refugees fled to neighboring Zaire (now the Democratic Republic of the Congo). Almost 50,000 died during the first month after the exodus, many of diarrheal diseases. In normal times, malnutrition is the greatest health problem in Rwanda. Animal proteins and fats are scarce. Kwashiorkor, a protein-calorie deficiency, is common, contributing to the death of many children and to liver trouble in older individuals; it also increases the severity of other prevalent diseases, among them pneumonia, tuberculosis, measles, whooping cough, and dysentery. Malaria and trypanosomiasis (sleeping sickness) are endemic. In a 1987 study, Kigali was reported to have one of the world's highest rates of infection with the AIDS virus; Rwandan Red Cross figures showed that between 10% and 15% of blood collected was contaminated with the virus. There were 10,706 AIDS cases reported in Rwanda during 1996. At the end of 2001, the number of people living with HIV/AIDS was estimated at 500,000 (including 9% of the adult population), and deaths from AIDS that year were estimated at 49,000. HIV prevalence in 1999 was 11.2 per 100 adults.

Poor sanitation measures and water pollution also cause serious health problems; in 2000, 41% of the population had access to safe drinking water and only 8% had adequate sanitation. In 1999, there were about 381 cases of tuberculosis per 100,000 people. Immunization rates for 1997 for children up to one year of age included diphtheria, pertussis, and tetanus, 77% and measles, 66%. There were 5,999 cases of measles in 1994.

As of 1999, it was estimated that there were fewer than 0.05 physicians and 1.7 hospital beds per 1,000 people. As of 1999, total health care expenditure was estimated at 4.1% of GDP. The World Health Organization, the UN Food and Agriculture Organization, and UNICEF provide aid in public health services. Since the late 1960s, the UN, Belgium, France, and the United States have been assisting Rwanda in specific health-related projects.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 33.3 and 21.4 per 1,000 people. Average life expectancy in 2000 was 40 years with the infant mortality rate estimated at 123 per 1,000 live births. Maternal

mortality was 210 per 100,000 live births in 1991–93. These rates do not include about 2,000 war-related deaths between 1991 and 1992 (Tutsi and Hutu conflict) and over 500,000 deaths in 1994 (mostly of Tutsi civilians by Hutu militias).

[42]HOUSING

The basic type of housing in the rural areas has been an edifice, most commonly beehive-shaped, made of mud bricks and poles, and covered with thatch. These residences are dispersed in the collines, farms organized on a family basis, and they accounted for 89% of Rwanda's housing units in 1978. However, in recent years the government has initiated a new National Habitat Program aimed at improving rural housing conditions and providing new housng for a large number of returning refugees and genocide survivors. One project of "villigazation" is meant to construct rural village communites where public services and utilities might be provided more easily and, perhaps, with greater quality. Controversy exists over this project, since it is believed that some rural residents may be forcibly relocated from current homes to the new villages as they are consilidated into specific settlement areas. Part of the program includes a directive that will zone particular areas for housing and prohibit residence in non-designated areas. The new government policies have also been criticized because they do not necessarily address the existing housing shortage, but focus on accomodating for returned refugees. With international assistance, the government has renovated about 100,000 homes. It is estimated that at least 400,000 units, about 25% of the nation's housing stock, is in need of reconstruction or repiar simply to accommodate for returning refugees.

[43]EDUCATION

There were no public schools in Rwanda until the 1950s, and secondary education was attainable only at a school founded in 1929 at Butare by Roman Catholic missionaries. With independence, Rwanda began a major expansion of its educational programs; in 1989, education accounted for 25.4% of total government expenditure. However, the Catholic Church continues to play the leading role in education. In the year 2000, projected adult illiteracy rates stand at 33.0% (males, 26.3%; females, 39.4%).

Education is free and compulsory for all children aged 7 to 13, but the law is not widely enforced. Primary school is for seven years, followed by six years of secondary education. Most primary and secondary schools are under the direction of religious missions, but many receive state subsidies. In 1996, there were 1,918 primary schools, with 20,232 teachers and 1,154,768 pupils attending. In 1991-92, 94,586 students were enrolled in secondary schools, with 3,413 teachers. Of these, 51,376 pupils were in vocational schools, 20,121 were in teacher training programs, and 23,039 were in general secondary schools. The pupil-teacher ratio at the primary level was 54 to 1 in 1999. In the same year, 97% of primary-school-age children were enrolled in school.

The National University of Rwanda at Butare was founded in 1963 by the government and a Canadian Roman Catholic order. Other known institutions are the African and Mauritian Institute of Statistics and Applied Economics in Kigali. In 1989, all higher-level institutions had 3,389 pupils and 646 teaching staff. The civil war of the mid-1990s disrupted the educational system, and more recent data is unavailable.

[44]LIBRARIES AND MUSEUMS

The largest library collection is at the National University, which had approximately 199,000 volumes. There is a government library in Kigali, with 15,000 volumes, and smaller collections are found in the administrative centers of the other prefectures. A National Library was founded in 1989 and had a collection of 6,000 volumes in 2002. A library of 30,000 volumes is maintained at the Dominican Monastery in Kigali and the French Cultural Institute also maintains a collection in the capital.

The National Museum in Butare contains an important collection for the study of the cultural evolution of the country and is housed in a building inaugurated in January 1989. An ethnological museum is maintained in Kabgayi and a geological museum in Ruhengeri. Kigali is home to the Geological Museum of Rwanda.

[45]MEDIA

Telephone and telegraphic communications are the responsibility of the Ministry of Posts, Telecommunications, and Transport. Telephone service is limited to Kigali and a few other important centers and is primarily for business and government use; there were about 11,000 mainline telephones in use in 1999, with an equal number of cellular phones in use as well. The government-operated Radio of the Rwandan Republic provides domestic broadcasting service in French, Swahili, and Kinyarwanda; Deutsche Welle provides broadcasts in German, English, French, Hausa, Swahili, and Amharic. As of 2002 there were 3 FM radio stations and 1 national (government-owned) television station. In 2000 there were about 76 radios for every 1,000 people. The number of televisions in use is estimated at less than 1,000 nationwide. Internet access is limited, with one service provider serving 5,000 subscribers in 2001.

ARP, a French-language daily press bulletin containing news of government activities, had a circulation of 100,000 in 2002. *Imvaho,* a weekly, had a circulation of 51,000. *La Releve,* a monthly, reached 1,700. All of these are published by the government.

The Fundamental Law provides for freedom of the press. However, it is said that the government harasses and intimidates the media at any reporting of views contrary to its goals.

[46]ORGANIZATIONS

Under the Belgian administration, various commercial, agricultural, and welfare organizations were founded, and many have continued in operation since independence. There is a chamber of commerce and industry in Kigali and the Rwanda Private Sector Federation, to assist in business and trade. The government has also supported the growth of agricultural cooperatives. Scouting and YMCA/YWCA programs are available for youth. The Red Cross is active.

[47]TOURISM, TRAVEL, AND RECREATION

Tourism had declined in the 1990s due to war and economic factors. In 1997 new hotels and inns were opened in an attempt to rejuvenate the tourism industry. Tourists are drawn by Rwanda's mountain gorillas, wild game preserve, and by hiking opportunities in the Volcano National Park.

A valid passport is required of all tourists, and a visa is necessary for all but the nationals of Germany and the United States. A certificate of vaccination against yellow fever is required of persons arriving from an infected area. Malaria, cholera, hepatitis, and typhoid are health risks.

In 2002 the estimated cost of traveling in Kigali, according to the US Department of State, was $155 per day. Elsewhere in the country, daily expenses can average about $55.

[48]FAMOUS RWANDANS

Kigeri IV Rwabugiri (d.1895) was one of the most famous rulers of the precolonial Rwanda kingdom. Grégoire Kayibanda (1924–76), the first president of independent Rwanda, studied for the priesthood and became a teacher. He founded Parmehutu, the party that led the move to independence. Juvénal Habyarimana (1937–94) became president in July 1973 and remained in office

until 1994, when a new government was established with Pasteur Bizimungu (b.1951) as president.

49 DEPENDENCIES

The Republic of Rwanda has no territories or colonies.

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SÃO TOMÉ AND PRÍNCIPE

Democratic Republic of São Tomé and Príncipe
República Democrática de São Tomé e Príncipe

CAPITAL: São Tomé

FLAG: The flag consists of three unequal horizontal stripes of green, yellow, and green; there is a red triangle at the hoist and two black stars on the yellow stripe.

ANTHEM: *Independéncia Total (Total Independence)*.

MONETARY UNIT: The dobra (Db) is equal to 100 centimos. There are coins of 50 centimos and 1, 2, 5, 10, and 20 dobras, and notes of 50, 100, 500, and 1,000 dobras. Db1 = $0.000108 (or $1 = Db9,201) as of May 2003.

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: New Year's Day, 1 January; Martyrs' Day, 4 February; Labor Day, 1 May; Independence Day, 12 July; Armed Forces Day, first week in September; Farmers' Day, 30 September. The principal Christian holidays also are observed.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

São Tomé and Príncipe, the smallest country in Africa, lies in the Gulf of Guinea, about 360 km (225 mi) off the west coast of Gabon. The nation has an area of 1,001 sq km (386 sq mi). Comparatively, the area occupied by São Tomé and Príncipe is slightly less than 5.5 times the size of Washington, D.C. São Tomé extends about 49 km (30 mi) NNE–SSW and 29 km (18 mi) ESE–WNW. Príncipe has a length of approximately 21 km (13 mi) SSE–NNW and a width of 15 km (9 mi) ENE–WSW.

São Tomé and Príncipe's capital city, São Tomé, is located on the northeast coast of the island of São Tomé.

[2]TOPOGRAPHY

The islands form part of a chain of extinct volcanoes and are both quite mountainous. Pico de São Tomé, the highest peak on São Tomé, is 2,024 m (6,640 ft) above sea level. Most other peaks rise to only a little more than half that height. Príncipe's plateau area, extending along the northwestern coast, is larger than that of São Tomé. Pico de Príncipe is Príncipe's tallest mountain, reaching 948 m (3,109 ft) above sea level.

[3]CLIMATE

The islands are tropical, but temperature varies a good deal with altitude. Coastal temperatures average around 27°C (81°F), but the mountain regions average only 20°C (68°F). Seasons are distinguished more by a change in precipitation than by a change in temperature. From October to May, the northern regions of São Tomé and Príncipe receive between 100 and 150 cm (40 to 60 in) of rain. The southern portions receive about 380 to 510 cm (150 to 200 in).

[4]FLORA AND FAUNA

Except for the coastal flatlands, where cocoa and coffee plantations predominate, São Tomé and Príncipe are dominated by forestland. Above 1,370 m (4,500 ft), the tropical rain forest changes to cloud-mountain forest. There is little livestock, but domestic fowl are abundant.

[5]ENVIRONMENT

Water and land pollution are the most significant problems in São Tomé and Príncipe. The purity of the nation's water supply is questionable due to the lack of adequate water treatment systems. The nation's forests are also threatened due to overuse and there is currently no regulatory policy to regulate their preservation. The nation's cities are threatened by inadequate sewage treatment. Soil erosion and soil exhaustion are other major environmental problems. Rare or threatened species include the São Tomé short-tail and São Tomé sunbird. São Tomé and Príncipe is a party to the Law of the Sea agreement and has signed but not ratified international agreements on biodiversity and desertification.

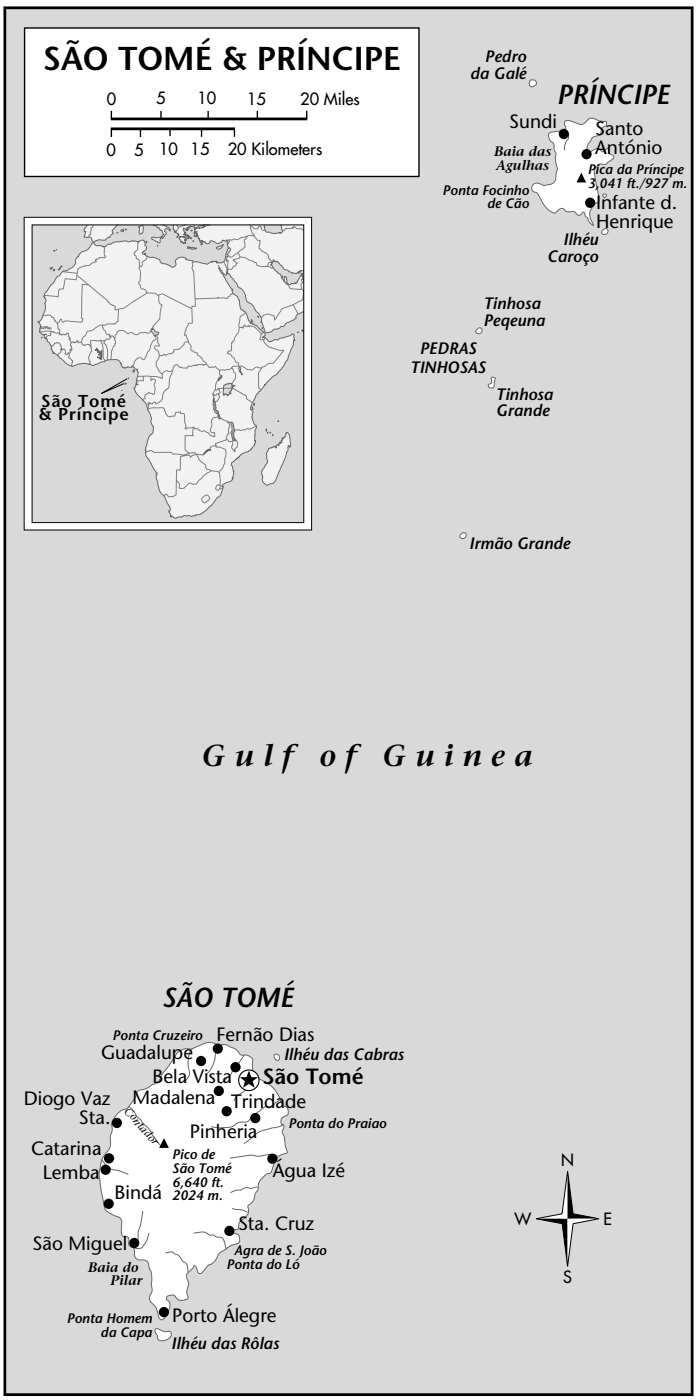
[6]POPULATION

The population of São Tomé and Príncipe in 2003 was estimated by the United Nations at 161,000, which placed it as number 174 in population among the 193 nations of the world. In that year approximately 4% of the population was over 65 years of age, with another 48% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.49%, with the projected population for the year 2015 at 212,000. The population density in 2002 was 177 per sq km (459 per sq mi). About 94% of the total populace live on São Tomé.

It was estimated by the Population Reference Bureau that 47% of the population lived in urban areas in 2001. The capital city, São Tomé, had a population of 66,000 in that year. Santo António is the largest town on Príncipe. According to the United Nations, the urban population growth rate for 2000–2005 was 2.9%.

[7]MIGRATION

Historically, São Tomé and Príncipe received a substantial flow of what was allegedly temporary immigration in the form of contract labor. The *serviçais*, as they were called, came largely



LOCATION: São Tomé: 0°13′ N and 6°37′ E. Príncipe: 1°37′ N and 7°24′ E.
TERRITORIAL SEA LIMIT: 12 miles.

from Angola and Mozambique to work on the cocoa plantations; many were never repatriated. More recently, plantation labor has come from drought-stricken Cape Verde. Before 1974, Cape Verdeans were subsidized by the Portuguese government to settle on São Tomé and Príncipe in an effort to boost the islands' plantation economy. After the April 1974 revolution in Portugal and the coming of independence to the Portuguese territories, almost all the 3,000–4,000 European settlers left, while several hundred Angolans fled to São Tomé. Subsequently, more than 10,000 São Toméan exiles returned from Angola, and most Cape Verdeans left São Tomé. In 1999, the net migration rate was -3.88 migrants per 1,000 population. In 2000 the number of migrants totaled 7,000. the government views the migration levels as satisfactory.

8 ETHNIC GROUPS

Most of the island's permanent residents are Fôrros, descendants of the Portuguese colonists and their African slaves, who came from Gabon and the Guinea coast. Along the southeast coast of São Tomé lives a group called the Angolares, the descendants of Angolan slaves, shipwrecked in the 16th century, who established independent fishing communities. Others include the Mestico, Servicais (contract laborers from Angola, Mozambique, and Cape Verde), Tongas (children of Servicais born on the islands), and Europeans, primarily Portuguese.

9 LANGUAGES

Portuguese, the official language, is spoken in a Creole dialect that reveals the heavy influence of African Bantu languages.

10 RELIGIONS

Christianity is the dominant religion, with Roman Catholics constituting an estimated 80% of the total population and Protestants constituting about 15% in 2002. The primary protestant groups are Seventh-Day Adventists and evangelicals. Approximately 3% of the population are Muslim. About 2% are atheist. A very small number of people practice forms of witchcraft, but this is considered more of a custom than a religion and practitioners are often adherents of one of the other major religions.

11 TRANSPORTATION

Transportation networks on São Tomé and Príncipe reflect the plantation economy. There were approximately 320 km (199 mi) of roadways in 2002. Surfaced roads, about 218 km (135 mi), serve principally to bring export crops to the port towns; schooners are the main means of transportation for people living far from town. São Tomé and Santo António are the main ports; large freighters must be unloaded from their anchorage by barge because the ports are not deep enough to accommodate them. The Merchant Marine reported 41 ships totaling 169,991 GRT in 2002.

In 2001. there were two airports, both with paved runways. The international airport at São Tomé is serviced principally by the Angolan airline Transportes Aéreos de Angola, although Transportes Aéreos Portugueses and Aeroflot make occasional stops. Equatorial Airline of São Tomé and Príncipe, a government joint venture with a private European airline, flies to Príncipe and Libreville, Gabon. In 2001, 35,100 passengers were carried on scheduled domestic and international flights.

12 HISTORY

São Tomé and Príncipe were probably uninhabited volcanic islands when the Portuguese landed there in 1471. In 1485, São Tomé was made a donatário (concession) of João de Paiva; the donatário provided for de Paiva to administer and profit by his administration of São Tomé according to Portuguese law. Subsequently, São Tomé served as a slave station.

The islands were settled by a group of Europeans and their African slaves. In 1493, 2,000 Jewish children were taken to São Tomé in an effort to populate the islands and raise the children as Christians, but by 1532 only 50 or 60 were left. It was Portuguese policy to deport its criminals, degradados, and orphans to remote colonial areas, and many of São Tomé's earliest male settlers came in this fashion. Female settlers were more often African slave women, and from the ensuing marriages a large mestiço population developed. A third group, separate from the European and mestiço populations, consisted of Angolares, descendants of shipwrecked Angolan slaves.

By the mid-16th century, the islands were Africa's leading exporter of sugar. São Tomé and Príncipe were taken over by the Portuguese crown in 1522 and 1573, respectively. Eventually, sugar lost its commercial importance, but in the early 19th century, two new cash crops, coffee and cocoa, were introduced, and by 1908 São Tomé had become the world's largest producer of cocoa. Plantation slavery or slavelike contract labor remained the basis of island labor for hundreds of years, and even when slavery formally ended, in 1869, the plantations employed laborers "recruited" on "contract" from other areas of Portuguese-speaking Africa. In 1906, Henry Nevinson published his book, *A Modern Slavery*, which exposed the use of involuntary recruits, unacceptably high labor mortality, and poor work conditions on the islands. The outcry resulted in a boycott of São Tomé cocoa. The scandal occasioned some reforms, but oppressive conditions continued. As late as 1953, the governor of São Tomé ordered Portuguese troops to open fire on striking plantation workers, leaving nearly 1,000 people dead, an action that aroused nationalist feeling.

A liberation group formed in the islands in 1960, but Portuguese control made it impossible to wage an effective guerrilla war. The organization, the Committee for the Liberation of São Tomé and Príncipe (later renamed the Movement for the Liberation of São Tomé and Príncipe—MLSTP), remained in exile in Gabon until it was recognized by Portugal in 1974 as the sole legitimate representative of the people of São Tomé and Príncipe.

Independence

An independence agreement was concluded between Portuguese and MLSTP negotiators on 26 November 1974, and a transitional government was installed on 21 December. On 12 July 1975, São Tomé and Príncipe achieved full independence. On the same day, Manuel Pinto da Costa, the secretary-general of the MLSTP, was inaugurated as the country's first president.

Following an alleged plot to overthrow the government, about 1,500 troops from Angola and Guinea-Bissau were stationed on the islands in 1978 at Pinto da Costa's request. Soviet, East European, and Cuban personnel were also reportedly on the islands. In 1979, Prime Minister Miguel dos Anjos da Cunha Lisboa Trouvoada was arrested and charged with attempting to seize power. His post was assumed by Pinto da Costa, and the MLSTP was reported to be seriously split. In the early 1980s there was unrest on Príncipe, apparently provoked by separatists. By 1985, São Tomé and Príncipe had begun to establish closer ties with the West.

Multiparty Democracy Launched

In 1990, a new policy of *abertura,* or political and economic "opening," was adopted. It led to the legalization of opposition parties and direct elections with secret balloting. The secret police were purged and freedom of association and press were encouraged. A number of groups, many led by politicians in exile, united as the Party of Democratic Convergence-Group of Reflection (PDC-GR) and were led by Miguel Trovoada. An independent labor movement was launched and strikes were legalized. Abertura was also reflected in the evolution of a market economy and the privatization of state farms and enterprises.

On 20 January 1991, the nation held its first multiparty legislative elections. The former ruling party (MLSTP) was defeated by the PDC-GR. PDC-GR got 54.4% (33 seats) of the vote, the MLSTP 30.5% (21 seats), and the Democratic Opposition Coalition (CODO) 5.2% (1 seat). In the presidential election on 3 March 1991, Trovoada was elected unopposed. In 1992, the government imposed a strict structural adjustment program at the behest of the IMF and the World Bank, which increased the price of gasoline and depreciated the value of the currency by 40%. The measures prompted massive demonstrations and calls for the dissolution of the government headed by Prime Minister Daniel Lima dos Santos Daio. The parliament then appointed Norberto Alegre prime minister, who then formed a new government.

In 1993, the PDC-GR continued to dominate the central government, but partisan activity has accelerated. The president and the prime minister, both PDC-GR, also became involved in a dispute over interpretation of the constitution on the separation of powers. In November, a joint communique by four opposition parties accused government of "leading the country towards a social explosion" and denounced its "authoritarian and repressive attitude." By 1994, Trovoada was forced to again dissolve the government amid continued protests. The PDC-GR was increasingly seen as corrupt and complacent, but Trovoada was viewed with equal skepticism. After firing Alegre, Trovoada appointed a new prime minister from the PDC-GR, but the PDC-GR refused to acknowledge the president's right to do so, and expelled the prime minister from the party and refused to participate further with the government. In response, Trovoada announced new elections for 2 October 1994. The MLSTP won 27 seats; the PCD-GR, 14; and the Independent Democratic Action Party, 14. Carlos Alberto Monteiro Dias da Graça was appointed prime minister. Regional elections were held on Príncipe in March 1995, resulting in a commanding majority for the MLSTP.

Social unrest, fueled mainly by stagnant wages, continued to plague the country and in August 1995 five Army officers led a bloodless coup. Trovoada and da Graça were detained and the Assembly was disbanded. International condemnation was swift and the coup leaders backed down. The elected government was reinstated, with Trovoada promising to institute reforms and bring opposition members into the government. At year's end, a new government of national unity was created, headed by Prime Minister Armindo Vaz d'Almeida. In June 1996, Trovoada won presidential elections, taking 52% of the vote to (MLSTP) Manuel Pinto Costa's 48% in a rerun. The election was deemed generally free and fair by international observers, despite allegations of an unconstitutional modification of the voter lists between the first and second rounds. In September, the prime minister resigned and was replaced, after much infighting, by Raul Vagner de Conceição Bragança Neto.

As the 1998 parliamentary elections approached, the country was submerged in political, economic and social crisis. In March 1998 the civil service went on strike, the first since independence, demanding payment of six months of wage arrears, but government coffers were then said to be empty. Demobilized soldiers threatened to destabilize the country, demanding financial benefits as provided for by a pact that ended the 1995 coup. Constant struggle between Trovoada and the government, partly responsible for the six changes of government since the introduction of a multiparty system, had blocked most of the major political and economic decisions, such as the privatization of private companies.

The MLSTP won the 8 November 1998 election, taking 31 of the 55 parliamentary seats. The ADI won 16 and the PCD-GR, 8 seats. After Trovoada's veto of the first cabinet, new Prime Minister Guilherme Posser da Costa formed a government in January 1999, announcing an austerity program to relaunch the economy and promising to fight corruption.

In July 2001, a relatively unknown wealthy businessman, Fradrique Melo Bandeira De Menezes, became head of state in free and fair elections. De Menezes had previous public sector experience, but more importantly he had received the blessing of former President Trovoada. Barred from seeking a third term, Trovoada needed a successor, who would protect his political and financial interests, and it was widely speculated that Trovoada and his son Patrice believed they could control de Menezes from behind the scenes. De Menezes adopted a widely popular

platform, ran a successful campaign, and gained enough votes on the first round to defeat Manuel Pinto da Costa, the candidate of the Movimento de Libertacao de São Tomé e Príncipe-Partido Social Democrata (MLSTP-PSD). While Guinea-Bissau President Kumba Yala and more than a thousand diplomats looked on, de Menezes was inaugurated São Tomé and Príncipe's third president on September 3, 2001.

The years 2003-05 should test de Menezes's character. He fought with parliament to revoke a pro-Nigeria oil deal, and has vowed to utilize future oil revenues to eradicate poverty. De Menezes' plan to prosecute former public servants and politicians found guilty of corruption, could implicate the Trovoadas and other powerful figures. Given the influence of the MLSTP-PSD, it remains to be seen whether de Menezes will be able to dislodge entrenched patronage networks.

[13]GOVERNMENT

On 12 July 1975, São Tomé and Príncipe, formerly considered overseas territories of Portugal, became an independent democratic republic. The constitution, drafted by a constituent assembly, took effect on 12 December 1975. The president was chief of state, elected by the 40-member People's Assembly for a term of four years. The prime minister, who was elected to a five-year term by the People's Assembly on the recommendation of the MLSTP, appointed and headed the cabinet. District popular assemblies elected in August 1985 chose the members of the People's Assembly, which elected Pinto da Costa to a third term as president on 30 September 1985. The MLSTP had been the sole legal political party until 1990. A new constitution was announced by da Costa in 1989 and adopted by the People's Assembly in April 1990 and approved in an August referendum and went into force in September 1990.

The president is chosen by a multiparty election for a maximum of two five-year terms. The prime minister is chosen by the People's Assembly and approved by the president. The Assembly, now composed of 55 members, is elected to four-year terms in twelve multi-member constituencies by proportional representation, in multiparty elections. Suffrage is universal at age 18. The next presidential and parliamentary elections were scheduled for 2006.

The power-sharing configuration of government presents a pattern for political conflict that appears to be well-established. Under the country's semi-presidential system, the president must form a government with the opposition. The president stated that he would revise the constitution to give the head of state more power, but the battle has been bloody. In September 2002, de Menezes was forced to make a change in prime minister, and when parliament attempted to strip him of his powers, he dissolved it in January 2003, a decision he subsequently reversed.

[14]POLITICAL PARTIES

On 15 October 1974, the government of Portugal recognized the Movement for the Liberation of São Tomé and Príncipe (Movimento de Libertação de São Tomé e Príncipe—MLSTP) as the sole legitimate representative for the islands. The party, formed in exile in 1960, at a Pan-African conference in Ghana, originally called itself the Committee for the Liberation of São Tomé and Príncipe (Comité de Libertação de São Tomé e Príncipe—CLSTP). In 1965, CLSTP publicly demanded independence and economic reforms for the islands. At a conference in Guinea in 1972, the CLSTP changed its name to the MLSTP and moved its headquarters to Gabon. Until the declaration of 15 October 1974, the MLSTP remained partially underground and in exile, expressing itself through a legal party, the Pro-Liberation Movement Association, led by the poet Alda de Espírito Santo. After independence, the MLSTP became the only political party. Until 1991, Manuel Pinto da Costa was secretary-general of MLSTP and president of the republic.

With the legalization of opposition party activity, several politicians returned from exile to organize their followers. Miguel Trovoada, an MLSTP founder who had been exiled after challenging da Costa's leadership, formed the Democratic Convergence Party-Group of Reflection (PCD-GR) and, in the 1991 elections, it captured control of the People's Assembly and the presidency. The Democratic Opposition Coalition (CODO) and the Christian Democratic Front (FDC), and other parties together captured 15% of the vote for the legislature.

In December 1992, the MLSTP came back to score a series of landslide victories in municipal and regional elections. It took control of six of the eight regional governing bodies. In the 1994 elections, the MLSTP solidified its control, taking 27 of the 55 seats. The PDC-GR took 14, as did the Independent Democratic Action Party. Only 42% of registered voters turned up. There was a bloodless and short-lived coup amid massive popular unrest due to wage stagnation in 1995. The military leaders held power only briefly before returning the civilian government to power. In 1996, a government of national unity headed by Prime Minister Armindo Vaz d'Almeida was inaugurated.

Nine parties contested the 8 November 1998 parliamentary elections. The MLSTP further solidified it parliamentary grip to 31 seats. The Independent Democratic Action Party (ADI) increased its seats to 14, whereas the PCD-GR) got only 8 seats. São Tomé and Príncipe was one of 15 countries whose politicians formed the Union of African Parties for Democracy and Development (UAPDD) in Namibia in October 1998, aimed at promoting the interests of the continent.

In the July 2001 presidential elections, de Menezes benefited from the support of the Accao Democratica Independente (ADI), the country's largest, but comparatively weak opposition, and five other political forces including the PCD, UNDP, Codo, PRD, and the PPP. Under the country's semi-presidential formula, the dominant parties in the parliament wield considerable powers. Therefore, although this coalition reflected the self-interests of the leaders of these political entities, it assured de Menezes of a constituency sufficient to score 56.3 % to 39 % of the vote over Pinto da Costa. Three other opposition figures took 5% of the vote.

On 3 March 2002, São Toméans went to the polls to elect a new parliament. The results ended in a deadlock for the MLSTP-PSD, which gained 39.6% of the vote, and Force for Change Democratic Movement (MDFM-PCD), which took 39.4% of the ballots. Ue-Kedadji coalition received 16.2%. The number of seats by party was: MLSTP-PSD 24, MDFM-PCD 23, Ue-Kedadji coalition 8.

The Ue-Kedadji coalition comprises the ADI, PRD, Uniao Nacional para Democracia e Progresso (UNDP), Codo, and Partido Popular do Progresso (PPP) and has the support of Miguel Trovoada and his son Patrice. While the MDFM-PCD actually received more votes than the MLSTP-PSD, the latter won the proportional vote at the district level.

[15]LOCAL GOVERNMENT

São Tomé and Príncipe is divided into two provinces, corresponding to the two islands, and seven counties, of which six are on São Tomé. The Island of Príncipe was granted autonomy, which is has exercised since 29 April 1995.

[16]JUDICIAL SYSTEM

The accord signed on 26 November 1974 between the Portuguese government and the MLSTP served as the legal code in the islands until 12 December 1975, when the new constitution was formally implemented. The highest court is the Supreme Tribunal, which is named by and responsible to the People's Assembly.

The constitution affords litigants in civil cases the right to a fair public trial and a right to appeal. It affords criminal defendants a public trial before a judge as well as legal

representation. A shortage of trained lawyers, however, makes implementing this right difficult.

The constitution provides for an independent judiciary, and the judiciary acts independently from the government. The legal system is based on Portuguese law and customary law.

[17]ARMED FORCES

A small citizen's army was formed by the MLSTP government after Portuguese troops were withdrawn. There are also several hundred Angolan troops.

[18]INTERNATIONAL COOPERATION

São Tomé and Príncipe, admitted to UN membership on 16 September 1975, takes part in ECA, FAO, IBRD, ICAO, IDA, IFAD, ILO, IMF, ITU, UNESCO, UPU, WHO, and WMO. The nation is also a member of the African Development Bank, G-77, and AU. A signatory of the Lomé Convention, the nation has signed the Law of the Sea and applied for membership in the WTO.

Relations with African oil producers Nigeria and Angola and with major importers such as the United States are expected to solidify given São Tomé's proven petroleum reserves.

[19]ECONOMY

São Tomé and Príncipe is one of the poorest countries in the world. It is not self-sufficient in food, and imports 90% of its supply. The economy is based on cocoa-producing plantation agriculture, but the fall of cocoa prices since the early 1980s has created serious problems for the government. One consequence of the price decline was the abandonment of post-independence socialist-style economic policies in favor of market-style policies.

Since 1987, economic policy was driven by a World Bank and IMF-sponsored structural adjustment program with the objective of weaning the economy of its dependence on cocoa exports and foodstuff imports. Since 1991, the government has imposed fiscal and economic austerity measures, continued to devalue the currency, reformed the banking sector, raised electricity and fuel prices, and continued to privatize the non-agricultural sector. In 2000, the country became eligible for $200 million in debt relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative, and international donors pledged additional aid in 2001.

Although the economy contracted in real terms in 1990 and 1991, slow growth resumed in 1992 and continued through the rest of the 1990s. It stood at 4% in 2001. Offshore oil production, the diversification of agriculture, and the promotion of tourism were the government's goals for economic growth in 2003.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 São Tomé and Príncipe's gross domestic product (GDP) was estimated at $189 million. The per capita GDP was estimated at $1,200. The annual growth rate of GDP was estimated at 4%. The average inflation rate in 2001 was 7%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 25% of GDP, industry 10%, and services 65%.

Worker remittances in 2001 totaled $.6 million. Foreign aid receipts amounted to about $251 per capita and accounted for approximately 91% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $169. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 1%.

[21]LABOR

Agriculture and fishing support most of the population. Laborers for the plantation sector come from mainland Africa and Cape Verde on a contract basis; Angola, Mozambique, and Nigeria are the major sources of contract labor. Plantation laborers gained a 400% wage increase on the eve of independence. Soon after, labor disruptions and the reorganization of production reduced the output of plantation crops.

Unemployment can reach up to 50% of the workforce, largely because of the unpopularity of plantation work among the Fôrros. Unrelated to the former sole union (an affiliate of the MLSTP), or any political party, the Independent Union Federation (IUF) was formed in 1992 to take advantage of freedom of association provisions now in the constitution. Workers may organize and bargain collectively. However, the IUF has had little luck in organizing the workers on the large state-owned plantations. The government remains the primary mediator for labor, even though privatization has reduced the relative role of the government as an employer.

While the minimum age for employment is legally set at 18, children occasionally do work, especially on state-run plantations. Conditions on the largest state-owned plantations—the nation's largest job sector—have been described as "medieval." The free housing and medical care, which the workers are promised, are inadequate. Food and clothing, supposed to be provided at low cost in "company stores," are typically more expensive than on the open market. Safety and health regulations are ineffectually enforced. The minimum wage is legally set at $14 per month. The workweek is set at 40 hours, but this is only practiced in the modern economic sector.

[22]AGRICULTURE

Plantation agriculture has long dominated the economy of the islands. In 1998, there were 39,000 ha (96,400 acres) of farmland planted with permanent crops and just 2,000 ha (4,900 acres) planted with seasonal crops. Before nationalization in 1975, private companies owned more than 80% of the arable land. Their plantations were managed by São Tomé mestiços, Cape Verdeans, and São Tomé Europeans. The rest of the arable land was owned by about 11,000 small proprietors. The nationalization law limited the private holdings to 100 hectares (247 acres) and reorganized 29 plantations into 15 state companies. In 1985, however, the government began legally recognizing the right of individual families to cultivate land within the state plantations. The two largest plantations were leased to European management in 1986.

A variety of microclimates enables the cultivation of diverse tropical crops, but soils are especially suited for cocoa (introduced from Brazil in the late 19th century), which is the major export crop. About half of all cultivated land is used for cocoa production. Labor disruptions, a reduced workweek, inadequate investment in repair and maintenance, and the use of worktime to conduct management and cooperative training programs combined to lower the cocoa output from 10,000 tons in 1975 to 3,900 tons in 1987. Production of cocoa was about 4,000 tons in 1999. Cocoa exports account for about 80% of export earnings. Copra is the second most important crop; production in 1999 totaled about 1,000 tons. Other agricultural products in 1999 were palm kernels, 2,000 tons; bananas, 38,000 tons; cassava, 5,000 tons; and coconuts, 28,000 tons.

Since 1990, economic policy has been driven by a World Bank and IMF-sponsored structural adjustment program aimed at diminishing the dependence on cocoa exports and food imports. The program called for fundamental land reform and

accompanying measures to stimulate cultivation of food crops for local consumption.

23 ANIMAL HUSBANDRY

The livestock sector, largely pigs, was plagued by African swine fever once in 1979 and again in 1992, necessitating the destruction of the entire herd of some 30,000 animals. Disease severely affected chicken and egg production in 1993. There is no tsetse-borne disease in São Tomé, but production is limited by tuberculosis. In 2001 there were an estimated 4,100 head of cattle, 2,600 sheep, 4,800 goats, and 2,200 pigs.

24 FISHING

The Angolare community of São Tomé supplies fish to the domestic market. In 2000, the catch was 3,500 tons. Between 1976 and 1983, substantial investments were made in fishing by the government, but the investment has not significantly contributed to GDP; rather, it has exacerbated a nearly unsustainable debt service burden. European Union (EU) vessels catch tuna in island waters under license. There are also fishing agreements with Angola and Portugal. Foreign assistance has focused more recently on artisanal fishing.

25 FORESTRY

About 27% of São Tomé and Príncipe is covered with primary, though inaccessible, forest. Wood is used on the plantations for fuel to dry cocoa beans and elsewhere as a building material. Unrestricted cutting has been the rule in spite of the legal sanctions against it. In 1993, new forest regulations were issued and guards were trained to enforce them. Reforestation and scientific foresting have been enforced to avoid further loss. Roundwood removals were estimated at 9,000 cu m (317,700 cu ft) in 2000.

26 MINING

The mineral industry was not significant in the islands, and mineral wealth remained largely unexplored. Lime deposits were exploited for the local market, and small clay and stone open-pit operations supplied the construction industry.

27 ENERGY AND POWER

Hydroelectric facilities are on the Contador River on São Tomé. About 59% of São Tomé's 17 million kWh of electric power in 2000 were produced by hydroelectricity; the rest was thermal. Only about 10% of São Tomé's abundant hydroelectric potential has been harnessed. Total installed capacity in the islands was 10,000 kW in 2001. Most of São Tomé is electrified, but only a quarter of the nation's households have electricity.

28 INDUSTRY

São Tomé has very little industry; the industrial sector constitutes only about 10% of the GDP. Light construction items, textiles, soap, beer, fish, bread, and palm oil are produced on the islands. Manufacturing declined by two-thirds between 1987 and 1998, while industry as a whole grew.

29 SCIENCE AND TECHNOLOGY

The Ministry of Agriculture maintains a library in São Tomé. The Center of Technical and Scientific Documentation, also in São Tomé, has an extensive library of specialized documents on agriculture and fisheries.

30 DOMESTIC TRADE

The landholding population of São Tomé and Príncipe grows some produce for the local market, but not on a large scale. Similarly, the Angolare population of São Tomé supplies fish to the local market. However, domestic agriculture and industry are not sufficient to fully supply local consumption, causing the country to rely heavily on imports for most goods. The port towns of São Tomé and Santo António are the principal commercial and distribution centers.

31 FOREIGN TRADE

São Tomé and Príncipe's trade balance depends on price levels for cocoa, which accounts for about 90% of export earnings. Copra is also exported. The value of imports was four times that of exports in 1997. The leading imports are machinery and electrical equipment, food, and petroleum products.

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Netherlands	2	n.a.	n.a.
United States	1	10	-9
Belgium	1	2	-1
Germany	1	3	-2
Portugal	1	21	-20
Spain	1	1	0
United Kingdom	n.a.	3	n.a.
South Africa	n.a.	3	n.a.
Poland	n.a.	2	n.a.

32 BALANCE OF PAYMENTS

Since the country cannot supply enough food and clothing for its own people, imports remain high, while export revenues vary according to world agricultural prices. There is also an outflow of remittances for workers employed under contract from abroad.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of São Tomé and Príncipe's exports was $4.1 million while imports totaled $40 million resulting in a trade deficit of $35.9 million.

The International Monetary Fund (IMF) reports that in 2001 São Tomé and Príncipe had exports of goods totaling $3 million and imports totaling $24 million. The services credit totaled $14 million and debit $15 million. The following table summarizes São Tomé and Príncipe's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-21**
Balance on goods	-21
Balance on services	-2
Balance on income	-4
Current transfers	5
Capital Account	**11**
Financial Account	**9**
Direct investment abroad	…
Direct investment in São Tomé and Príncipe	6
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	…
Other investment liabilities	3
Net Errors and Omissions	**4**
Reserves and Related Items	**-3**

33 BANKING AND SECURITIES

The Banco Nacional de São Tomé e Príncipe is the central bank and also handles commercial banking. The Caixa de Crédito is a government savings and loan institution serving industry, agriculture, and housing. There is also a postal savings bank. There is no stock exchange.

In mid-February 1997, the central bank announced it would circulate new banknotes and coins worth $29 million during the second quarter of 1997, with higher denominations. The new money has become necessary due to persistent high inflation. Inflation reached 20% in 1998. In 1999, several senior central bank officials were dismissed in connection with the embezzlement of $1 million. The bank governor himself was

dismissed on suspicion of corruption, and a government investigation of the bank led to the resignation of a finance minister.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $10.8 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $17.8 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 15.5%.

[34]INSURANCE

A national insurance and reinsurance company was founded in 1980. There is also an insurance fund for civil servants.

[35]PUBLIC FINANCE

In 1987, the government instituted an IMF structural adjustment program to encourage private sector growth. This goal has been the focus of economic reform since the early 90s. São Tomé and Príncipe has traditionally received foreign aid from the UN Development Program, the World Bank, the EU, Portugal, Taiwan, and the African Development Bank. In late 2000, the country qualified for enhanced debt relief through the IMF's Heavily Indebted Poor Countries (HIPC) Initiative.

The US Central Intelligence Agency (CIA) estimates that in 2000 São Tomé and Príncipe's central government took in revenues of approximately $58 million and had expenditures of $114 million including capital expenditures of $54 million. Overall, the government registered a deficit of approximately $56 million. External debt totaled $253.8 million.

[36]TAXATION

Export and import taxes, customs duties, and sales tax are the main sources of revenue from taxation. Income tax accounted for only 7% revenue in 1985. In 1997, the government began a program to improve tax collection. In 2002, remarkable increases in tax revenue were reported. A larger issue was politics of allotting the country's off-shore oil fields for development. Production is projected to begin in 2006 or 2007, bringing a new level of wealth. In July 2003, the military took over the government while the President was out of the country.

[37]CUSTOMS AND DUTIES

All imports require a license. Customs duties are levied, but recent information on rates and dutiable items is not available. In 1987, a state enterprise marketed all exports and imports of 12 basic commodities.

[38]FOREIGN INVESTMENT

Since independence, investments have been minimal. An investment code adopted in 1986 allows free transfer of profits, dividends, and liquidated assets, as well as exemption from export duties. Some investors may qualify for tax and import-duty exemptions.

In 1999, the government granted Island Oil Exploration Limited the right to develop an offshore logistics center and port to support future oil and gas operations. The government also hopes for investment in the tourism sector. From 1997 to 2000, annual foreign direct investment (FDI) inflow increased from $100,000 to $2.2 million. In 2001, FDI inflow declined to $1.1 million.

[39]ECONOMIC DEVELOPMENT

With the help of the United Nations Development Programme, the government hopes to stabilize cocoa production through long-lease arrangements with private-sector management companies. A shift to black pepper and arabica coffee could revitalize the coffee sector. Food self-sufficiency depends on the success of the government's policy of turning fringe cocoa land over to mixed-agriculture family farmers. Projects to export plantains, cocoyam, and citrus fruits to Gabon are under study. The pork herds are to be reestablished. The fishing, forestry, and tourist industries are being revitalized. The government plans to promote the development of additional food-processing and construction material industries, as well as to improve the paved road network.

A three-year International Monetary Fund (IMF) agreement approved in 2000 provided for the reduction of public service employees, the organization of ports and customs, and the privatization of government industry, in order to help alleviate the growing debt. Also in 2000, the country became eligible for $200 million in debt service relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative. Privatization of the state-owned agricultural and industrial sectors has been a government priority.

[40]SOCIAL DEVELOPMENT

Before independence, social welfare was handled largely by private agencies and companies in the islands. The plantation corporations were responsible for the social welfare of their laborers. Missionary endeavors associated with the Catholic Church also played a part in fostering community well-being. After independence, the government assumed these roles. A national social security system was initially set up in 1979, and was amended in 1990. Old age, disability, and survivorship benefits are paid to all employed persons. There are also sickness and maternity benefits, worker's compensation, and a voluntary program for the self-employed. Retirement is set at age 62 for men and age 57 for women.

Women enjoy constitutional equality with men, and some have been government ministers, but in general they are limited to a subordinate role by the traditional culture. Female literacy is much lower than that of men, and women are underrepresented in the professions. Traditional views inhibit women from seeking redress for domestic abuse and violence.

Human rights were generally well respected, although the country suffers from an inefficient judicial system and harsh prison conditions.

[41]HEALTH

The government hopes that crop diversification will help alleviate malnutrition, which continues to plague the country. There were an estimated 220 cases of tuberculosis per 100,000 people reported in 1990. In 1994, 57% of the country's children had been vaccinated against measles. In the same year, 319 measles cases were reported.

In 1983, there were 16 hospitals and dispensaries, with 651 beds. By 1989, there were 61 doctors, 1 pharmacist, 5 dentists, 233 nurses, and 54 midwives. As of 1996 there were 0.5 physicians, 1.3 nurses, 0.3 midwives, and 0.1 dentists per 1,000 people.

The mortality rate for children under five years old was 82 per 1,000 live births (about 400 deaths) in 1994. The infant mortality rate was estimated at 47.5 per 1,000 live births in 2002 and life expectancy at 65.9 years. The total fertility rate was an estimated 5.9 children for each woman during her childbearing years. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 42.3 and 7.3 per 1,000 people.

[42]HOUSING

Housing on the islands varies greatly, from the estate houses of the plantation headquarters to the thatch huts of the plantation laborers. Some town buildings are wooden; others are mud block with timber, as are plantation-labor dormitories. Nearly 90% of all housing is wood. Of existing housing units, over 80% were

principal residences, about 25% had electricity, and 10% had plumbing.

[43]EDUCATION

The school system before independence was basically that of Portugal. Schooling is compulsory for four years only. Primary education is for four years and secondary has two stages: the first five years are followed by two more years. In 1989 there were 19,822 pupils in 64 primary schools with 559 teachers; in general secondary schools, there were 318 teachers and 7,446 pupils. In vocational schools, 101 pupils were enrolled the same year. The pupil-teacher ratio at the primary level was estimated at 36 to 1 in 1999. In the same year, females accounted for 49% of primary enrollment and 27% of secondary enrollment.

The MLSTP government has declared universal primary education to be a priority. In 1990, adult literacy was estimated at 57%. As of 1999, public expenditure on education was estimated at 3.6% of GDP.

[44]LIBRARIES AND MUSEUMS

São Tomé maintains libraries at the Center for Technical and Scientific Documentation (45,000 volumes) and the national assembly (1,000 volumes). A general National Museum was founded in 1976 and located in the Fortress of Saint Sebastian, constructed in 1585. Its exhibits are mainly of African and religious art.

[45]MEDIA

In 1997, there were about 3,000 mainline telephones in use, with an additional 6,942 cellular phone subscribers. The national, government-operated radio stations broadcasts in Portuguese. There were no independent radio or television stations as of 2001, but there is no law forbidding them. The Voice of America, Radio International Portugal, and Radio France International all rebroadcast locally. In 1998, there were two AM and four FM radio stations and two television stations. In 1997, there were about 38,000 radios and 23,000 television sets in use throughout the country. In 2001, two Internet service providers were serving about 6,500 subscribers.

In 2001, there were two government-owned newspapers. The *Diario da Republica* (1995 circulation: 500) is published weekly by the government. *Noticias São Tomé e Príncipe* is also a weekly, with a 1995 circulation of 900. There were six independent papers and newsletters in 2001, publishing monthly or bimonthly.

The constitution provides for the freedoms of speech and of the press and the government generally respects these rights in practice

[46]ORGANIZATIONS

Cooperative movements sponsored by the MLSTP function as part of the government's economic development program. The Youth Movement for the Liberation of São Tomé and Príncipe is a major youth organization for youth ages 15 to 24. There are YMCA/YWCA branches in the country. The Red Cross also has a national chapter.

[47]TOURISM, TRAVEL, AND RECREATION

São Tomé and Príncipe's scenic beauty, wildlife, and unique historic architecture have the potential to attract tourists, but even though the islands have been a port of call for voyagers for centuries, tourist facilities are minimal and restricted largely to the port towns and their environs. The first tourist hotel opened in 1986 and the government is encouraging greater private investment in the tourist sector. Two sports facilities opened in 1992. São Tomé has beautiful white sand beaches and a number of coffee and cocoa plantations to explore. All visitors must have visas. A yellow-fever vaccination certificate is required.

In 1997, 4,924 tourists visited São Tomé, with over 3,000 visitors from Europe. In 1999, the UN estimated the cost of staying in São Tomé at $147 per day.

[48]FAMOUS SÃO TOMÉANS

Rei Amador (d.1596), who rebelled against the Portuguese and almost overran the island in 1595, is a national hero. Alda de Espírito Santo (b.1926) is a poet and nationalist leader. Manuel Pinto da Costa (b.1937), the secretary-general of the MLSTP, became the country's first president on 12 July 1975, a post he held until his party was defeated in the elections of 1991.

[49]DEPENDENCIES

São Tomé and Príncipe has no territories or colonies.

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SENEGAL

Republic of Senegal
République du Sénégal

CAPITAL: Dakar

FLAG: The flag is a tricolor of green, yellow, and red vertical stripes; at the center of the yellow stripe is a green star.

ANTHEM: Begins "Pincez, tous, vos koras, frappez les balafons" ("Pluck your koras, strike the balafons").

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr) is the national currency. There are coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs, and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Independence Day, 4 April; Labor Day, 1 May; Day of Association, 14 July; Assumption, 15 August; All Saints' Day, 1 November; Christmas, 25 December. Movable religious holidays include 'Id al-Fitr, 'Id al-'Adha', Milad an-Nabi, Good Friday, Easter Monday, Ascension, and Pentecost Monday.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the western bulge of Africa, Senegal has a land area of 196,190 sq km (75,749 sq mi), extending 690 km (429 mi) SE–NW and 406 km (252 mi) NE–SW. Comparatively, the area occupied by Senegal is slightly smaller than the state of South Dakota. It is bordered on the N and NE by Mauritania, on the E by Mali, on the S by Guinea and Guinea-Bissau, and on the W by the Atlantic Ocean. Its westernmost point is also that of the African mainland. On the NE the boundary is set by the Senegal River, and on the E by the Falémé River. Senegal surrounds the long, narrow republic of the Gambia on three sides and is joined with it in the Confederation of Senegambia. The total boundary length of Senegal is 3,171 km (1,970 mi), of which 531 km (330 mi) is coastline.

Senegal's capital city, Dakar, is located on the Atlantic coast.

[2]TOPOGRAPHY

The northern part of the Senegal coast has dunes from Cap Vert to Saint-Louis, but to the south are muddy estuaries. Behind the coast is a sandy plain, which extends north to the floodplain of the Senegal River. The Casamance region in the south, isolated from the rest of Senegal by the Republic of the Gambia, is low but more varied in relief, while to the southeast lie the Tamgué foothills, which rise to a maximum altitude of 581 m (1,906 ft). Much of the northwest of Senegal (known as the Ferlo) is semidesert, but the center and most of the south, except for the forest of Casamance, are open savanna country. The major rivers—the Senegal, Saloum, Gambie, and Casamance—flow from east to west.

[3]CLIMATE

Temperatures are lowest along the coast and highest inland; rainfall is highest in the south and lowest in the north. The wet season, which lasts from June to October, is shorter in the north and longer in the south, especially near the southwest coast. The average annual rainfall ranges from 34 cm (13 in) at Podor in the extreme north to 155 cm (61 in) at Ziguinchor, in the southwest. At Dakar, the average is 57 cm (22 in); at Tambacounda, in the interior, it is 94 cm (37 in). Temperatures vary according to the season, with the highest temperatures registered in the northeast. At Dakar, during the cool season (December–April), the average daily maximum is 26°C (79°F) and the average minimum 17°C (63°F); during the hot season (May–November), the averages are 30°C (86°F) and 20° C (68°F).

[4]FLORA AND FAUNA

Vegetation varies in different areas of Senegal, depending on the average rainfall. The most tropical part of southern Casamance has mangrove swamps and remnants of high forest, including oil palms, bamboo, African teak, and the silk-cotton tree. The dry thornland of the northeast has spiny shrubs, especially acacia, including the gum-bearing species. Most of Senegal is savanna. Trees, which are widely spaced in this region, include the African locust bean, tallow tree, and gingerbread plum, along with cassias and acacias. The lion and leopard are occasionally found in the northeast, as are chimpanzees, elephants, hippopotamuses, and buffalo. The wild pig, hare, guinea fowl, quail, and bustard are widely distributed. Insects and birds are abundant, and there are numerous lizards, snakes, and other reptiles.

[5]ENVIRONMENT

Approximately 46% of Senegal is classified as semiarid. Much of the land is threatened with desertification because of overgrazing, inadequately controlled cutting of forests for fuel, and soil erosion from overcultivation. According to a UN report, at least 4.5% of Senegal's forests have been eliminated. By 1985, the total amount of land subject to deforestation was 193 square miles. Between 1983 and 1993, an additional 4.4% of the nation's forest and woodland was lost. Dakar suffers from such typical urban problems as improper sanitation (especially during the rainy season, when sewers overflow) and air pollution from motor vehicles. The nation has 26 cubic kilometers of renewable water resources with 92% used for farming activity and 3% used for industrial purposes. About 92% of the nation's city dwellers and 65% of the people living in rural areas have access to safe

drinking water. Senegal's cities produce about 0.6 million tons of solid waste per year. Important environmental agencies include the Ministry of Scientific and Technical Research, which is responsible for coordinating all research and development in Senegal.

Senegal has six national parks, covering about 4% of the country's total area; game in forest reserves is classified by law as partially or completely protected, but poaching remains a problem. As of 2001, 11% of Senegal's total land area was protected. In 2001, 13 mammal species and 6 bird species were endangered. Fifteen types of plants were threatened with extinction. Endangered species include the western giant eland and four species of turtle (green sea, olive ridley, hawksbill, and leatherback). The Sahara oryx has become extinct in the wild.

[6]POPULATION

The population of Senegal in 2003 was estimated by the United Nations at 10,095,000, which placed it as number 77 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.39%, with the projected population for the year 2015 at 13,159,000. The population density in 2002 was 50 per sq km (130 per sq mi).

It was estimated by the Population Reference Bureau that 47% of the population lived in urban areas in 2001. The capital city, Dakar, had a population of 1,999,000 in that year. Other important towns are Thiès, 319,000; Kaolack, the peanut export center, 181,000; and Saint-Louis, 179,000. According to the United Nations, the urban population growth rate for 2000–2005 was 4.0%.

[7]MIGRATION

There is considerable seasonal migration between the Gambia and Senegal in connection with cultivation and harvesting of peanuts. Estimates of the number of Guineans who had fled to Senegal for political reasons ranged from 40,000 to more than 500,000, but all apparently returned after a 1984 military coup in Guinea. Also living in Senegal are perhaps 20,000 French and more than 18,000 Lebanese, about a third of whom have Senegalese nationality. Some Senegalese work in France; others have moved to other African countries in search of work, especially to Côte d'Ivoire. Since relations improved between Senegal and Mauritania in 1996, both countries agreed to the return of Mauritanian refugees. As of 1997, the number of refugees dropped from 80,000 to 64,000 due to voluntary returns.

As of 1999, the urban refugee population stood at some 2,500, of whom more than half were from Sierra Leone, Liberia, Rwanda, and Congo. There was a significant increase in the number of Sierra Leonean asylum-seekers due to the outbreak of fighting in Sierra Leone in 1999. Conversely, peace was restored in Guinea Bissau in that year, allowing hundreds of Bissau Guineans who sought refuge in Senegal to return home. In 2000, the net migration rate was -1.1 per 1,000 population. In that year the number of migrants was 284,000, including 20,000 remaining refugees. Worker remittances for that year amounted to $130 million, or 2.7 GDP. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The largest ethnic group is the Wolof, who made up 43.3% of the total population in 1998; they live mainly in the northwest. The Pular rank as the second-largest group, constituting 23.8%. Closely related to the Wolof are the Serer (14.7%), in west-central Senegal, who are skilled peanut cultivators, and the Lebu, mostly fishermen and farmers, concentrated in the Dakar area.

Other important groups are the Diola of Casamance, making up 3.7% of the populace; the Mandink, in the southeast and in Casamance, accounting for 3%; the Soninke constituting 1.1%; the Tukulor, who live predominantly in the northeast; and the Fulani (Peul) and Bambara, scattered throughout the country. Europeans and Lebanese make up about 1% of the total population; other various groups constitute the remaining 9.4%.

[9]LANGUAGES

French, the official language, is the language of administration and of the schools. Indigenous languages are also widely spoken, the major ones being Wolof, Pulaar, Diola, and Mandingo.

[10]RELIGIONS

Government reports indicate that about 94% of the people are Muslim, with members of the Tijaniya and Muridiya brotherhoods having great social, political, and economic influence. About 4% of Senegalese are Christians, including Roman Catholics and a number of Protestant denominations. The remaining 2% practice exclusively traditional indigenous religions or no religion at all.

[11]TRANSPORTATION

Senegal has 906 km (562 mi) of railroads, all owned by the government. The main lines run from Dakar to Thiès and thence to Kidira on the Mali border, and from Thiès to Saint-Louis. There are also branch lines from Guinguineo to Kaolack, from Louga to Linguère, and from Diourbel to Touba, serving the peanut-growing areas. Of Senegal's estimated 14,576 km (9,058 mi) of classified roads in 1999, some 4,271 km (2,654 mi) were tarred. There are modern roads from Dakar to Thiès, Saint-Louis, and Matam, and from Dakar to Kaolack and on through the Gambia to Ziguinchor in Casamance. In 2000, there were 70,700 passenger cars and 68,800 commercial vehicles in the combined territory, Senegambia.

Favorably located at the westernmost point of the continent and possessing up-to-date equipment, Dakar is one of the largest deepwater seaports on the West African coast, a major import-export center and a port of call for freight and passenger ships. The port can accommodate ships of up to 100,000 tons. The Senegalese Maritime Navigation Co. (Compagnie Sénégalaise de Navigation Maritime—COSENAM), a river and ocean freight transport line in which the government has an 84% share, was founded in 1979. Gross weight of the single merchant vessel in 1998 came to 1,995 GRT. However, by 2002 there was no Senegalese merchant marine.

The Senegal River, which has a sandbar across its mouth, is navigable by shallow-draft vessels all year round from Saint-Louis to Podor (225 km/140 mi), and between August and October as far as Kayes in Mali (924 km/574 mi). It is closed to foreign ships. The Saloum is navigable by oceangoing vessels to the important peanut port of Kaolack, 114 km (71 mi) upriver. The Casamance River is navigable to Ziguinchor, although not without difficulty.

In 2001 there were 20 airports in Senegal, 9 of which were paved. Dakar's Yoff International Airport, a West African air center, is served by many foreign airlines. Air France, Air Senegal, and Air Afrique maintain routes connecting Saint-Louis, Thiès, Ziguinchor, Kédougou, Tambacounda, and 10 other towns with secondary air fields. Air Senegal is 50% owned by the government and 40% by Air Afrique, in which Senegal also holds a 7% share. In 2001, 5,500 passengers were carried on scheduled domestic and international flights.

LOCATION: 11°30′ to 17°30′ W; 12° to 17°N. BOUNDARY LENGTHS: Mauritania, 813 kilometers (505 miles); Mali, 419 kilometers (260 miles); Guinea, 330 kilometers (205 miles); Guinea-Bissau, 338 kilometers (210 miles); Atlantic coastline, 531 kilometers (330 miles); the Gambia, 740 kilometers (460 miles). TERRITORIAL SEA LIMIT: 12 miles.

12 HISTORY

Knowledge of the history of Senegal before the 16th century is fragmentary. The major feature seems to have been the gradual movement into Senegal of the Wolof and Sérer peoples from the northeast, who reached their present positions between the 10th and 15th centuries AD. At various times parts of Senegal were included in the empires of Tekrur, Ghana, and Mali. At the height of its power at the beginning of the 14th century, Mali controlled the Falémé and Upper Senegal. That century saw the emergence of the Jolof empire, controlling the six Wolof states of Jolof, Kayor, Baol, Walo, Sine, and Salum. In the middle of the 16th century, Kayor revolted and conquered Baol, but the other Wolof states continued to admit a shadowy suzerainty of Jolof. As the power of Kayor and Baol increased toward the end of the 17th century, however, Jolof power declined, probably because it was cut off by those states from access to the sea and European trading. The 18th and early 19th centuries were marked by struggles among the northernmost Wolof states and by sporadic Mauritanian attacks on them.

European activities in Senegal began with the Portuguese arrival at the Cap Vert Peninsula and the mouth of the Senegal River in 1444–45. The Portuguese enjoyed a monopoly on trade in slaves and gold until the 17th century, when they were succeeded by the Dutch, who virtually dominated all trade by 1650. The later 17th century brought the beginnings of the Anglo-French rivalry, which dominated the 18th century in Senegal as elsewhere. Throughout the 17th and 18th centuries, the main trading activities were the export of slaves and of gum arabic. Peanut cultivation by African peasants, the foundation of Senegal's modern economy, began in the mid-19th century.

French rule was confined to the old trading posts of Saint-Louis (founded in 1659), Gorée, and Rufisque until its expansion under the Second Empire, during the governorship of Gen. Louis Faidherbe (1854–65). The French occupation of Senegal was consolidated and extended under the Third Republic during the last 30 years of the 19th century. In 1871, Senegal was again allowed to send a deputy to the French parliament, a right that had been abolished under the Second Empire. In the following decade, municipalities on the French model were established in Saint-Louis, Gorée, Dakar, and Rufisque, and only the inhabitants of these towns took part in the elections of the deputy.

Between 1895 and 1904, a series of decrees consolidated eight territories into a French West Africa federation, of which Dakar became the capital. In 1920, a Colonial Council, partly elected by the citizens of the old towns and partly consisting of chiefs from the rest of Senegal, replaced the elected General Council previously established for the four towns. All the elected bodies were suppressed in 1940 but restored at the end of the war, and in 1946 Senegal was given two deputies in the French parliament. Under the constitution of 1946, the franchise was extended and a Territorial Assembly was established in Senegal. Universal suffrage was established in 1957. In 1958, Senegal accepted the new French constitution and became an autonomous republic within the French Community.

On 17 January 1959, in Dakar, representatives of French Sudan (now Mali), Senegal, Dahomey (now Benin), and Upper Volta (now Burkina Faso) drafted a constitution for a Federation of Mali, but only the assemblies of French Sudan and Senegal ratified it and became members of the federation. The Mali Federation became a sovereign state on 20 June 1960, but conflicting views soon led to its breakup. On 20 August, the Legislative Assembly of Senegal proclaimed Senegal's national independence and announced its withdrawal from the federation. A new republican constitution was adopted on 25 August, and on 5 September, Léopold-Sédar Senghor was elected president and Mamadou Dia became prime minister, in effect retaining a position he had held since 1957.

After an attempt by Dia to avoid a vote of no-confidence in the National Assembly by calling out the national police, the legislature met in special session on 17 December 1962 and overthrew Dia's government by a motion of censure. Dia was arrested, and Senghor was elected by unanimous vote of the deputies as head of government. Less than three months later, the electorate approved a new constitution that abolished the post of prime minister and made the president both chief of state and head of the executive branch. A constitutional amendment in 1970 reestablished the office of prime minister, and Abdou Diouf, former minister of planning and industry, was appointed to the post on 26 February 1970. Dia, in detention since 1962, was released in March 1974 as part of an independence celebration.

Having been reelected president in 1968, 1973, and 1978, Senghor resigned as president at the end of 1980 and was succeeded by Diouf. In the summer of 1981, 2,000 Senegalese troops were sent to the Gambia to put down an attempted military coup there. The Confederation of Senegambia was constituted in February 1982 with Diouf as president. Under the terms of confederation, the two countries pledged to integrate their armed and security forces, form an economic and monetary union, and coordinate foreign policy, communications, and possibly other endeavors. The Senegambia agreement was dissolved on 30 September 1989. Diouf was elected to a full term as president on 27 February 1983, receiving 83.5% of the vote in a five-candidate contest. All parties were guaranteed equal access to the media, but the secret ballot was optional, and independent observers reported widespread electoral irregularities. The office of prime minister—constitutionally regarded as the president's successor—was once again abolished in April 1983.

The ruling Parti Socialiste Sénégalais (PS) was victorious in municipal and rural elections held in November 1984, although 12 of the 15 registered parties boycotted the polls. Diouf liberalized the political process and restructured his administration, making it less corrupt and more efficient. It advocated modulated reform in the face of reactionary elements in the PS.

In the 1988 national elections, Diouf carried 77% of the vote and the PS took 103 of the 120 seats in the National Assembly. Despite a generally fair election, opposition protests escalated into rioting in Dakar. The city was placed under a three-month state of emergency. Diouf's principal opponent, Maitre Abdoulaye Wade of the Democratic Party, was among those arrested and tried for incitement. Afterwards, Diouf met with Wade and tensions were eased.

In April 1989, a nationwide state of emergency was declared and a curfew imposed in Dakar after rioters killed dozens of Mauritanians. Protesters had been enraged by reports of the killing of hundreds of Senegalese in Mauritania. Relations with Mauritania were broken and armed clashes along the border and internal rioting led to the expulsion of most Mauritanians residing in Senegal. Diplomatic relations were reestablished in April 1992 and the northern border along the Senegal River was reopened.

In April 1991, Wade accepted the post of Minister of State in Diouf's cabinet. Diouf appointed Habib Thiam as prime minister on 7 April 1991, who then appointed the Council of Ministers in consultation with President Diouf.

Diouf and PS again won reelection in February 1993. His margin of victory, however, shrank to 58% versus 32% for Wade. The PS took only 84 seats in the May legislative elections and the PDS increased its representation from 17 to 27 seats. The Jappoo Leggeeyal Senegalese Party and the Democratic League won three seats each. Two other parties took the other three seats. Wade and other opponents denounced the elections as fraudulent, though international observers declared them generally free and fair. When the vice president of the Constitutional Court was murdered after the elections were officially certified, Wade and other PDS members were charged in the slaying. He and MPs with parliamentary immunity were later released. Political discontent followed these events and an opposition party demonstration in 1994 resulted in the death of six police officers and injury to many civilians.

In November 1996, the government initiated a decentralization policy that devolved considerable political and administrative authority to the provinces. In July 1998, it undertook a major reshuffling of ministers and ministerial posts, and in November, it signed a peace accord with Guinea-Bissau that was intended to establish a buffer zone along the southern border. In keeping with the accord, the Senegalese army withdrew its 2,500 troops supporting then president, Joao Bernardo Vieira. Togolese, Gambian and Nigerian soldiers under ECOMOG replaced the Senegalese troops.

Since December 1983 the Movement of Democratic Forces of the Casamance (MFDC) has waged a low-scale military insurgency against the Senegalese government for independence. The Movement splintered in 1991 and signed peace accords with the Senegalese government in 1991, 1993 and in December 1999 in Banjul. In 1992 and 1995, Senegalese warplanes bombed rebel bases in Guinea-Bissau suspected of providing safe havens and resupply points for the rebels. In March 1996, the two governments reached an accord. President Jammeh of The Gambia, who belongs to the same dominant Diola ethnic group of the Casamance, and officials in Guinea-Bissau have mediated the conflict. Despite Abdoulaye Wade's campaign promises to end the insurgency through negotiations and military means, by June 2003 the fighting continued unabated.

In January 1999, the PS won highly controversial Senate elections by a landslide taking all 45 elected seats. However, a boycott by the two largest opposition parties undermined the Senate's credibility. The bill to create the Senate had been pushed through by the PS-dominated National Assembly in February 1998, thereby increasing the ruling party's representation. The voting rules also ensured a majority of PS politicians in the electoral college.

In April 2000, Abdoulaye Wade was inaugurated as Senegal's third president. The February–March elections were the first in Senegal's history to result in a change of government. Although Diouf won 41.3% of the vote on the first round, PS defectors Moustapha Niasse (AFP) and Djibo Leyti Ka (URD) threw their support behind Wade to give him 58.5% on the 19 March second round. His victory not only ended 40 years of rule by the Parti Socialiste, but it also ended speculation that Senegal's quasi-democracy was moribund. Using their cell phones, Senegalese youth called in results, which were broadcast by electronic media to prevent fraud.

Wade's record over his first three years in office has been mixed. In December 2001, he became head of the Economic Community of West African States (ECOWAS), and the Union Economique et Monétaire Ouest-Africane (UEMOA). In April 2002, Senegal hosted an international conference on the New Partnership for Africa's Development (NEPAD). As promised, he has begun building primary schools around the country. However, strikes by postal workers, bank employees, and teachers indicate considerable social unrest owing to unmet wage and benefits demands. The government's delay of local elections in the fall of 2001 and the replacement of elected officials with appointees (délégations spéciales) were widely criticized as anti-democratic. Nevertheless, his government has released a poverty reduction strategy paper (PRSP) within the specified timeframe, has reduced the budget deficit, and has improved relations with the IMF.

[13]GOVERNMENT

Under the 1963 constitution, as amended, the president of the republic determines national policy and appoints the prime minister and his council of ministers. As presently constituted, the constitution does not give the president the authority to dissolve the National Assembly or to veto legislation. However, if the National Assembly is requested to reconsider a measure it has enacted, the bill must be passed again by a three-fifths majority before it becomes law. The president also may ask the Supreme Court to rule on the constitutionality of a proposed law. With the consent of the president of the National Assembly and the Supreme Court, the president of the republic may submit any proposed law to national referendum. In his first two months of office, Abdoulaye Wade created a presidential council to coordinate and to execute policy decisions taken by his council of ministers.

Legislative power is exercised by the 120-member (formerly 140-member) National Assembly, elected to serve five-year terms. The Assembly elects the 16 members of the High Court of Justice from among its ranks. Members of the Council of Ministers may not be Assembly members, and are appointed by the prime minister in consultation with the president. The former senate, established in 1998, had 60 members, 48 elected by an electoral college (legislators and local, municipal and regional councilors), and 12 appointed by the president. Major opposition parties boycotted the Senate elections on 24 January 1999, and since 2001 it no longer functions. The next presidential election is due February 2005, and parliamentary elections are due in 2006.

[14]POLITICAL PARTIES

The Senegal branch of the French Socialist Party (SFIO) won the first postwar elections largely because its leaders constituted the only organized party that had contacts in all parts of the colony. It sought to establish political and juridical equality between French and Senegalese citizens. In 1948, however, its leaders, Ahmadou Lamine-Guèye and Léopold-Sédar Senghor, quarreled. Senghor left the SFIO and founded a new party, the Senegalese Democratic Bloc (Bloc Démocratique Sénégalais—BDS), which was based more in the rural areas than in the old communes, from which Lamine-Guèye derived his political support. The new party emphasized social and economic rather than juridical issues and geared its program closely to peasant interests and grievances. In 1951, it won both Senegalese seats in the French National Assembly and, in 1952, 43 of the 50 seats in Senegal's Territorial Assembly.

In the French National Assembly, Senghor had meanwhile taken a leading part in creating a new parliamentary group, the Overseas Independents (Indépendants d'Outre-Mer—IOM), emphasizing African and colonial problems. It was, however, confronted by another African party, the African Democratic Rally (Rassemblement Démocratique Africain—RDA), founded in October 1946 by African deputies hostile to the provisions of the constitution of 1946 regarding the overseas territories. Although the RDA substantially reduced the number of seats held by the IOM in the French parliament, in Senegal it made no inroads on the two established parties, the BDS and the SFIO.

Senghor and his associate Mamadou Dia secured overwhelming majorities at the parliamentary elections in 1956 and launched a campaign to unite all Senegalese parties. They faced the opposition of Lamine-Guèye, who sponsored a first attempt to create an African Socialist movement loosely associated with the SFIO, and of the RDA leadership, which aimed at bringing about the unity of all parties within the RDA.

In 1956, Senghor's party, the BDS, was reorganized to become the Popular Senegalese Bloc (Bloc Popular Sénégalais), which took a strongly nationalistic stance. In the Territorial Assembly elections in 1957, the first held under complete universal suffrage, it won 47 seats, while the SFIO won only 12. Lamine-Guèye and Senghor were reconciled in 1958, and their respective parties fused in April 1958 to form the Senegalese Progressive Union (Union Progressiste Sénégalaise—UPS). The UPS supported the new French constitution in the referendum of September 1958, and in the elections to the Senegal legislature in 1959 it won all 80 seats. After independence in 1960, the UPS remained the dominant political party. President Senghor was its secretary-general, and the party's National Council was responsible for major national policy decisions. In 1976, the UPS changed its name to the Senegalese Socialist Party (Parti Socialiste Sénégalais—PS), after joining the Socialist International.

There was no legal opposition party from 1966 until 1974, when Abdoulaye Wade obtained permission from Senghor to create the Senegalese Democratic Party (Parti Démocratique Sénégalais—PDS). The PDS won 17 Assembly seats in 1978, compared with 83 for the PS.

In 1981, the constitution, which had restricted the number of political parties to four, was amended to end all restrictions. In 1982, the government amended the electoral law for the legislature so that half the deputies would be elected on a basis of proportional representation, while the remaining members were chosen by direct suffrage. This helped the regime win the 1983 presidential and legislative elections in which Diouf received 83.5% of the votes cast. Presidential and legislative elections held in 1988 were marred by rioting in cities and minor conflicts in rural areas, but Diouf officially received 73.2% of the votes cast.

Seven parties contested the National Assembly elections of 9 May 1993. The PS won 84 seats; the PDS won 27; the Jappoo Leggeeyal ("Let Us Unite") Party and the Democratic League won three seats each; the Independence and Labor Party (PIT) won two seats; and the Senegalese Democratic Union/Renewal party got one.

Although many people have lamented Senegal's "stalled" democratic transition, democrats may be encouraged by the growth of party competition. From 1983 to 1993, the PDS increased its share of representation in the Assembly from 8 to 27 seats, while the number of PS seats declined from 111 to 84. In presidential elections over the same period of time, Abdoulaye Wade's percentage of the vote climbed from 15% to 32%, while Diouf's dropped from 83% to 58%. The number of officially recognized parties in Senegal has gone from one in 1973 to 26 in 1997. From 1978 to 1996, the number of parties contesting legislative elections went from 4 to 14.

In the February–March 2000 presidential elections, eight parties presented candidates. Diouf's PS enjoyed the support of several tiny parties, and a coalition of four parties known as the Convergence Patriotique (CP). The CP comprised the Bloc des Centristes Gainde (BCG) led by Jean-Paul Dais, the Parti Liberal Senegalais (PLS), led by Ousmane Ngom, Serigne Diop's Parti Démocratique Sénégalais-Renovation (PDS-R), and the Parti Africain de l'Indépendence (PAI) of Majmouth Diop. The PAI was once Marxist, while the three others emerged from splits in the PDS. On the other hand, Wade's PDS claimed the backing of the Pole de Gauche, a left-wing coalition of the And-jeff/Parti Africain pour la Démocratie et le Socialisme (AJ/PADS), and the Ligue Démocratique-Mouvement Travail (PIT).

However, the real difference in the outcome of the 19 March second round was the support of Moustapha Niasse (AFP) and to a lesser extent, Djibo Ka (URD), both defectors from the PS who formed their own parties. President Wade's subsequent appointment of Mr. Niasse as his prime minister all but confirmed that Mr. Niasse's supporters believed they were voting for a Wade-Niasse ticket. On the first round, Diouf obtained 41%, Wade 30%, Niasse 17%, Ka 7%, with four other candidates picking up the remaining 4% of the vote. Wade's second round alliance gave him an easy victory over Diouf with 58.5% of the vote.

The most recent parliamentary elections were held 29 April 2001 giving Wade's SOPI coalition an overwhelming victory with 89 seats to 11 for the AFP, 10 for the PS, and 10 for other parties. In the municipal and local elections 12 May 2002, Wade's coalition, the Convergence des actions autour du Président en perspective du 21ème siècle (CAP 21) captured a majority of the 433 posts. The opposition joined forces under the Cadre Permanent de Concertation (CPC), which included the Parti de l'indépendence et Travail (PIT), the Parti Socialiste (PS), the Union pour le Renouveau Démocratique (URD), and Alliance des Forces de Progrès (AFP). They attacked the government for failing to privatize the electric utility, for bungling groundnut sector reforms, and for mishandling relations with unions and multi-lateral lending institutions.

[15]LOCAL GOVERNMENT

Senegal's local administrative organization consists of ten regions—Fatick, Kaolack, Kolda, Ziguinchor, Tambacounda, Saint-Louis, Thiès, Diourbel, Louga, and Dakar—each headed by an appointed governor and an elected local assembly. The regions are divided into 28 departments, each headed by a prefect, who is assisted by two special secretaries. The departments in turn are divided into 99 districts (*arrondissements*), each headed by a subprefect. In rural areas the basic administrative unit is the rural community, usually made up of a group of villages with a total population of about 10,000.

In 1996, the assembly passed a comprehensive decentralization law that devolves significant authorities to lower levels of government for taxation, service delivery, and local management of resources, although implementation has been slow and uneven.

[16]JUDICIAL SYSTEM

The High Council of the Magistrature, founded in 1960 and headed by the president, determines the constitutionality of laws and international commitments and decides when members of the legislature and the executive have exceeded their authority. A 16-member High Court of Justice, founded in 1962 and elected by the National Assembly from among its own members, presides over impeachment proceedings. The Supreme Court, founded in 1960, is made up of members appointed by the president of the republic on the advice of the High Council of the Magistrature. In June 1973, a Court of State Security was set up to deal with political offenses. Criminal cases are essentially subject to French criminal law. Petty offenses are dealt with by justices of the peace in each department; ranked next in the judicial system are courts of first instance in each region. There are assize courts in Dakar, Kaolack, Saint-Louis, and Ziguinchor and a Court of Appeal in Dakar. There is also a military court system and a special court for the repression of the unlawful accumulation of wealth.

The constitution declares the independence of the judiciary, from the executive, the legislature and the armed forces. Judges are appointed by the president after nomination by the minister of justice. In practice, low pay and political ties make magistrates vulnerable to outside pressures.

Criminal defendants are presumed innocent until proven guilty and are afforded public trials, and the right to legal counsel, among other procedural rights. Muslims have the right to choose customary law or civil law for cases involving family inheritance.

The legal system is based on French civil law. In 1992 the Supreme Court was replaced by the Council of State for Administrative Questions, the Constitutional Council, and a Court of Appeals.

[17]ARMED FORCES

Senegal's armed forces totaled 9,400 personnel in 2002. The army of 8,000 men included 9 infantry or armored battalions, 1 artillery battalion, and 1 engineering battalion. The navy of 600 had 10 patrol and small landing craft, and the air force of 800 had 8 combat aircraft. There was also a paramilitary force of some 5,800 personnel in the gendarmerie. Military outlays in 2002 were $68.6 million or 1.4% of GDP. Senegal supplied troops for service in the DROC and UN observers in Iraq and Kuwait. France maintains a reinforced marine regiment of 1,200 in Senegal.

[18]INTERNATIONAL COOPERATION

Senegal was admitted to UN membership on 28 September 1960 and is a member of ECA and all the nonregional specialized agencies. Senegal belongs to ADB, ECOWAS, G-77, and AU, as well as the Organization for the Development of the Senegal River (founded in 1975) and the Organization for the Development of the Gambia River (founded in 1978), among other groups. Senegal remains in the franc zone, is a signatory to the Law of the Sea, and a member of the WTO.

In accordance with an agreement approved by the legislatures of Senegal and the Gambia in December 1981, the Confederation of Senegambia came into existence on 1 February 1982. It was dissolved in 1989.

President Wade has been actively involved in negotiating peace between rebel groups and the Gbagbo government of Côte d'Ivoire. Senegal has sent troops there as part of an ECOWAS peacekeeping force. Wade also is a founder and active supporter of the New Partnership for Africa's Development (NEPAD).

[19]ECONOMY

Senegal's economy is based on its agricultural sector, primarily peanut production, a modest industrial sector, and a growing services sector. Agriculture, which employs up to 70% of the

population and accounts for two-thirds of export revenues; is highly vulnerable to declining rainfall, desertification, and changes in world commodity prices. When the first of a series of droughts struck in the latter part of the 1960s, the economy deteriorated rapidly. As of mid-2003, 43 years after achieving independence, Senegal's resource-poor economy remains fragile and dependent upon foreign donors for continued viability. The country became eligible in 2000 for $800 million in debt relief from the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative.

In 1979 Senegal began a long term structural adjustment program under the direction of the World Bank, the IMF, and bilateral donors. The program was aimed at reducing government deficits, the rate of inflation, and the negative trade balance. The government carried out a major program of privatization of the parastatal enterprises, reducing or eliminating its holdings in 30 of the approximately 40 institutions targeted. Some success was realized and from 1991 to 1992 the economy grew 2.5% on average in real terms. However, due to depressed economic conditions, low world prices for its exports, and its lack of international competitiveness, Senegal failed to meet most of its 1992 structural adjustment targets. Consequently, the country sank deeper into debt and low or no growth was predicted for 1993. In February 1993 President Diouf was re-elected for a 7-year term, and his socialist party won a large majority of the legislative seats later that year. In deference to the labor unions and a possibility of political unrest, the government's 1993 budget failed to cut civil service wages. In addition, implementation of legislation to allow employers more flexibility in making layoffs was postponed.

In January 1994, France devalued the CFA franc, causing its value to drop in half. Immediately, prices for almost all imported goods soared as the inflation rate hit 32%. The devaluation was designed to encourage new investment, particularly in the export sectors of the economy, and discourage the use of hard currency reserves to buy products that could be grown domestically. In the face of raising prices, thousands demonstrated against the government. The government responded by imposing temporary price controls in an effort to prevent price-gouging by local merchants and halt the sharp rise in inflation.

After the initial shock, the devaluation began to pay dividends. Senegal was also helped by debt rescheduling and over $1.5 billion in financial aid from the World Bank and other international donors. In 1995, foreign assistance represented almost 40% of the government's budget. This inflow of foreign aid, which was closely tied to progress on donor mandated economic reforms, helped the economy grow at a rate of 4.5% in 1995 and 1996, and over 5% in through late 1990s and into the new century. The inflation rate, which rose to 32% in 1994, fell to 3.3% in 2001.

As of 2003, 82% of GDP represented private activity, and significant parastatal companies had been privatized, including water, telecommunications, mining, and aviation. However, the government still remained the country's largest single employer. The information technology sector was experiencing a boom, as Senegal became fully connected to the Internet in 1996 and Senegalese have become experienced users of that service. Tourism is increasingly a source of foreign exchange, although the fishing sector remained Senegal's chief earner of foreign exchange in 2003.

20 INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Senegal's gross domestic product (GDP) was estimated at $16.2 billion. The per capita GDP was estimated at $1,580. The annual growth rate of GDP was estimated at 5.7%. The average inflation rate in 2001 was 3.3%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 19% of GDP, industry 21%, and services 61%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $166.9 million or about $14 per capita and accounted for approximately 2.7% of GDP. Worker remittances in 2001 totaled $158.3 million. Foreign aid receipts amounted to about $43 per capita and accounted for approximately 9% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $483. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 3%. Approximately 46% of household consumption was spent on food, 13% on fuel, 3% on health care, and 15% on education. The richest 10% of the population accounted for approximately 33.5% of household consumption and the poorest 10% approximately 2.6%. It was estimated that in 2001 about 54% of the population had incomes below the poverty line.

21 LABOR

The total workforce was approximately four million in 1999, of whom approximately 70% were in agriculture. The unemployment rate was officially 48% in 2001.

Senegal's fundamental labor legislation is based on the French overseas labor code of 1952, which provides for collective agreements between employers and trade unions, for the fixing of basic minimum wages by the government on recommendation of advisory committees. The code also provides for paid annual leave and for child allowances. The right to strike is recognized by law, and there are special labor courts. The largest trade union organization is the National Confederation of Senegalese Workers, which since 1970 has been the official union affiliated with the ruling PS. Its major rival is the National Union of Autonomous Labor Unions of Senegal. The industrial workforce is almost totally unionized. Although the relative number of union members is small, they have considerable political power due to their control of vital segments of the economy.

The minimum working age is 16, when minors may work in apprenticeships. The prohibition of child labor is strictly enforced in the formal sector, but somewhat less so in the informal and traditional economies. The labor law provides for a workweek of 40 to 48 hours and minimum occupational and safety and health regulations. However, these labor regulations are not effectively enforced outside of the formal economy. The minimum wage was $0.37 in 2001.

22 AGRICULTURE

Most of Senegal lies within the drought-prone Sahel region, with irregular rainfall and generally poor soils. With only about 5% of the land irrigated, the heavy reliance on rainfed cultivation results in large fluctuations in production. About 70% of the working population is involved in farming. Agriculture (including forestry, livestock, and fisheries) accounts for 18% of GDP. Most Senegalese farms are small (1.5–2.4 hectares/3.7–5.9 acres), and about 60% are in the so-called Peanut Basin, east of Dakar. Much of the agricultural land is still tribally owned. Only about 11% of Senegal's total land area is cultivated; millet took up 40% of the cultivated land in 1999; peanuts, 36%.

Since independence, the Senegalese government has developed a system of generally small cooperatives to rationalize agricultural production and marketing and to free the farmers from chronic indebtedness to private traders; these were replaced in 1984 by a network of "village sections" with financial autonomy. Parastatal agencies guarantee minimum prices of

major agricultural crops, including peanuts, millet, sorghum, rice, and cotton.

In theory all peanuts are processed locally, and prices of processed peanut oil and other peanut products are set by parastatal agencies. Production of unshelled peanuts varies widely because of periodic drought, and production is frequently underreported because of unauthorized sales to processors in neighboring countries. In 1999, the reported production was 828,000 tons (95% for oil). Cotton, Senegal's other major export crop, is produced and marketed under the direction of the Society for the Development of Textile Fibers (Société de Développement des Fibres Textiles—SODEFITEX). Seed cotton production was 21,000 tons in 1999.

Production of food crops, some of which are grown in rotation with peanuts, does not meet Senegal's needs. Only in years of favorable rainfall does the country approach self-sufficiency in millet and sorghum, the basic staples. Production amounts in 1999 included (in thousands of tons): millet, 506; sorghum, 147; rice, 240; corn, 66; and cassava, 42. Market gardening takes place largely in the Dakar region and to a lesser extent around Thiès. Sugarcane, grown on about 8,000 hectares (19,700 acres), yielded 887,000 tons of sugarcane in 1999.

[23]ANIMAL HUSBANDRY

Raising livestock is a primary activity in the northern section of Senegal and a secondary one for farmers in the southern and central regions. Cattle are raised mainly by the Sérer and by nomadic Fulani. Sheep and goats are important in parts of the southwest. Cattle imported from Mauritania meet part of the nation's meat requirements, but livestock are also exported to neighboring countries.

In 2001, the estimated livestock population included 3.2 million head of cattle; 4.8 million sheep; four million goats; 492,000 horses; 410,000 donkeys; 280,000 hogs; 4,000 camels; and 45 million poultry. The slaughter in 2001 yielded an estimated 52,500 tons of beef and veal and 33,000 tons of sheep and goat meat. Hides are exported or used in local shoe production and handicrafts. Substantial quantities of cheese, butter, and canned and powdered milk are imported.

The poultry sector consists of a few commercial producers and an important informal sector that also raises the chicks produced by the commercial sector. Production of poultry meat totaled 164,100 tons in 2001. Egg production was 33,000 tons in 2001. In 1996, an outbreak of Newcastle disease disrupted local egg production, and producers began vaccinating chicks at the breeding farms. Due to the large size of the traditional poultry sector, there is always disease present.

[24]FISHING

Senegal has a flourishing fishing industry, and Dakar is one of the most important Atlantic tuna ports. In 2000, fish exports amounted to $260.3 million. The total catch in 2000 was 402,047 tons, 28% of it round sardinella and 29% Madeiran sardinella.

[25]FORESTRY

Senegal has about 6.2 million hectares (15.3 million acres) of classified forest, most of it in the Casamance region. Timber production is small, with firewood and charcoal being the most important forest products. About 5,908,000 cu m (208 million cu ft) of roundwood was cut in 2000, of which about 86% went for fuel. Senegal is highly vulnerable to declining rainfall and desertification.

[26]MINING

Phosphate mining, fertilizer production, petroleum refining, and the production of construction materials trailed agricultural and fish processing as Senegal's top industries in 2002, and petroleum products and phosphates ranked third and fourth, respectively, among export commodities. Mining has taken on added importance for Senegal's economy in the post-independence era, and the industry was dominated by phosphate rock (which contributed 17% of export earnings), phosphoric acid, fertilizer production, artisanal gold, and petroleum exploration. In 2001, production of aluminum phosphate was 190,000 tons (31,000 in 1999 and 405,400 in 1974); calcium phosphate, 1.7 million tons, down from 2 million tons in 2000; and calcium phosphate-based fertilizers, 160,000 tons. In addition to the Taiba phosphate rock mine already exploited northeast of Dakar, the government has identified deposits at Matam, whose 40.5 million tons of reserves would likely remain unexploited under existing phosphate market conditions.

Sea salt output was 130,000 tons in 2001. Also produced were hydraulic cement, fuller's earth (attapulgite) and other clays, natural gas, crude oil, limestone for cement, sand and gravel, and stone. The government's estimate of unreported gold production has been 550 kg for several years; many foreign companies had active exploration permits in Sabodala and Kanoumering, where Precambrian (Birimian) metamorphic rocks were exposed and significant reserves of gold have been reported. Iron ore reserves of 600 million tons have been identified in the Faleme, Farangalia, and Goto deposits, with a forecast capacity of 12 million tons per year; their development, though, could not justify the cost of creating the extensive port shipping and rail infrastructure needed to exploit the deposits. Eastern Senegal also had 350,000 tons of marble, as well as deposits of peat, uranium, titanium, serpentine, and other minerals.

In 2000, a newly elected government included among its top priorities the development of the country's inadequate infrastructure by improving the highway system, modernizing railroads, and constructing a new airport. In 2001, the African Development Bank Group approved an $18.7 million loan to help finance the 148-km Diamniadio-Mbour-Kaolack road project. The 25-month project was expected to revitalize economic growth in the region. The Ministère des Mines, de l'Energie at de l'Hydraulique was responsible for the administration over natural resources, and the Direction des Mines et de la Géologie was responsible for the mining sector.

[27]ENERGY AND POWER

Electric power generation is almost entirely thermal. Installed capacity was 235,000 kW in 2001. Production in 2000 totaled 1.32 billion kWh, of which 100% was from fossil fuels. Consumption of electricity in 2000 was 1.2 billion kWh. As of 2002, Senegal was planning to expand power supplies by 44% in towns and 95% in rural areas, with electrification plans for more than 150 towns.

The extent of Senegal's oil and natural gas reserves, despite sporadic exploration since the 1950s, are not well known. The Dome Flore field off the southern coast, discovered by French oil producer Total in 1960, has estimated reserves of 700 million barrels of heavy crude oil. About 150 wells have been drilled, but the only commercial discoveries are limited to small natural gas fields east of Dakar. There are also extensive reserves of peat along the coast between Dakar and Saint-Louis. An oil refinery near Dakar, which had a capacity of 17,000 barrels per day as of 2002, produces petroleum products from imported crude oil. As of early 2002 natural gas reserves totaled three billion cu m. Natural gas production in 1998 totaled 40 million cu m.

[28]INDUSTRY

Senegal's manufacturing sector contributed 15.3% to GDP in 1998, registering annual growth increases consistently during the 1980s, 1990s, and into the 21st century. Industry accounted for 21% of GDP in 2000.

Agroindustry (oil mills, sugar refineries, fish canneries, flour mills, bakeries, beverage and dairy processing, and tobacco manufacturing) plays a key role and accounts for some 40% of value added. Especially important are groundnut-processing mills. The textile industry includes four cotton-ginning mills, factories for weaving, dyeing, and printing cloth, and plants that produce mattresses, thread, and hats. Cement, refined petroleum products, fertilizers, and phosphoric acid are produced. Other industrial products include plywood, boats, bicycles, soap, leather goods, paints, acetylene, sulfuric acid, and cigarettes.

Senegal's oil potential has yet to be completely ascertained. There is a refinery at Dakar, with production capacity of 27,000 barrels per day. Petrosen, the state-owned oil company, is encouraging exploration. One natural gas field has been discovered.

[29] SCIENCE AND TECHNOLOGY

The African Regional Center for Technology, with 30 member states, has its headquarters in Dakar. Most research facilities in Senegal deal with agricultural subjects. Dakar has centers for mining and medical research and a research institute on African food and nutrition problems. An institute of research for oils and oilseeds is at Bambey. The Senegalese Institute of Agricultural Research, with headquarters at Dakar, operates a national center of agronomical research at Bambey, a national laboratory of livestock and veterinary research at Dakar, an oceanographic center at Dakar, and numerous other technical facilities throughout the country.

The University Cheikh Anta Diop de Dakar, founded in 1949, has faculties of medicine and pharmacy and of sciences, and research institutes in psychopathology, leprosy, pediatrics, renewable energy, applied tropical medicine, applied mathematics, health and development, environmental science, adontology and stomatology, applied nuclear technology, and the teaching of mathematics, physics, and technology. The University of Saint Louis has an applied mathematics unit. Other facilities for scientific training include a polytechnic school at Thiès; an international school of sciences and veterinary medicine, representing 13 French-speaking countries, at Dakar; and an institute of nutritional technology at Dakar. In 1987–97, science and engineering students accounted for 21% of college and university enrollments. In the same period, four technicians and three scientists and engineers per million people were engaged in research and development.

[30] DOMESTIC TRADE

Dakar is not only the capital and largest city of Senegal but also the nation's largest consumer market and a major commercial and industrial center of West Africa. Many large trading firms have headquarters in France. Lebanese residents also play an important role in trade, however, many of their businesses are gradually being replaced by Senegalese merchants. A small number of supermarkets and larger retail stores deal primarily in imported goods. A few foreign franchise firms have made their way into the country.

Smuggling of goods from The Gambia is a serious problem, since such illicit imports undercut Senegalese products in price. A large informal domestic trade takes place in the Dakkar marketplace known as Sandaga. Here, street vendors sell a wide variety of goods from cosmetics and shoes to stereo equipment.

Since Senegal ratified the WTO agreement in 1995, the government's role in domestic trade has been reduced. Subsidies for rice, sugar, wheat, and flour have been eliminated.

Normal business hours are from 8 or 9 AM to noon and 3 to 6 PM, Monday–Friday, and 8 or 9 AM to noon on Saturday. Banks are usually open 7:45 to 12:15 AM and 1:30 to 3:45 PM, Monday–Friday.

[31] FOREIGN TRADE

Export revenues doubled between 1997 and 2000. The most important commodity exports for Senegal are shellfish (20%), fish (14%), refined petroleum products (11%), peanut oil (9.7%), inorganic chemicals (6.7%), and fertilizers (crude and manufactured, 6.2%).

In 2000 Senegal's imports were distributed among the following categories:

Consumer goods	7.9%
Food	21.9%
Fuels	20.2%
Industrial supplies	26.8%
Machinery	15.2%
Transportation	8.0%

Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
France	128	425	-297
India	85	25	60
Italy	77	48	29
Spain	44	53	-9
Netherlands	17	47	-30
China (inc. Hong Kong)	13	42	-29
Germany	11	55	-44
Nigeria	n.a.	293	n.a.
Thailand	n.a.	83	n.a.
United States	n.a.	57	n.a.
Belgium	n.a.	44	n.a.

[32] BALANCE OF PAYMENTS

Since independence, as in colonial times, Senegal's balance of payments has generally run a deficit on current accounts, mainly covered by foreign aid from France (and, more recently, from other EU members). Remittances from Senegalese working in France, together with small inflows of private capital, have also helped cover the shortfalls.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Senegal's exports was $1 billion while imports totaled $1.3 billion resulting in a trade deficit of $300 million.

The International Monetary Fund (IMF) reports that in 1999 Senegal had exports of goods totaling $1.03 billion and imports totaling $1.37 billion. The services credit totaled $416 million and debit $430 million. The following table summarizes Senegal's balance of payments as reported by the IMF for 1999 in millions of US dollars.

Current Account	**-320**
Balance on goods	-346
Balance on services	-14
Balance on income	-119
Current transfers	159
Capital Account	**99**
Financial Account	**-58**
Direct investment abroad	-15
Direct investment in Senegal	157
Portfolio investment assets	-31
Portfolio investment liabilities	…
Other investment assets	-62
Other investment liabilities	-103
Net Errors and Omissions	**-8**
Reserves and Related Items	**268**

[33] BANKING AND SECURITIES

In 1959, the Central Bank of the West African States (Banque Centrale des États de l'Afrique de l'Ouest-BCEAO) succeeded the

Currency Board of French West Africa and Togo as the bank of issue for the former French West African territories. In 1962, it was reorganized as the joint note-issue bank of Benin, Côte d'Ivoire, Mauritania (which left in 1973), Niger, Senegal, Togo, and Upper Volta (now Burkina Faso), members of the West African Economic and Monetary Union (UEMOA). BCEAO notes, known as CFA francs, are guaranteed by France without limitation, formerly to the French franc and now to the euro. Foreign exchange receipts of the member states go into the franc area's exchange pool, which in turn covers their foreign exchange requirements. In 1973, the member states of the BCEAO signed new statutes that, among other things, provided for increased Africanization of bank personnel, transfer of headquarters from Paris to Dakar, and greater participation of the bank in the development activities of member states.

Commercial banks operating in Senegal include the International Bank for Occidental Africa (French-owned), Banque Internationale pour le Commerce et l'Industrie du Senegal, Credit Lyonnais, Banque Senegalo Tunisienne, Ecobank, Societe Generale, Citibank, and Banque Islamique du Senegal. The most significant development bank is the government-controlled National Development Bank of Senegal, which participates in development projects and provides credit for government organizations, mixed societies, and cooperatives. Another development financing institution is the Housing Bank of Senegal. A new credit institution, the National Fund for Agricultural Credit, was created in 1984.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $727.1 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $1.2 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4.95%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

There are no securities exchanges in Senegal.

[34]INSURANCE

As of 1997, at least 14 companies provided insurance in Senegal. Third-party motor insurance is compulsory.

[35]PUBLIC FINANCE

Although Senegal's finances are recorded as being in balance each year, in fact the country has run persistent deficits since 1976, generally covered by foreign aid which represented 32% of the budget in 2000. Senegal qualified for debt relief under the Heavily Indebted Poor Countries (HIPC) Intiative. Progress on the structural reforms required for the program is on track, but slow. From 1987 to 1998, Senegal's fiscal deficit fell from 12% of GDP to 7% of GDP. Donor mandated economic reforms have helped the government to restrain spending while the closing of tax loopholes has increased revenues helping Senegal to reduce the deficit.

The US Central Intelligence Agency (CIA) estimates that in 2002 Senegal's central government took in revenues of approximately $1.4 billion and had expenditures of $1.4 billion including capital expenditures of $357 million. External debt totaled $3.1 billion.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	1,373
Tax revenue	86.8%	1,192
Non-tax revenue	3.9%	54
Grants	9.3%	128

[36]TAXATION

The corporate income tax rate in Senegal in 2002 was 35%. The rate of the tax on industrial and commercial profits is 35% for incorporated enterprises. Banking operations are taxed at both the regular rate of 17% and at a reduced rate of 7%. Senegal has double-taxation treaties with about 18 countries.

Individual taxes include a salary tax on the employee (3% for a Senegalese worker, and 6% for a foreign worker) and a general income tax with rates ranging up to 50%.

Indirect taxes have long been the mainstay of Senegal's tax system, with import duties by far the most important. Other indirect taxes include the business license tax, export taxes, a real estate tax, and registration and stamp taxes. The value-added tax (VAT) has a standard rate of 20%. An equalization tax is applied to local purchases at 2% and to importations at 5%.

[37]CUSTOMS AND DUTIES

In January 2000, Senegal put into effect a new tariff scheme that conforms to the common external tariff (CET) scheme agreed on by member nations of the West African Economic and Monetary Union (WAEMU). Under this new tariff structure, Senegal has four simple tariff rate categories: 0% on cultural and scientific goods, agricultural inputs, and capital goods and computer equipment not available from local production; 5% on raw materials, crude oil, and cereals for industry; 10% on semi-finished products, intermediate goods, diesel and fuel oil; and 20% on consumer goods, capital goods and computer equipment available from local production, and vehicles. However, there also exists an array of other import tariffs, with a maximum combined rate of 52% and a value-added tax (VAT) of 18% applied to all imports.

In 1982, Senegal abolished its import licensing system, opening the market to all countries on an equal basis; previously, only products from the franc zone and the European Union could be imported without a license. Certain import restrictions exist on agricultural and industrial products that support the Senegalese economy.

[38]FOREIGN INVESTMENT

Following independence, Senegal's economic policy shifted from a largely laissez-faire, noninterventionist stance to a policy of increasing government participation in economic affairs. By 1975, the government had effectively nationalized groundnut trade and processing, assumed majority control of the two main phosphate companies, and nationalized water distribution and electricity production. Half a generation later, in 1991, a slow privatization of the parastatal sector was under way.

In spite of its parastatal tradition, Senegal encourages private investment, which remains substantial. The investment code, enacted in 1962 and significantly revised in 1972, 1978, and 1981, encourages both domestic and foreign private investment in industrial, agricultural, mineral, transport, tourist, and other enterprises that conform to the goals of the national development program. Incentives include tax advantages and exemptions from customs and duties.

An industrial free trade zone located outside Dakar offers preferential access to West African Economic Community, ECOWAS, and European Economic Community countries. Aside from exchange-control regulations, there are no restrictions on the repatriation of capital and earnings for amounts up to CFA 200,000; above this amount, prior government approval is required. By the beginning of 1992, 15 firms had begun operations in the zone. In December 1983, Senegal signed a bilateral investment treaty with the United States, becoming the first sub-Saharan African nation to do so.

Foreign investment rose steadily from 13.8% of GDP in 1993 to 16.5% in 1997. In 1997, annual foreign direct investment

(FDI) inflows peaked at $176 million, but have declined since, with some ups and downs. In 2001, FDI inflow was $125.5 million, up from $88 million in 2000. Most private investment in Senegal has come from France, and the telecommunications sector has attracted the most foreign investment.

[39]ECONOMIC DEVELOPMENT

Senegal's development program addresses the basic problems encountered by Senegal's economy: lack of diversified output, the inefficiency of investments, the role of state in economic activity, and the excessive expansion of domestic consumer demand. These problems have been partly addressed by programs focusing on food self-sufficiency, fishing, and tourism, and by strengthening high-return activities. Projects such as the Manantali irrigation project, the phosphate-to-fertilizer recovery project, and the trawler modernization program are examples of what Senegal is doing within this policy framework. In the area of manufacturing, capacity utilization improvement, equipment modernization, and low-capital production are emphasized. Since 1994, the government has made progress in privatizing state-owned enterprises, reducing labor costs to improve competitiveness in the manufacturing sector, and liberalizing trade by eliminating export subsidies and removing restrictions on certain strategic imports. Private economic revenues accounted for roughly 82% of gross domestic product (GDP) in 1999, but trade liberalization had not progressed as much as planned.

In 2000, Senegal became eligible for around $800 million in debt service relief under the International Monetary Fund (IMF)/ World Bank Heavily Indebted Poor Countries (HIPC) initiative. In 2003, the IMF approved a $33 million three-year Poverty Reduction and Growth Facility (PRGF) Arrangement for Senegal, to support the government's economic reform program. Senegal's Agency for the Promotion of Investment (APIX) aims to promote foreign investment.

[40]SOCIAL DEVELOPMENT

Since 1955, a system of family allowances for wage earners has provided modest maternity and child benefits. The system is financed by employer contributions at the rate of 7% of gross salary; an additional 1–5% contribution finances a fund for occupational health and accident coverage. Shared equally by employer and employee is a 6% contribution to a fund for general medical and hospital expenses. In addition, employees contribute 4.8% of gross salary to a retirement fund and employers contribute 7.2%. The retirement age is 55. This program covers employed persons, including domestic, seasonal and day workers.

According to the UN only 20% of women participate in the work force. Discrimination against women is widespread in both education and employment. Although prohibited by law, female genital mutilation is practiced by ethnic groups in rural areas. Women in urban areas, however, are making progress in the workplace. The government adopted legislation mandating fines and prison terms of up to 3 years for sexual harassment.

Although minority religions are protected under law and are free to practice their religions, non-Muslims may face discrimination in civil, political, or economic matters.

Despite the vigorous multiparty political activity, there have been charges of human rights violations and electoral irregularities, as well as restrictions on freedom of press and association. Security forces commit abuses including arbitrary arrest and detention, beatings, and torture.The government set up a Human Rights Office to address violations.

[41]HEALTH

In 1990, there were 407 doctors, 200 pharmacists, 58 dentists, 474 midwives, and 562 nurses. As of 1999, there were an estimated 0.1 physicians and 0.4 hospital beds per 1,000 people. As of 2000, 78% of the total population had access to safe drinking water and 70% had adequate sanitation. As of 1999, total health care expenditure was estimated at 4.5% of GDP.

Major health problems include measles and meningitis along with such water-related diseases as malaria, trypanosomiasis, onchocerciasis, and schistosomiasis. There were approximately 258 cases of tuberculosis per 100,000 people in 1999. Malnutrition was prevalent in 23% of all children under age five as of 2000. Goiter was present in 41 of 100 school-age children in 1996. Immunization rates for children up to one year old in 1997 were: tuberculosis, 80%; diphtheria, pertussis, and tetanus, 65%; polio, 65%; and measles, 65%. Infant mortality was 60 per 1,000 live births in 2000; maternal mortality was 560 per 100,000 live births in 1998. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 37 and 8.1 per 1,000 people. In 2000, 11% of married women (ages 15 to 49) used contraception. The total fertility rate in the same year was 5.1 children per woman living through her childbearing years. In 2000, life expectancy was 52 years.

At the end of 2001, the number of people living with HIV/ AIDS was estimated at 27,000 (including 0.5% of the adult population) and deaths from AIDS that year were estimated at 2,500. HIV prevalence in 1999 was 1.8 per 100 adults.

[42]HOUSING

Most housing in Dakar is like that of a European city. Elsewhere, housing ranges from European-type structures to the circular mud huts with thatched roofs common in villages.

Since World War II, the growth of Dakar and other towns has been rapid, with government activity largely concentrated on improvement of urban housing and sanitation. Low-cost housing is being erected in Dakar by the Office of Moderate-Rent Housing, but the pace slowed in the 1970s because of the economic strain caused by poor peanut crops. Only 43% of Senegal's population was estimated to have access to safe water in 1983. According to the latest available information for 1980–88, the total housing stock numbered 1,350,000 with 4.9 people per dwelling.

[43]EDUCATION

Education is compulsory at the primary level between ages 7 and 13; however, because of a lack of facilities, only 62% of primary-school-age children were enrolled in school in 1999. In 1998, there were 3,884 primary schools, in which 1,026,570 students were taught by 18,373 teachers. At the secondary level, 215,988 students were attending schools the same year. The pupil-teacher ratio at the primary level was 51 to 1 in 1999. The University of Dakar has two graduate schools and numerous research centers. For over 30 years, the University of Dakar offered free tuition and generous subsidies to students. However, in 1994 it began implementing new austerity measures aimed at scaling back enrollment, raising academic standards and getting students to pay for more of the cost of their education. A polytechnic college opened at Thiès in 1973. Other colleges include a national school of administration at Dakar and a school of sciences and veterinary medicine for French-speaking Africa. Universities and equivalent institutions had 24,081 students in 1994–95. Adult illiteracy remains high. The projected adult illiteracy rate for the 2000 stand at 62.7% (males, 52.8%; females, 72.4%). As of 1999, public expenditure on education was estimated at 3.5% of GDP.

[44]LIBRARIES AND MUSEUMS

There are four major libraries in Senegal, all located in Dakar. The oldest is the Archives of Senegal, founded in 1913, which has a collection of more than 26,000 volumes. The largest is the Central Library of the University of Dakar, founded in 1952,

which has over 306,000 volumes. The Basic Institute of Black Africa (Institut Fondamental d'Afrique Noire—IFAN) and the Alliance Française maintain libraries of over 70,000 and 7,000 volumes, respectively. In addition to these major facilities, there are specialized libraries attached to various research institutes. In total, Senegal had 10 libraries associated with institutes of higher education in 2002.

The Museum of African Art in Dakar and the History Museum and the Museum of the Sea on Gorée Island are operated by IFAN. There are natural history museums in Dakar and Saint-Louis and a local museum in Saint-Louis.

[45]MEDIA

Telephone and telegraph services, publicly owned and operated, are good by African standards, particularly in the coastal area and in the main centers of peanut production. In 2001 there were 234,916 mainline telephones and 373,965 cellular phones in use. French submarine cables connect Dakar with Paris, Casablanca, Conakry (Guinea), and Recife (Brazil), and radiotelephone facilities are also in operation. The postal system provides international telephone facilities.

The government-operated radio and television service has transmitters throughout the country. The two national radio networks based in Dakar broadcast mostly in French, while the regional stations in Rufisque, Saint-Louis, Tambacounda, Kaolack, and Ziguinchor, which originate their own programs, broadcast primarily in six local languages. Transmission of educational television programs began in 1973. As of 1999 there were eight AM and six FM radio stations and one television station. In 2000, there were about 141 radios and 40 television sets for every 1,000 people. In 2001, there were about 10 Internet service providers serving 40,000 subscribers.

The constitution guarantees freedom of opinion, which the press is generally free to exercise. There were two daily newspapers in 2002: *Le Soleil du Sénégal,* the PS party newspaper, with an estimated 45,000 circulation, and *Sud Quotidien* (30,000).

[46]ORGANIZATIONS

The Daniel Boitier Center in Dakar is a Roman Catholic organization for the study of social and economic problems. Other social action groups include the Femmes Developpement Entreprise en Afrique, Goree Institute, and Hope Unlimited.

The Alliance Française sponsors lectures and concerts. Of the many sport and social associations in the towns, those for soccer are especially popular, but racing clubs, aero clubs, and automobile clubs are also active. National youth organizations include the Democratic Youth Movement, the Socialist Youth Movement, Young Workers Movement, YMCA, and the Senegalese Scout Confederation.

There are chambers of commerce, industry, and agriculture in the principal cities. Professional and trade associations also exist. The Consumers International Subregional Office for West and Central Africa is located in Dakar.

International organizations with national chapters include Amnesty International, Defence for Children International, and the Red Cross.

[47]TOURISM, TRAVEL, AND RECREATION

The comfortable climate, variety of cultural attractions, attractive physical features such as the coastal beaches and the 5,996-sq-km (2,315-sq-mi) Niokolo-Koba National Park, and the relative proximity to Europe have combined to make Senegal an increasingly popular vacation area and international conference center. Gorée Island, near Dakar, has many former slave houses, where perhaps 20 million slaves were kept before being shipped to America between 1536 and 1848. Fishing is popular, and hunting is allowed from December to May on an 80,000-hectare (198,000-acre) reserve. All visitors arriving from infected areas must have valid yellow fever inoculation certificates; visa are not required for stays up to 90 days.

In 2000, 389,433 foreign tourists arrived in Senegal spending an estimated US$140 million. There were 9,835 hotel rooms with 18,340 beds and a 35% occupancy rate in that year.

According to 2002 US government estimates, the daily cost of staying in Dakar is about $169 per day. Elsewhere the cost per day can be about $68.

[48]FAMOUS SENEGALESE

Blaise Diagne (1872–1934) was the first African to be elected to the French parliament and to hold office in the French government as an undersecretary of state. Léopold-Sédar Senghor (1906–2001), president of Senegal from 1960 until his retirement in 1980, is a French-language poet of distinction; in 1984, he became a life member of the French Academy, the first black African to receive that honor. Abdou Diouf (b. 1935) was president of Senegal (1981–2000), after serving as prime minister (1970–80). Among Senegalese writers are Birago Diop (1906–89), author of short stories, and David Diop (1927–60), an internationally known poet. Ousmane Sembene (b. 1923) is a film director and writer of international repute. Cheikh Anta Diop (1923–86), RND leader, wrote many works of distinction on African history.

[49]DEPENDENCIES

Senegal has no territories or colonies.

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SEYCHELLES

Republic of Seychelles

CAPITAL: Victoria

FLAG: The flag is made up of five oblique bands of (left to right) blue, yellow, red, white, and green.

ANTHEM: Begins "Seychellois both staunch and true."

MONETARY UNIT: The Seychelles rupee (R) is a paper currency of 100 cents. There are coins of 5, 10, and 25 cents and 1, 5, 10, 20, 25, 50, 100, 1,000, and 1,500 rupees and notes of 10, 25, 50, and 100 rupees. R1 = $0.1984 (or $1 = R5.04) as of March 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's, 1–2 January; Labor Day, 1 May; National Day, 5 June; Independence Day, 29 June; Assumption, 15 August; All Saints' Day, 1 November; Immaculate Conception, 8 December; Christmas, 25 December. Movable religious holidays include Good Friday, Easter Monday, Corpus Christi, and Ascension.

TIME: 4 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Seychelles, an archipelago in the Indian Ocean, consists of an estimated 115 islands, most of which are not permanently inhabited. The second-smallest country in Africa, Seychelles has an area of 455 sq km (176 sq mi), of which Mahé, the principal island, comprises 144 sq km (56 sq mi). Comparatively, the area occupied by Seychelles is slightly more than 2.5 times the size of Washington, D.C. There are two main clusters: one is a granitic group, centering around Mahé; the other, to the SW, includes the coralline Aldabra Islands and the Farquhar group. Situated about 1,600 km (1,000 mi) off the east coast of Africa, Mahé extends 27 km (17 mi) N–S and 11 km (7 mi) E–W.

The capital city of Seychelles, Victoria, is located on the island of Mahé.

[2]TOPOGRAPHY

The Seychelles Islands are the highest points of the Mascarene Ridge, an Indian Ocean ridge running in a generally north-south direction. The granitic islands rise above the sea surface to form a peak or ridge which, in the case of Mahé, attains an elevation of 912 m (2,992 ft) at Morne Seychellois, the highest point. Rugged crests, towering cliffs, boulders, and domes contribute to the islands' great natural beauty. Here and there, in the hollows in the rock relief, are pockets of lateritic soil, often very thin and easily eroded. Mahé possesses white, sandy beaches behind which are flats of coral and shell known locally as plateaus. Small streams descending the mountain slopes deposit alluvial material, creating the most fertile soils on the island.

The coralline Seychelles are, in contrast, low lying, rising only a few feet above the surface of the sea. Many have the typical Indian Ocean lagoon. Soils tend to be thin, with poor moisture retention. These islands are suited only to the coconut palm and a few other species.

[3]CLIMATE

Although the Seychelles Islands lie close to the equator, their maritime situation results in coastal temperatures that are fairly constant at about 27°C (81°F) throughout the year. At higher altitudes, temperatures are lower, especially at night. Mean annual rainfall at sea level on Mahé is 236 cm (93 in); in the mountains there may be as much as 356 cm (140 in) a year. On the southwestern coral islands, rainfall is much lower, averaging about 50 cm (20 in) a year on Aldabra. May to October is the relatively dry sunny season; in this period, the southeast monsoon winds bring brief showers every two or three days. The northwest monsoon arrives in December and continues until March, bringing frequent and heavy rain. Humidity is high, especially in the coastal areas.

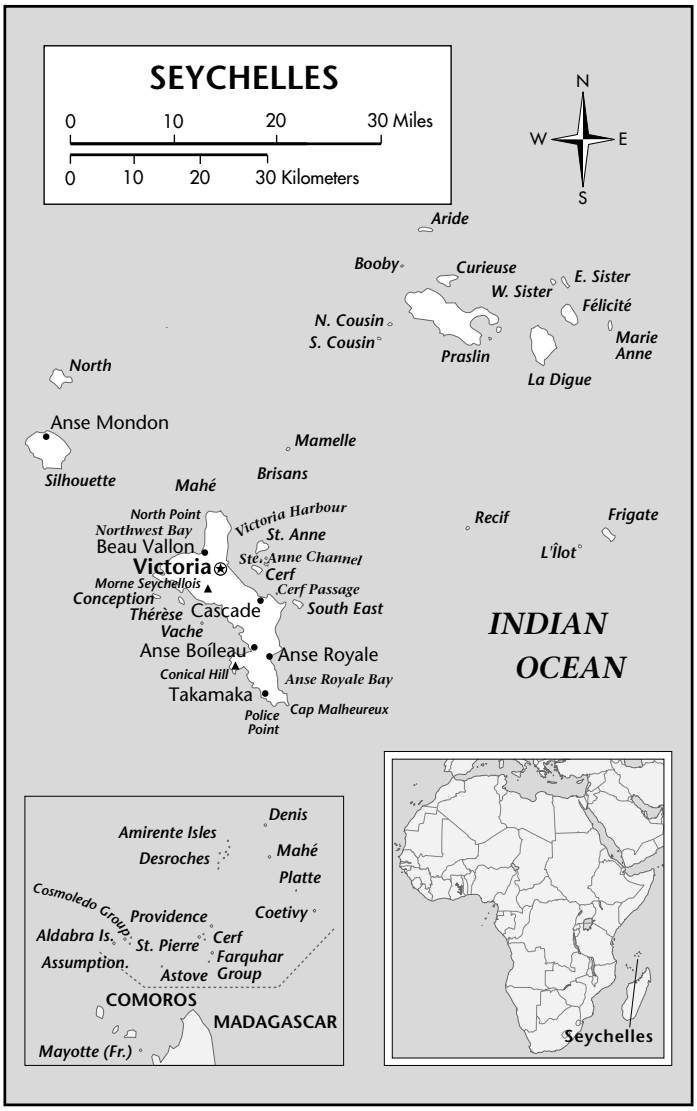
[4]FLORA AND FAUNA

Only on Praslin and Curieuse islands, northeast of Mahé, can any of the primary forest be seen. On both islands the native forests of coco-de-mer have been protected in small reserves; its fruit, a huge coconut weighing up to 18 kg (40 lb), is the largest seed in the world. Virtually all the broadleaf evergreen rain forest has been cut down. In its place are the coconut plantations, with occasional patches of vanilla. Other existing trees are native to the islands and have adapted to the local conditions. Underplanting is quite usual and includes avocado, breadfruit, banana, cinnamon, mango, papaya, patchouli, and pineapple.

Sharks abound in the surrounding oceans, but on land there are no reptiles or mammals that present a threat to human life. The most noteworthy animal is the giant tortoise; once very plentiful, the species is now sorely depleted. There is a great variety of bird life including dozens of the world's rarest species, but very few insects.

[5]ENVIRONMENT

Seychelles does not have the resources to maintain a comprehensive program of environmental regulation. The monitoring of the environment is complicated by the fact that the nation consists of 15 islands distributed over a 1.3 million sq km area. Seychelles has no natural fresh water resources. In addition, the nation has a water pollution problem due to industrial by-products and sewage. Fires, landslides, and oil leakage also affect



LOCATION: 3°41′ to 10°13′ S; 46°12′ to 56°17′ E.
TERRITORIAL SEA LIMIT: 12 miles.

the environment in Seychelles. The government Environmental Management Plan of Seychelles 1990–2000 proposed 12 areas of environmental regulation. The Ministry of Planning and External Relations and the Ministry of National Development hold principal environmental responsibility. The Aldabra atoll is a native preserve. The olive ridley, hawksbill, and green sea turtles and the Seychelles black parrot, Seychelles magpie robin, and Seychelles warbler are threatened or endangered species. The Aldabra brush warbler and the Seychelles parakeet (or parrot) have become extinct.

[6]POPULATION

The population of Seychelles in 2003 was estimated by the United Nations at 80,000, which placed it as number 181 in population among the 193 nations of the world. In that year approximately 8% of the population was over 65 years of age, with another 29% of the population under 15 years of age. There were 93 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 0.88%, with the projected population for the year 2015 at 88,000. The population density in 2002 was 189 per sq km (489 per sq mi). Eighty percent of the population lives on the island of Mahé.

It was estimated by the Population Reference Bureau that 64% of the population lived in urban areas in 2001. The capital city, Victoria, had a population of 28,000 in that year. According to the United Nations, the urban population growth rate for 2000–2005 was 1.9%.

[7]MIGRATION

Entry for the purpose of employment is strictly controlled. Since the 1950s, some retirees from the UK have settled in Seychelles. In 1999, the net migration rate was -6.32 migrants per 1,000 population. In 2000 the total number of migrants was 5,000. The government views the emigration level as too high, but the immigration level as satisfactory.

[8]ETHNIC GROUPS

There are no distinct ethnic divisions, apart from small Indian and Chinese groups constituting about 1% of the total population. The bulk of the population is Seychellois, a mixture of African, French-European, and Asian strains.

[9]LANGUAGES

Creole, a simplified form of French with borrowings from African languages, has been the first language since 1981 and is the initial language in public schools. English and French are also widely spoken; both are official languages. English is the official language of the National Assembly.

[10]RELIGIONS

The great majority of the population in 1998 practiced Christianity. Roman Catholics constituted some 88% of the Christian community; Anglicans totaled another 8%. Approximately 2% was comprised of Baptists, Seventh-Day Adventists, the Assembly of God, the Pentecostal Church, Nazarites, and Jehovah's Witnesses. Hindus, Muslims, and Baha'is made up the remaining 2% of the total population.

[11]TRANSPORTATION

Until the opening of the international airport on Mahé in 1971, the Seychelles Islands were entirely dependent on the sea for their links with the rest of the world. Until 1970, passenger and cargo service by ship was irregular; in the early 1970s, however, new deepwater facilities were dredged at Victoria Harbor. Private ferries connect Mahé to Praslin and La Digue.

The road network totaled an estimated 280 km (174 mi) in 2002, of which 176 km (109 mi) were paved. One road encircles the island, and another runs across the island by way of the central mountain ridge. There were 5,100 automobiles, and 2,000 commercial vehicles in 1995.

In 2001 there were an estimated 14 airports, 7 of which had paved runways. Seychelles International Airport is at Pointe Larue on Mahé. Flights to London, Zurich, Frankfurt, and Rome are in service via Air Seychelles, the national carrier. Air France's scheduled flights connect Seychelles with Europe. In 2001, 420,000 passengers were carried on scheduled domestic and international flights. Ligne Aérienne Seychelles (LAS), a private line, ran charter flights to Australia, Singapore, Botswana, and Malawi.

[12]HISTORY

The Portuguese explorer Vasco da Gama discovered the Seychelles Islands (then uninhabited) in 1502, and an English expedition visited the islands in 1609. The name Seychelles derives from the Vicomte des Séchelles, Louis XV's finance minister. The French first claimed the islands in 1756, but colonization did not begin until 1768, when a party of 22 Frenchmen arrived, bringing with them a number of slaves. As competition grew among European nations for the lucrative trade with India and Asia, more and more seamen called at the islands

to provision their vessels and to pick up commodities useful for trade.

The French and British battled for control of the islands between 1793 and 1813. French bases were blockaded in 1794 and again in 1804; on each occasion, the French capitulated. Under the Treaty of Paris (1814), the islands, together with Mauritius, were ceded to Britain. Both before and after the cession, the islands were administered from Mauritius as dependent territories. When the British made clear that they would enforce the ban on slavery throughout the Empire, many of the French landowners who had continued to import African slaves, largely from Mauritius and Réunion, departed for Africa and elsewhere, taking their slaves with them. However, with slavery ended, thousands of liberated slaves and others came into the islands. Indian labor was introduced to work on the plantations and some Chinese immigrants became shopkeepers.

In 1872, a Board of Civil Governors was created, increasing the degree of political autonomy; a Legislative Council and an Executive Council were established in 1888. On 31 August 1903, the islands became a crown colony, no longer subordinate to Mauritius. By this date, the cosmopolitan character of Seychelles had been established. Intermarriage between the descendants of the French, African, and Asian populations produced the Seychellois of today.

In 1948, the first elections were held, filling four seats on the Legislative Council. A new constitution written in 1966 and promulgated in 1967. It vested authority in a governor and a Governing Council. General elections, the first based on the principle of universal adult suffrage, were held in December 1967 for the new Legislative Assembly. Further amendments to the constitution in March 1970 gave the Seychellois greater autonomy over affairs of internal government.

Seychelles achieved independence at 12:05 AM on 29 June 1976. Upon independence, the UK government recommended the transfer from the British Indian Ocean Territory to Seychelles of the island groups of Aldabra and Farquhar and the island of Desroches. These islands, which had been detached from Seychelles in 1965, were duly returned to the new republic.

James Richard Marie Mancham, then leader of the conservative Seychelles Democratic Party, became president on independence, heading a coalition government that included Seychelles People's United Party (SPUP) leader France Albert René as Prime Minister. Mancham was overthrown by a coup on 5 June 1977 and went into exile; René became president. He suspended the constitution, dismissed the legislature, and ruled by decree.

In 1978, a new political party, the Seychelles People's Progressive Front (SPPF), absorbed the SPUP. The constitution of March 1979, adopted by referendum, established a one-party state as the country drifted toward a Marxist political system. In November 1981, about 50 mercenaries recruited in South Africa landed in Mahé, briefly seized the airport, and apparently planned to return Mancham to power; however, Seychellois troops forced them to flee. Tanzanian troops, airlifted to Seychelles following this incident, also played a part in restoring order after an abortive army mutiny of 17–18 August 1982 took at least nine lives. All Tanzanian troops had left the country by the end of 1984. A number of other plots have been alleged since then.

René was reelected president without opposition in June 1984. Since then, the Seychelles made progress economically and socially. Under rising pressure to democratize, in December 1991, René agreed to reform the electoral system. Multiparty elections were held in July 1992 (the first since 1974), and the prospect of reconciliation between René and Mancham supporters was raised. Many dissidents, including Mancham, returned from exile. In June 1993, 73% of the voters approved a new constitution providing for multi-party government.

Since the introduction of multiparty competition, the monopoly on power exercised by René and the SPPF has weakened. Presidential and National Assembly elections were held 23 July 1993, with René winning the presidency and the SPPF capturing all but one of the directly elected legislative seats. In the 1998 contest, René obtained 66.7% of the presidential vote and his party captured 30 of 34 seats. In August 2001 elections, René again defeated his opponents, this time by only 54.19%, and in National Assembly elections in December 2002—the first to be held separately from presidential elections—the SPPF captured 23 seats to 11 for the SNP.

13 GOVERNMENT

Under the constitution of 5 June 1979, the president was the head of state. Nominated by party, the president ran for election unopposed. Legislative power was vested in the People's Assembly, which consists of 34 members, 25 representing constituencies and 9 seats allocated by proportional representation based on the party list system. Electoral candidates were chosen in primaries by SPPF members from up to three in each constituency nominated by the SPPF Central Executive Committee of each constituency. The president selected the cabinet members.

The June 1993 constitution called for multi-party elections of a president and a National Assembly of 33 members, 22 directly elected and 11 allocated on a proportional basis. The new constitution guarantees extensive political and civil liberties. But it also allows the curtailment of freedom of expression in order to protect "the reputation, rights, and freedoms of private lives of persons." This is a thinly veiled limitation on the freedom of the press.

In 1996, the SPPF successfully introduced constitutional changes including the enlargement of the National Assembly to 35, with 10 members to be chosen by proportional representation, party list and creation of the post for a vice president. In 1998, the United Opposition (UO) boycotted the National Assembly meetings protesting the SPPF's increased undemocratic behavior. Presently, the National Assembly comprises 34 seats, 25 elected by popular vote and 9 allocated on a proportional basis to parties winning at least 10% of the vote.

The next presidential elections are scheduled for 2006, and parliamentary elections are scheduled for 2007. Members of the National Assembly serve five-year terms.

14 POLITICAL PARTIES

Before 1978 there were two political parties, the Seychelles Democratic Party (SDP) and the Seychelles People's United Party (SPUP), both founded in 1964. In the last legislative elections prior to independence, on 25 April 1974, the SDP won 13 of 15 elective seats and the SPUP 2. Appointments in June 1975 brought total party strength to 18 for the SDP and 7 for the SPUP. The successor to the SPUP, the Seychelles People's Progressive Front (SPPF), was established in 1979 as the sole legal party, with the avowed objective of creating a Socialist state; the SDP was declared to have "disappeared." There were at least three opposition groups in exile. In the 1979 parliamentary elections, 55 candidates sanctioned by the SPPF competed for 23 elective seats in the People's Assembly. In the 1983 parliamentary elections, 17 of the 23 elected candidates ran unopposed; and in the December 1987 elections, 36 candidates, all of them members of the SPPF, competed for the 23 seats in the People's Assembly.

After René's announcement of a return to multi-party democracy, parties began to organize in preparation for an election to a constituent assembly in July 1992. Many dissidents returned from exile and the Democratic Party (DP) was reestablished. Also established were the Seychelles Party (PS), the Seychelles Democratic Movement (MSPD), and the Seychelles Liberal Party (SLP).

After the 23 July 1993 elections, eight opposition members obtained seats in the 33-seat National Assembly. René won the presidential election with 59.5% of the vote. The Parti Seselwa, the Seychellois National Movement and the National Alliance Party opposed the adoption of the new constitution in 1993 and contested the July 1993 elections as the United Opposition (UO) coalition. Its presidential candidate, former president Mancham, received 36.6% of the vote. The SPPF won 21 legislative seats to the DP's 1. The SPPF was also given 6 of the 11 seats apportioned according to the percentage of the votes won; the DP, 4 seats; and the UO, 1 seat.

In the 1998 elections, the SPPF captured 30 seats; the UO three; and the DP only one seat. The Reverend Wavel Ramkalawan replaced James Mancham as leader of the opposition, and in late 1998, the UO changed its name to the Seychelles National Party (SNP). In National Assembly elections in December 2002, the SPPF captured 23 seats to 11 for the SNP.

[15]LOCAL GOVERNMENT

All seats on the 23 elected district councils (formerly the SPPF district branch committees) are held by SPPF members.

[16]JUDICIAL SYSTEM

Magistrates' courts are normally the courts of the first instance. The Supreme Court hears appeals and takes original jurisdiction of some cases. The Court of Appeal hears appeals from the Supreme Court. The president of Seychelles makes appointment to the post of chief justice, and in consultation with the chief justice, the president appoints all other judges. Civil law is based on the French Napoleonic Code, while criminal law follows the British model. Members of the armed forces accused of serious offenses are tried by court-martial unless the President decrees otherwise. Executive and ruling party dominance in the judicial system has been challenged unsuccessfully. Judges are appointed for 5 years.

The Constitutional Court convenes weekly or as needed to consider constitutional and civil liberties issues. The Court of Appeal convenes twice a year and considers appeals from the Supreme Court and Constitutional Court only. In addition, an industrial court and a rent tribunal exist. Insufficient resources, inefficiency and executive influence obstructed timely and impartial justice.

[17]ARMED FORCES

In 2002 there were 450 active personnel in the armed forces of Seychelles, including an army of 200 (one infantry company and one security unit) and a national guard of 250 (200 in the coast guard and 20 in an air wing). Military expenditures in 2001 were $11 million or 1.8% of GDP.

[18]INTERNATIONAL COOPERATION

Admitted to UN membership on 21 September 1976, Seychelles participates in ECA and all the nonregional specialized agencies except IAEA, IDA, ITU, and WIPO. The nation belongs to the African Development Bank, COMESA, SADC, the Cross-border Initiative in Eastern and Southern Africa (CBI), and the Indian Ocean Commission (IOC). It also belongs to the Commonwealth of Nations, G-77, and AU, and has applied for membership in the WTO and signed the Law of the Sea.

[19]ECONOMY

Seychelles possesses a thriving economy, but external debt holds back real economic development. Agriculture, fishing, and forestry accounted for about 4% of GDP in 1999. Crop production is limited by mountainous terrain and low soil fertility leaving the Seychelles dependent on imports for beef, rice, potatoes, and some fresh produce. The manufacturing sector accounts for 26% of GDP. Since the opening of the international airport in 1971, the Seychelles economy became dependent on tourism. In 1999, tourism employed 30% of the labor force, and provided the majority of foreign exchange earnings, but in 2000, industrial fishing surpassed tourism as the most important source of foreign exchange. Stiff international competition for tourist dollars caused the government to take steps to broaden the economic base by promoting the development of fishing and light manufacturing. The tourism industry was adversely affected by the 11 September 2001 terrorist attacks on the United States and the subsequent decline in air travel. Tuna fishing and canning accounted for 70% of GDP in 2003.

Although private enterprise and private property are permitted, the public sector drives the economy and accounts for more than 40% of GDP. The government controls the importation, licensing, and distribution of virtually all goods and services, and exercises significant control over all phases of the economy. Since 1990, a program to privatize the economy has resulted in progress in several sectors including tourism, fish processing, and agriculture. In 1995, the American food company Heinz and Co. purchased 60% of the previously state-owned Seychelles Tuna Canning Factory, and the joint venture between the government and Heinz is now the single largest employer in the Seychelles. In addition, most state-owned agricultural land has been turned over to private control. The government is attempting to develop an offshore and free trade zone to further develop the economy and move it away from its dependence upon tourism and fishing.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Seychelles' gross domestic product (GDP) was estimated at $605 million. The per capita GDP was estimated at $7,600. The annual growth rate of GDP was estimated at 1.5%. The average inflation rate in 2001 was 6.1%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 3% of GDP, industry 26%, and services 71%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $4 million or about $49 per capita and accounted for approximately 0.7% of GDP. Foreign aid receipts amounted to about $164 per capita and accounted for approximately 2% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $3,720. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 1%.

[21]LABOR

In 1996, the labor force numbered 30,900. Services accounted for 71% of the workforce, with industry 19% and agriculture the remaining 10%. In addition, there are self-employed people, casual workers, domestic servants, and agricultural workers on small land holdings.

Seychelles had two trade unions organizations as of 2001: the Seychelles Federation of Workers' Union and the Independent Seychelles Workers Union. Employees have the right to organize and bargain collectively, but in practice most wages are set by the government—the country's largest employer. The government has the right to review and approve labor contracts between individuals and large firms. Approximately 15–20% of the workforce is unionized.

The minimum age for employment is 15, but children are encouraged to attend school until the age of 19 or 10th grade.

Apprenticeships and vocational programs are available to those who leave school early. The minimum wage was $427 per month in 2001. Most workers also receive a variety of free public services. The legal maximum workweek is 45 to 52 hours, but most government workers work less than that. The government has issued comprehensive occupational health and safety regulations but they are not effectively enforced. The government is making attempts to improve this enforcement.

[22]AGRICULTURE

Although agriculture has long been the basis of the Seychelles economy, it contributes only about 5% to GDP. Production in 1999 included coconuts, 3,000 tons; and bananas, about 2,000 tons. Tea planting began in the early 1960s. Other crops produced for export are cinnamon bark, vanilla, cloves, and patchouli (an essence used in soap and perfume). In 1999, the Seychelles exported 214 tons of cinnamon bark and 236 tons of tea. Sweet potatoes, yams, breadfruit, and cassava are grown in small quantities but are not sufficient to satisfy the local demand. Oranges, lemons, grapefruit, bananas, and mangoes meet the local requirement only in season.

[23]ANIMAL HUSBANDRY

Seychelles is self-sufficient in the production of pork, poultry, and eggs. In 2001 there were about 18,400 hogs, 5,300 goats, and 1,400 head of cattle. Cattle of improved strains are imported and maintained on an intensive feedlot system.

[24]FISHING

Per-capita fish consumption in the Seychelles is very high, yet the development of industrial fishing is at its early stages. The development of port services for foreign tuna fishing fleets since the early 1980s has raised incomes and living standards, while diminishing the role of artisanal fishing. Fishing accounts for about 1% of GDP and about 8% of exports. Foreign vessels fishing in Seychelles waters must be licensed to operate within the 200-mi economic zone, which encompassed one of the world's richest tuna-fishing grounds. French investments have focused on tuna fishing and canning. The European Community, Korea, and Japan hold the key licenses to Seychelles coastal fishing. Fish landings by the domestic fleet totaled 11,538 tons of skipjack tuna and 11,636 tons of yellowfin tuna. Exports of fish products totaled $113.5 million in 2000.

[25]FORESTRY

Little natural forest remains. Coconut plantations are the main source of timber, aside from imports. A reforestation program projects the planting of 100 ha each year. Imports of forest products totaled $1.4 million in 2000.

[26]MINING

Petroleum products, whose reexport was a top earner in 2002, were the only mineral product that played a significant role in the Seychelles' economy. Mineral production consisted mostly of unspecified quantities of clay, coral, sand, and stone. Although production of guano (a phosphate fertilizer comprising bird droppings, extracted from Assumption) ceased in the mid-1980s, a plant with a capacity of 5,000 tons per year remained; modest production was unofficially reported in the mid-1990s. Experimental granite quarrying in the bedrock of Mahe and nearby islands was tried in the early 1980s. A South African company's efforts to quarry and sell granite in the early 1990s stagnated due to opposition by environmentalists; production of lime and cement from the abundant coral was also considered. Polymetallic nodules were known to occur on the ocean bottom near the Admirante Islands. The Seychelles comprised 40 granitic and at least 50 coralline islands.

[27]ENERGY AND POWER

Practically the whole of Mahé is now supplied with electricity produced by diesel power in Victoria. The total installed capacity increased from 3,400 kW in 1972 to 28,000 kW in 2001, while the output in 2000 reached 160 million kWh, of which 100% came from fossil fuels. Consumption of electricity in 2000 was 148.8 million kWh. Petroleum tar balls from underground seeps were known to occur for many years on the beaches of Coetivy Island, Mahé, and some other islands. Exploration began in 1969 and was continued by Texaco in the 1970s and Amoco in the 1980s. In 1984, the Seychelles National Oil Company (SNOC) was formed as a parastatal company. In late 1992, SNOC reported that studies on the tar balls continued to show the possibility of significant oil potential.

[28]INDUSTRY

In 2000, the manufacturing and construction sector contributed 29% to GDP. The average annual industrial growth rate was averaging 10% in the early 2000s. Tuna fishing and canning accounted for 70% of GDP in 2002. The largest plant is the tuna cannery, opened in 1987 and privatized in 1995 with a 60% purchase by US-based Heinz Inc. The tuna business has grown rapidly, and the joint venture between Heinz and the government was the single largest employer in the Seychelles in 2002. Other factories are smaller and process local agricultural products. A tea factory handles locally grown tea. Others process copra and vanilla pods and extract coconut oil. There is a plastics factory, a brewery and soft drink bottler, and a cinnamon distiller. Salt, cigarettes, boats, furniture, steel products, publications, animal feeds, processed meats, dairy products, paints, and assembled televisions are also produced. Oil exploration is underway, and geophysical and geochemical analyses indicate potential for commercial production.

[29]SCIENCE AND TECHNOLOGY

Seychelles Polytechnic, founded in 1983 at Victoria, has schools of agriculture, engineering, health studies, humanities and science, and maritime studies.

[30]DOMESTIC TRADE

The Seychelles Marketing Board (SMB), with wide powers over imports, distribution, and quality of goods, was established in 1984. Though its monopoly on the sale of fruits and vegetables was abandoned in 1987, the SMB still operates all major supermarkets. The small Chinese merchant class plays an important part in the retail trade. The variety of domestic goods for sale is very limited. There are price controls on most foodstuffs. The capital of Victoria is the major commercial center of the island. Shops range from supermarkets to a traditional open-air market. A small handicrafts and pottery industry creates products primarily for tourists.

Normal business hours are 8 AM to noon and 1:30 to 4 PM, Monday–Friday; 8 AM to noon on Saturday. Most business is conducted in English, but French is widely spoken.

[31]FOREIGN TRADE

Foreign trade is habitually in deficit. Strict trade regulations hinder trade growth. Preserved fish (73%), fresh fish (8.0%), salted, dried, and smoked fish (6.5%), and shellfish (3.7%) account for the majority of Seychelles's commodity exports. Other exports include cinnamon and vanilla (2.4%). In 1996 Seychelles's imports were distributed among the following categories:

Consumer goods	11.1%
Food	18.9%
Fuels	3.2%
Industrial supplies	17.1%
Machinery	15.6%
Transportation	33.7%
Other	0.5%

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
United Kingdom	30	36	-6
France	19	34	-15
Netherlands	18	4	14
Italy	16	31	-15
Japan	5	15	-10
Spain	3	14	-11
United States	2	11	-9
South Africa	2	52	-50
Saudi Arabia	n.a.	16	n.a.
Singapore	n.a.	40	n.a.

32 BALANCE OF PAYMENTS

Development aid, income from tourism, and earnings from reexports have generally been sufficient to offset Seychelles' persistent visible trade deficit.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Seychelles's exports was $182.6 million while imports totaled $360.2 million resulting in a trade deficit of $177.6 million.

The International Monetary Fund (IMF) reports that in 2001 Seychelles had exports of goods totaling $215 million and imports totaling $387 million. The services credit totaled $283 million and debit $193 million. The following table summarizes Seychelles's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-100**
Balance on goods	-172
Balance on services	90
Balance on income	-19
Current transfers	0
Capital Account	**9**
Financial Account	**125**
Direct investment abroad	-11
Direct investment in Seychelles	59
Portfolio investment assets	-0
Portfolio investment liabilities	1
Other investment assets	-9
Other investment liabilities	85
Net Errors and Omissions	**-13**
Reserves and Related Items	**-22**

33 BANKING AND SECURITIES

The Seychelles Monetary Authority, established in 1978 as the bank of issue, became the Central Bank of Seychelles in 1983. Other government banks are the Seychelles Savings Bank and the Development Bank of Seychelles. Five major commercial banks operate in the Seychelles, namely Barclays, Nouvobanq, Banque Française Commerciale Océan Indien, Bank of Baroda, and Habib Bank. Development of an offshore banking center was announced in 1999.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $220.5 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $607.0 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 1%.

There is no stock exchange in Seychelles.

34 INSURANCE

All private insurance companies were nationalized in 1983 and their business transferred to the State Assurance Corp. Two of the companies doing business in the Seychelles in 1997 were H. Savy Insurance Co., and State Assurance Corp. of Seychelles.

35 PUBLIC FINANCE

Annual budgets of increasing deficits were common in the 1980s. The public sector is responsible for two-thirds of Seychelles' employment, and the budget amounts to about 40% of GDP. Public investment focuses on social and physical infrastructure, tourism, and export activities. Some privatization has occurred in recent years, including the privatization of some port operations and the Seychelles Tuna Canning Factory, 60% of which was purchased by Heinz.

The US Central Intelligence Agency (CIA) estimates that in 1998 Seychelles's central government took in revenues of approximately $249 million and had expenditures of $262 million. Overall, the government registered a deficit of approximately $13 million. External debt totaled $240 million.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**249**
Tax revenue	77.8%	194
Non-tax revenue	17.2%	43
Capital revenue	1.5%	4
Grants	3.5%	9
EXPENDITURES	**100.0%**	**203**
General public services	11.0%	29
Defense	3.2%	8
Public order and safety	4.0%	11
Education	7.1%	19
Health	6.7%	18
Social security	13.8%	36
Housing and community amenities	0.6%	2
Recreation, cultural, and religious affairs	2.1%	6
Economic affairs and services	11.1%	29
Other expenditures	4.4%	12
Interest payments	13.3%	35

36 TAXATION

Income tax is levied on net income at progressive rates. Profits of foreign enterprises are taxed at a flat rate. The principal indirect taxes are customs duties and a turnover tax. In 1982, a tax on gross gaming revenue was added on top of the normal profits tax. The Seychelles operates as a tax haven. It applies a territorial basis of tax assessment to corporations, so they are taxed only on the income that is derived directly from the country. The makes it an inviting place for international companies to headquarter, because the profits made by branches are not imputed to the center for tax purposes. Also the government imposes no personal income tax, although it does require social security contributions.

37 CUSTOMS AND DUTIES

All imports are controlled by the Seychelles Marketing Board (SMB), which places quotas on certain imports (such as motor vehicles) and other types of restrictions on other items. Prohibited goods include arms and ammunition, dangerous drugs, pornographic materials, and spearguns. Import tariffs are 30%.

The Seychelles International Trade Zone offers tax benefits and other advantages to exporters.

[38]FOREIGN INVESTMENT

The government offers full repatriation of after-tax profits; normal exemption from import duties for machinery, spare parts, and raw materials; and possible tariff protection. While parastatals are common in Seychelles, there is no policy of nationalization, though joint ventures are preferred when foreign capital is involved. Public and private investment is sought for the tourist, fishing, agriculture, and manufacturing sectors. In 1995, the government established an International Investment Authority which offers incentives and tax concessions to foreign investors.

Annual foreign direct investment (FDI) inflows to the Seychelles from 1997 to 2000 ranged from $54.4 million in 1997 to $60 million in 1999. In 2001, FDI inflows slowed to $34 million.

[39]ECONOMIC DEVELOPMENT

The 1985–89 plan sought to create jobs and emphasized developing cash crops, tourism, and the fishing industry. The 1990–94 plan emphasized the need to attract foreign investment. Of considerable interest to donors in the 1990s was the 10-year plan to improve the Seychelles environment. In 1999, the government undertook an intensive review of trade policies in connection with its application to join the WTO, which may increase development. As of 2003, the Seychelles' WTO application was still pending.

[40]SOCIAL DEVELOPMENT

The Seychelles are sometimes called a model welfare state. The National Provident Fund was first established in 1971 and was superseded by the Social Security Fund in 1979. Benefits are provided for old age, disability, survivorship, sickness and maternity. Employees and employers are required to make monthly contributions (5% of salary and 10% of payroll, respectively). The Full Employment Scheme of 1980 allows the registered unemployed to work on government-approved projects in order to receive a daily subsistence wage. There is also a workers' compensation scheme. Health services are free for all residents under the National Health Plan.

Traditional Seychelles culture is matriarchal and women are accorded considerable respect within society. However, violence against women, particularly domestic violence, remains a problem, and has been linked to alcohol abuse. Women are fairly well represented in both the public and private sectors.

Human rights are generally respected although there are still arbitrary arrests and detentions. There is some discrimination against foreign workers. Nongovernmental organizations operate freely.

[41]HEALTH

In 1990, the Seychelles had 90 doctors, 1 pharmacist, 9 dentists, and 279 nurses. As of 1996, there were 1.3 physicians, 4.7 nurses, 4 midwives, and 0.1 dentists per 1,000 people. In 1994, 3.9% of the gross national product went to health expenditures. During the years 1991–93, water and sanitation were available to over 90% of the Seychelles residents.

The infant mortality rate in 2002 was estimated at 16.9 per 1,000 live births and average life expectancy at 71 years. In the same year, the birth rate was 17.3 and the overall mortality rate at 6.6. In 1994, 99% of the country's children were vaccinated against measles, 99% against hepatitis B and 97% against polio in 1995. Since then, Seychelles has also reached the 2000 goal of attaining at least 90% immunization DPT (diphtheria, pertussis and tetanus). No cases of polio, measles, or neonatal tetanus were reported during 1994. Leprosy was reported in 41 cases in 1994.

[42]HOUSING

As of the 1997 census, Thre were about 17,599 housing units throughout the nation. Most homes were made of stone block with corrugated iron roofs (71%); others are constructed of wood frames and walls. Some rural houses were thatched. Of all housing units, 86% had flush toilets, 85% had indoor tap water, and 92% had electricity.

The Home Ownership Scheme lends money for building costs to low-income families, and the Housing Loan Fund provides loans for families who want to purchase or build their own homes. Concrete-block housing developments have been constructed.

[43]EDUCATION

Since 1980, public education has been free and compulsory for the ten-year period of primary schooling for children between the ages of 6 and 16. Six years of primary education are followed by five years of secondary education. In 1996, there were 26 primary schools with 577 teachers and 9,886 students. In secondary schools, there were 689 teachers and 9,099 students in the same year. Of these secondary students, 237 were in teacher training programs, and 711 were in vocational courses. The pupil-teacher ratio at the primary level was 15 to 1 in 1999. Seychelles does not provide education at university level, but there is a teacher-training college and a polytechnic institute. Only members of the National Youth Service can apply to the teacher-training college. Adult literacy was estimated at 85% in 1990. In the absence of higher education facilities, many students study abroad, mainly in the United Kingdom. As of 1999, public expenditure on education was estimated at 6% of GDP.

[44]LIBRARIES AND MUSEUMS

The National Archives and Museum and a National Library (65,000 volumes) are both located in Victoria (Mahé Island). Seychelles Polytechnic University has 12,000 volumes. The Seychelles National Museum in Victoria, founded in 1964, has collections in the areas of botany, zoology, geology, and anthropology.

[45]MEDIA

The number of mainline telephones in use was 19,635 in 1997, with an additional 16,316 cellular phones in use by 1999. Radio-Television Seychelles, which is government owned, broadcasts in English, French, and Creole. Television service, controlled by the government, began in 1983. As of 1999 there were three AM radio stations and two television stations. There were 627 radios and 150 television sets per 1,000 population in 1998. Internet access is limited, with only one service provider serving 6,000 subscribers in 2001.

There is one daily newspaper—*Seychelles Nation* (2002 circulation 3,500)—published by the government in English, French, and Creole. The president has the authority to censor publications.

[46]ORGANIZATIONS

Trade groups include the Seychelles Chamber of Commerce and Industry and the Seychelles Farmers' Association. The Women's Association and the Youth Organization are arms of the SPPF. Other youth organizations include the National Youth League of the Seychelles and the Scout and Guide Movement of the Seychelles. The Red Cross is active.

[47]TOURISM, TRAVEL, AND RECREATION

The prosperity of Seychelles depends on tourism. Visitors can enjoy coral beaches, water sports including scuba diving, water skiing, and windsurfing, and boat or yacht tours of the islands. The archipelago's wildlife is also a popular tourist attraction.

There were 130,046 tourist arrivals in 2000, with more than 104,000 from European countries. That year the 2,479 hotel rooms and 5,010 beds were filled to 52% of capacity. Income from tourism was US$112 million in 1999. In 2002, the US Department of State estimated the cost of staying in the Seychelles at $246 per day.

[48] FAMOUS SEYCHELLOIS

Sir James Richard Marie Mancham (b. 1939), leader of the SDP, became Seychelles' first president in 1976. He was deposed in 1977 by France Albert René (b. 1935).

[49] DEPENDENCIES

Seychelles has no territories or colonies.

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SIERRA LEONE

Republic of Sierra Leone

CAPITAL: Freetown

FLAG: The national flag is a tricolor of green, white, and blue horizontal stripes.

ANTHEM: Begins "High we exalt thee, realm of the free, Great is the love we have for thee."

MONETARY UNIT: The leone (LE) is a paper currency of 100 cents. There are coins of ½, 1, 5, 10, 20, and 50 cents, and notes of 1, 2, 5, 10, 20, 50, 100, and 500 leones. LE1 = $0.000444 (or $1 = LE2,250) as of May 2003.

WEIGHTS AND MEASURES: The metric system is employed.

HOLIDAYS: New Year's Day, 1 January; Independence Day, 27 April; Bank Holiday, August; Christmas, 24–25 December; Boxing Day, 26 December. Movable religious holidays include Good Friday, Easter Monday, Whitmonday, 'Id al-Fitr, 'Id al-'Adha', and Milad an-Nabi.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the west coast of Africa, Sierra Leone has an area of 71,740 sq km (27,699 sq mi), extending 338 km (210 mi) N–S and 304 km (189 mi) E–W. Comparatively, the area occupied by Sierra Leone is slightly smaller than the state of South Carolina. It is bounded on the N and E by Guinea, on the SE by Liberia, and on the S and W by the Atlantic Ocean, with a total boundary length of 1,360 km (845 mi), of which 402 km (250 mi) is coastline. In addition to the mainland proper, Sierra Leone also includes the offshore Banana and Turtle islands and Sherbro Island, as well as other small islets.

Sierra Leone's capital city, Freetown, is located on the Atlantic Coast.

[2]TOPOGRAPHY

The Sierra Leone Peninsula in the extreme west is mostly mountainous, rising to about 884 m (2,900 ft). The western part of the country, excluding the Peninsula, consists of coastal mangrove swamps. Farther east, a coastal plain extends inland for about 100–160 km (60–100 mi); many rivers in this area are navigable for short distances. Stretches of wooded hill country lead east and northeast to a plateau region generally ranging in elevation from 300 to 610 m (1,000 to 2,000 ft). There are peaks of over 1,830 m (6,000 ft), reaching a maximum of 1,948 m (6,390 ft) at Loma Mansa (Bintimani) in the Loma Mountains.

[3]CLIMATE

Temperatures and humidity are high, and rainfall is heavy. The mean temperature is about 27°C (81°F) on the coast and almost as high on the eastern plateau. There are two distinct seasons: the dry season, from November to April, and the wet season, over the rest of the year, with the heaviest precipitation in July, August, and September. Rainfall is greatest along the coast, especially in the mountains, where there is more than 580 cm (230 in) annually, but it averages more than 315 cm (125 in) a year in most of the country, with 366 cm (144 in) at Freetown. The relative humidity ranges from an average of 80% during the wet season to about 50% during the dry season.

[4]FLORA AND FAUNA

About 25–35% of the land area, mostly in the north, consists of savanna or grasslands; 20–25%, mostly in the south-center, is low bush; another 20–25%, in the southeast, is secondary forest or high bush; 10–20% is swampland; and 3–5% is primary rain forest.

The emerald cuckoo, which has been described as the most beautiful bird in Africa, is found in Sierra Leone, although it has disappeared from the rest of West Africa. Other species include the Senegal firefinch, common bulbul, little African swift, Didric cuckoo, bronze manakin, cattle egret (or "tickbird"), and many birds that breed in Europe but winter in Sierra Leone. Crocodiles and hippopotamuses are indigenous to the river regions of the coastal plain.

[5]ENVIRONMENT

Water pollution is a significant problem in Sierra Leone due to mining by-products and sewage. The nation has 160 cubic kilometers of renewable water resource, with 89% used for farming and 4% for industrial purposes. Only 75% of the nation's city dwellers and 46% of those living in rural areas have safe drinking water. The nation's cities produce about 0.3 million tons of solid waste per year.

Population pressure, leading to an intensification of agriculture, has resulted in soil depletion, while lumbering, cattle grazing, and slash-and-burn farming have decimated the primary forest. By 1985, deforestation had progressed to a total of 23 square miles. Agricultural lands are gradually replacing forestlands due to the need for food by a population that increased by 80% during the period between 1963 and 1990. Hunting for food has reduced the stock of wild mammals, and Cutamba Killimi National Park, which has some wildlife species found only in this part of West Africa, is exploited by poachers. As of 2001, only 1.1% of Sierra Leone's total land area was protected.

Government agencies with environmental responsibilities include the Ministry of Agriculture, Natural Resources, and Forestry, Ministry of Mines, Ministry of Lands and Human

Development, Ministry of Energy and Power, and Ministry of Economic Planning and National Development. In 2001, nine of Sierra Leone's mammal species and 12 bird species were endangered. Eight of the nation's plant species were also threatened. Threatened species in Sierra Leone include the white-breasted Guinea fowl, Diana monkey, and Jentink's dviker.

[6]POPULATION

The population of Sierra Leone in 2003 was estimated by the United Nations at 4,971,000, which placed it as number 111 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 96 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 3.80%, with the projected population for the year 2015 at 6,399,000. The population density in 2002 was 78 per sq km (203 per sq mi). The Sierra Leone Peninsula is the most densely populated region of the country.

It was estimated by the Population Reference Bureau that 37% of the population lived in urban areas in 2001. The capital city, Freetown, had a population of 822,000 in that year. According to the United Nations, the urban population growth rate for 2000–2005 was 4.0%. Other main towns are Koindu, Bo, Kenema, and Makeni.

The prevalence of AIDS/HIV has had a significant impact on the population of Sierra Leone. The United Nations estimated that 7% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Historically, there has been considerable movement over the borders to and from Guinea and Liberia. In the mid-1980s, the number of nonnative Africans was estimated at 30,000. Since the civil war in 1991, hundreds of thousands of refugees have left Sierra Leone. Of these refugees, 250,000 went to Guinea, 120,000 went to Liberia, and 4,000 went to Gambia. Repatriation by the UNHCR began in February 1997, as 1,400 returned home from Liberia and Mali. By February 1998, UNHCR planned to repatriate 240,000 refugees from Guinea, Liberia, and Gambia. With the signing of the Lome peace agreement in 1999, UNHCR planned for the repatriation of the remaining 450,000 Sierra Leonean refugees seeking asylum in the subregion, mainly in Guinea and Liberia, but also in Cote d'Ivoire, Gambia, and Nigeria. As of 1999, Sierra Leoneans made up UNHCR's largest refugee caseload in Africa.

In 2000, the net migration rate was -7.8 migrants per 1,000 population. This was a significant drop from -18.7 per 1,000 in 1990. The total number of migrants in the country in 2000 was 47,000, including remaining refugees. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The African population is composed of some 20 native ethnic groups, constituting 90% of the total population. The 2 largest are the Mende (about 30% of the population) and Temne (about 30%). Other peoples, making up the remaining 30% of the African populace, include the Bullom, Fulani, Gola, Kissi, Kono, Koranko, Krim, Kru, Limba, Loko, Malinke, Sherbro, Susu, Vai, and Yalunka. Creoles, descendants of freed Jamaican slaves who settled in the Freetown area in the late 18th century, account for the remaining 10% of the total population. Refugees from Liberia's recent civil war also live in Sierra Leone, along with small numbers of Europeans, Lebanese, Pakistanis, and Indians.

[9]LANGUAGES

English is the official language; however, it is used regularly only by the literate minority. The Mende and Temne languages are widely spoken in the south and north, respectively. Krio, the mother tongue of the Creoles, derived largely from English, with words added from various West African languages, is the lingua franca and a first language for about 10% of the population but is understood by 95%.

[10]RELIGIONS

Reliable data on the exact numbers of practitioners of major religions is not available. However, most sources estimate that the population is 60% Muslim, 30% Christian, and 10% practitioners of traditional indigenous religions. Muslims were traditionally concentrated in the northern part of the country, and Christians in the south. However, an ongoing civil war has prompted relocation by large masses of the population. Reportedly, many syncretic practices exist, with up to 20% of the populace practicing a mixture of either Muslim or Christianity with traditional indigenous religions.

The Revolutionary United Front and the Armed Forces Revolutionary Council (RUF/AFRC) insurgent groups have plotted against Christian and Muslim religious leaders because of their positions in the religious community and their support for the government. During the January 1999 RUF/AFRC invasion, which took place during Ramadan, the Freetown populace was terrorized and deprived of religious freedom. Muslims found praying in mosques were forced to consume alcoholic beverages; those who refused were beaten. Others reportedly were shot and killed. Three churches and two mosques were set on fire and burned down. Rebel forces have targeted Roman Catholic nuns and priests in particular, one reason being the RUF/AFRC assumption that the Catholic Church would pay a ransom. However, in a 2002 report, this type of abduction had abated and it has been determined that some church leaders were targeted for their peacekeeping activities in civil society, not because of their religious affiliation.

[11]TRANSPORTATION

In 1970 there were more than 580 km (360 mi) of railway, but by the end of 1975, following an IBRD recommendation, Sierra Leone had dismantled most of its rail system and replaced it with new roadways; since the mid-1980s, only 84 km (52 mi) of narrow-gauge railway has remained, connecting the closed iron mines at Marampa with the port of Pepel, on the Sierra Leone River. The line remains operable but is in limited use. In 2002, Sierra Leone had about 11,700 km (7,270 mi) of roads, of which some 936 km (582 mi) were paved. In 2000, there were 35,900 registered motor vehicles, including 20,100 automobiles, and 15,80 commercial vehicles.

Freetown has one of the finest natural harbors in the world, with an excellent deepwater quay, built in 1953. In 1970, work was completed on an extension that provides the port with berth facilities for six to eight ships and about 24 hectares (60 acres) of storage area. Pepel specializes in the export of iron ore, and Point Sam, the Sherbro River terminal, handles bauxite and rutile. Bonthe and Sulima are other ports. Sierra Leone has many rivers, however, some are navigable only over short distances for about three months of the year, during the rainy season. Of the 800 km (497 mi) of waterways, 600 km (373 mi) are navigable year round.

In 2001 there were an estimated 10 airports, only 1 of which had a paved runway. An international airport at Lungi is connected by ferry to Freetown, across the bay. Extension of the runway was completed in 1968, bringing the airport to top-class international airport standard. It is served by about a dozen international airlines with regular flights to Europe, North and

South America, and the rest of West Africa. Domestic service operates from Hastings Airfield, 22 km (14 mi) from Freetown, linking the capital to nearly all the large provincial towns.

The national air carrier, founded in 1961 as Sierra Leone Airways, was reconstituted in 1982 as Sierra Leone Airlines, under the management of Alia-Royal Jordanian Airline, which holds a 20% share. In 2001, 13,900 passengers were carried on scheduled domestic and international flights.

12 HISTORY

Archaeological research indicates that by AD 800 the use of iron had been introduced into what is now Sierra Leone and that by AD 1000 the coastal peoples were practicing agriculture. Beginning perhaps in the 13th century, migrants arrived from the more advanced savanna lands to the north and east.

European contact began in 1462 with the Portuguese explorer Pedro da Cintra, who gave the mountainous Peninsula the name Sierra Leone ("Lion Mountains"). From the 16th to the early 19th century, the region was raided for slaves for the Atlantic trade, and later in the 19th century, it was ravaged by African war leaders and slavers.

The colony of Sierra Leone was founded by British philanthropists to relieve the horrors of this slave trade. Granville Sharp, a leader in the movement to abolish slavery, planned it as a home for African slaves freed in England. In 1787, he sent out the first settlers to what he called "The Province of Freedom." In the following year, one of the Temne kings and his subordinate chiefs sold and ceded a strip of land on the north shore of the Sierra Leone Peninsula to Capt. John Taylor on behalf of the "free community of settlers, their heirs and successors, lately arrived from England, and under the protection of the British Government." A few years later, they were joined by settlers of African origin from England, Nova Scotia (freed slaves who, as loyalists, had fled the American Revolution), and Jamaica.

The Sierra Leone Company, of which Sharp was a director, was formed in 1791 to administer the settlement. The land did not prove as fertile as described, and the settlement was the victim of attacks by neighboring tribes and by a French squadron. The burden of defense and settlement proved too heavy for the company, and Sierra Leone was transferred to the crown in 1808. The colony received additions of land up to 1861 through various treaties of friendship and cession from the local chiefs.

After 1807, when the British Parliament passed an act making the slave trade illegal, the new colony was used as a base from which the act could be enforced. Beginning in 1808, hundreds, and sometimes thousands, of slaves were freed each year, most of them remaining in Sierra Leone. In 1896, a British protectorate was declared over the hinterland of Sierra Leone, which was separate from the colony. Revolts in 1898 were provoked mainly by attempts to extend British colonial jurisdiction into the protectorate.

A 1924 constitution provided for the election of three members to a Legislative Council on a restricted franchise, and the constitution of 1951 provided for an elected majority, resulting in African rule. In 1957, the Legislative Council was replaced by a House of Representatives, most members of which were elected, and the literacy requirement for voters was dropped. In 1958, Milton Margai became Sierra Leone's first prime minister; in 1960, he led a delegation to London to establish conditions for full independence.

Independence

Sierra Leone became an independent country within the Commonwealth of Nations on 27 April 1961. Milton Margai continued as prime minister until his death in 1964, when he was succeeded by his half-brother, Albert Margai, who held office until the national elections in March 1967. The outcome of the elections was disputed, but the All-People's Congress (APC) claimed a plurality of the seats in the House of Representatives. Before Siaka Stevens, chairman of the APC, could take office as prime minister, he was ousted in a bloodless coup led by the army chief, Brig. David Lansana. Martial law was declared, and a National Reformation Council remained in control for 13 months, until 18 April 1968, when it was overthrown by the Anti-Corruption Revolutionary Movement, a military group that formed the National Interim Council. On 26 April 1968, Stevens was installed as prime minister of a civilian government. Continuing political unrest prompted the declaration of a state of emergency in 1970 and a ban on the newly created United Democratic Party, an opposition group whose leaders were arrested.

LOCATION: 6°55′ to 10°N; 10°16′ to 13°18′ W. BOUNDARY LENGTHS: Guinea, 652 kilometers (405 miles); Liberia, 306 kilometers (190 miles); Atlantic coastline, 406 kilometers (252 miles). TERRITORIAL SEA LIMIT: 12 miles.

In 1971, after an abortive military coup which was suppressed with aid from Guinea, a new constitution was adopted. The country was declared a republic on 19 April 1971. Two days later, Siaka Stevens, then prime minister, became the nation's first president. National elections were held in May 1973, and the APC won a nearly unanimous victory following the decision of the opposition Sierra Leone People's Party to withdraw its candidates because of alleged electoral irregularities. An alleged plot to overthrow Stevens failed in 1974, and in March 1976, he was elected without opposition for a second five-year term as president. In 1978, a new constitution was adopted, making the country a one-party state.

An economic slowdown, coupled with revelations of government corruption, led to a general strike in September 1981, called by the Sierra Leone Labour Congress; some labor leaders and other government critics were temporarily detained under emergency regulations, but the government met a key demand of the strikers by moving to reduce the prices of basic commodities. Violence and irregularities marked the parliamentary elections held in 1982, which were limited to the APC.

Stevens did not run for reelection as president in 1985, yielding power to his handpicked successor, Maj. Gen. Joseph Saidu Momoh, the armed forces commander, whose nomination by the APC was ratified in his unopposed election in October 1985. Parliamentary elections were held in May 1986. Following an alleged attempt to assassinate Momoh in March 1987, over 60 persons were arrested, including First Vice-President Francis Minah, who was removed from office. An extensive reshuffling of the cabinet followed. Further reports of alleged coup attempts followed.

In April 1991, Sierra Leone was invaded from Liberia by forces commanded by Liberian rebel, Charles Taylor. Domestic support within Sierra Leone mounted and by 29 April 1992, Momoh was overthrown in a military coup. Momoh fled to Guinea. A National Provisional Ruling Council (NPRC) was created but, shortly afterward, on 2 May, the head of the five-member junta, Lt. Col. Yahya, was arrested by his colleagues and replaced by Capt. Valentine Strasser, who was formally designated head of state.

The Strasser government soon limited the status of the 1991 constitution by a series of decrees and public notices. It also imposed a number of laws limiting political freedoms. The NPRC dissolved parliament and political parties. They ruled by decree. Strasser talked of returning Sierra Leone to multiparty democracy. His main goal was to end the fighting in the southeast where the forces of the National Patriot Front of Liberia and Sierra Leone dissidents were engaging a less-than-committed Sierra Leone armed force. Forces from the ECOWAS Monitoring Group sought to create a buffer along the boundary between the two countries. The rebellion led by Foday Sankoh of the Revolutionary United Front (RUF) simmered throughout 1993, although it seemed to falter as the Liberian rebels across the border lost ground. Still the military situation became stalemated. In November 1993, Strasser announced a unilateral cease-fire and an amnesty for rebels.

Through 1992 and 1993, Strasser used the security situation to consolidate his power. In December 1992, government executed 26 alleged coup plotters from the Momoh government. In mid-1993, Strasser arrested his vice president, Capt. Solomon Musa.

The NPRC established a Supreme Council of State, including NPRC members, other military officers and one civilian. Both bodies formulate government policy. Day-by-day operations were overseen by department secretaries who together comprised the cabinet.

In November 1993, Strasser issued a timetable for a transition to democracy to culminate in general elections in late 1995. A month later, the NPRC released a "Working Document on the Constitution" to serve as the basis for public debates leading to a constitutional referendum in May 1995. However, Deputy Brigadier General Julius Maada Brio ousted Strasser in 1996 and provided him safe conduct out of the country. Presidential and parliamentary elections took place in February 1996, but were opposed violently by rebel forces resulting in 27 deaths. Neither candidate, Ahmad Tejan Kabbah (United Peoples Party) or Dr. John Karefa-Smart, received a majority of the vote and a runoff election was held on 15 March 1996. Kabbah won the election with 59.4% of the vote.

In May 1997, Major Johnny Paul Koromah of the Armed Forces Revolutionary Council (AFRC) overthrew Kabbah. Clashes between the rebels and Nigerian troops followed, forcing 12,000 Freetown residents to flee the capital. With ECOMOG's support, President Kabbah returned from exile on March 10, 1998. However, rebel forces remained firmly in control of the north, the Kono diamond field, and areas along the Liberian border.

A violent rebel offensive in January 1999 led by the AFRC and Revolutionary United Front (RUF) forced the evacuation of diplomatic and foreign aid personnel from Freetown. Between 3,000 to 5,000 residents were killed, 150,000 dislocated, and 20% of Freetown was destroyed. Rebels amputated the hands and feet of thousands of civilians "to send a message" to the government. Human rights reports documented unspeakable abuses on all sides. The attack was repelled, but rebels gained control of two-thirds of the country.

In March 1999, President Kabbah was forced to grant temporary amnesty to Corporal Foday Sankoh, leader of the RUF. Sankoh received four ministerial positions and three deputies, bringing the rebel presence in government to seven. Peace talks resumed, and a cease-fire was signed in May. In July, Jesse Jackson and ECOWAS chairman, Gnassingbe Eyadema, were present at the signing of the Lomé Peace Accord.

Until May 2000, it appeared that the accords might be implemented. In October 1999, Foday Sankoh and Johnny Paul Koroma, returned to Sierra Leone to join the government. However, Sankoh criticized Kabbah for not offering the former rebels the ministries of justice, finance, or foreign affairs in the new unity government. The Lomé agreement specified at least one senior ministry for the rebels. In December 1999, ECOMOG forces began their withdrawal to be replaced by 11,000 UN observer troops (UNAMSIL), which eventually reached a troop strength of 17,000.

In early May 2000, the RUF resumed the war, seized 500 UN personnel, and advanced to within 25 miles of the capital. On May 17, Foday Sankoh was captured. Liberian president Charles Taylor, a supporter of the RUF, helped obtain the release of some of the peacekeepers, but insisted that Sankoh be part of the solution to the war. By June 2000, the rebels were willing to trade their remaining captives for Sankoh's release, however the trade never materialized as a contingent of British, ECOMOG, and UN troops under UNAMSIL routed the RUF and other armed groups, resulting in a negotiated cease-fire and peace agreement, which became fully effective in January 2002. President Kabbah and his party won overwhelming victories at the presidential and parliamentary polls that followed on 14 May 2002.

Kabbah has conducted an ambitious restructuring and downsizing of the army and security forces, and has begun prosecuting war crimes offenders under the UN Special Court. With RUF leader Foday Sankoh in prison, the RUF has cooperated, although an unsuccessful raid on an armory outside Freetown in January 2003 was thought to be linked to Johnny Paul Koroma. An 18 January police raid on Koroma's residence failed, and he remained at large. In October 2002, Kabbah established a Truth and Reconciliation Commission (TRC), which has been slow in getting off the mark. While the main goal of the TRC is emotional healing, the TRC's mandate—even with

a six-month extension—expires in April 2004. By February 2003, some 1,400 people had provided testimony containing information about 3,000 victims who had suffered more than 4,000 violations, including 1,000 deaths and 200 cases of rape and sexual abuse. One-third of the respondents were women and about 10% were children.

Meanwhile, Kabbah has been preocupied with the declining number of peacekeepers in the country juxtaposed with escalating civil wars in Liberia and Côte d'Ivoire. In December 2002, UNAMSIL completed the first phase of its downsizing, withdrawing some 600 soldiers in keeping with its Security Council mandate. Another 4,500 troops were scheduled to withdraw by the end of May 2003, and by December 2003; only 2,000 UNAMSIL troops will remain in the country, placing the burden of security operations on the government. In February 2003, some 300 Gurkha soldiers (Nepalese) from the British army's 2nd battalion Royal Gurkha Rifles arrived in Sierra Leone to repel cross-border incursions from rebels and Liberian army units. However, thousands of Liberian refugees have crossed the border into Sierra Leone, and Liberian and Sierra Leonean refugees were being repatriated from Cote d'Ivoire. In May 2003, authorities in Liberia claimed to have produced the corpse of Col. Mosquito, the ruthless RUF bush commander, who allegedly had joined rebels fighting against Liberian president, Charles Taylor.

13 GOVERNMENT

Under the constitution adopted in June 1978, Sierra Leone had a republican form of government. Executive authority was exercised by the president and cabinet. The president was the leader of the only constitutionally authorized party, the APC. He was chosen by a conference of delegates, and became the only eligible candidate for a presidential mandate of seven years. The president appointed cabinet ministers and two vice presidents from among the members of the legislature.

In 1986, the legislature was a unicameral house of representatives presided over by a speaker, consisting of 127 members, of whom 105 were popularly elected, 12 were paramount chiefs elected by chiefdom councils in their respective districts, and 10 were appointed by the president. The representatives were elected for a five-year term, but elections could be called earlier. Any citizen 25 years of age or older, able to speak and read English, was qualified for election to the house, but candidates first had to be approved by APC officials. Suffrage was universal at age 21.

A new constitution came into force on 1 October 1991, but it was superseded by the military junta established after the 29 April 1992 coup. Shortly thereafter, the parliament and political parties were dissolved and the NPRC ruled by decree through a Supreme Council of State (SCS) and a Council of State Secretaries (CSS-Cabinet). In November 1993 they announced a timetable leading to multiparty democracy and general elections in 1996, which Ahmad Tejan Kabbah won on the second round with 59.4% of the vote. He was overthrown in a military coup in May 1997, but his government was reinstated by ECOMOG in 1998. A government of national unity formed in October 1999 as part of the Lomé Accords was short-lived.

Presently, the unicameral parliament has 124 seats—112 elected by popular vote, and 12 filled by paramount chiefs elected in separate polls; members serve five-year terms. President Kabbah was re-elected to his second and last five-year term in May 2002. Elections are due in 2007.

14 POLITICAL PARTIES

Party politics in Sierra Leone have a long and lively history. The Sierra Leone People's Party (SLPP), formed in 1951, dominated politics from its inception until 1967, when the All People's Congress (APC) claimed to have won a plurality of the seats in a disputed parliamentary election. The SLPP combined the Sierra Leone Organization Society, founded in the protectorate in 1946, and the Freetown People's Party, founded in the colony by the Rev. Etheldred Jones, also known as Lamina Sankoh. Although the SLPP won only 2 seats of the 7 open to election in 1951, it was given recognition when the indirectly elected protectorate members and eight paramount chiefs joined with it. In 1953, Milton Margai became chief minister, and in 1957, the SLPP won 26 of the 39 seats being contested.

During the pre-APC period, the National Council of Sierra Leone (NCSL), founded in 1951, was the principal opposition group. It was influential only in the colony and favored a federal constitution with separate assemblies for the colony and the protectorate. When universal adult suffrage was introduced in 1957, the NCSL lost all its seats in the legislature. The United People's Party (UPP) was founded in 1956 by Cyril Rogers-Wright and Wallace Johnson to unite the interests of the colony and the protectorate. In the 1957 general elections, it won one seat in the legislature and gained three more after election petitions to the courts, so that it then constituted the principal legislative opposition.

In September 1958, Siaka Stevens and Milton Margai's half-brother, Albert Margai, withdrew from the SLPP and formed the People's National Party (PNP) to pursue a more militant policy. In 1960, the PNP and UPP joined the United National Front of all parties for the April constitutional talks in London. A national coalition government was formed, and Albert Margai became a cabinet minister.

Stevens left the United Front to form a new opposition group, the Elections Before Independence Movement (EBIM). Expelled from the PNP, he transformed the EBIM into the APC and, with support from younger radicals and much of the trade union movement, campaigned for a neutralist foreign policy and the need for a general election before independence. In March 1961, Stevens and some of his supporters were charged with sedition, libel, and incitement and were jailed just before independence under emergency regulations. They were later released and acquitted of the charges.

In the election of 25 May 1962, the SLPP won 28 of 62 seats for ordinary members of the House of Representatives, the APC 16, the Sierra Leone Progressive Movement 4, and independents 14. After the election returns were announced, 12 of the independents declared themselves members of the SLPP, and Milton Margai was able to form a new government. Upon his death on 28 April 1964, Albert Margai became prime minister. Thirteen months of military rule followed the disputed 1967 elections, after which Siaka Stevens, leader of the APC, became Prime Minister.

Siaka Stevens, president from 1971 to 1985, created the APC in 1960. The APC dominated from 1967 until April 1992. In September 1970, another opposition group, the United Democratic Party, was formed. Shortly afterward, a state of emergency was declared, and on 8 October, the party was banned. The SLPP won 15 seats in the 1977 elections, the last in which an opposition party was allowed to participate. In the 1983 balloting, 173 candidates competed for 66 seats, and the remaining 19 elective seats (mostly held by members of the outgoing government) were uncontested. In 1978, a new constitution made the APC the sole legal party, and the SLPP was formally dissolved. Members of parliament were required to declare themselves members of the APC on penalty of losing their seats.

In the 1986 balloting, 335 candidates competed for the 105 popularly elected seats. Over half the sitting members, including three cabinet ministers, were defeated, and over 60% of those elected were newcomers to the House. After the April 1992 military coup, all political parties were banned and parliament was dissolved. In 1993 a timetable was prepared for a return to civilian rule and a multiparty democracy. Captain Valentine

Strasser assumed leadership during the 1992 coup, but was overthrown in 1996.

In February 1996, Ahmad Tejan Kabbah, candidate of the National Peoples Party, was elected president with 59.4% of the vote. Fifteen parties registered for the 1996 elections. In the parliamentary competition for 80 seats (68 elected members; 12 paramount chiefs), the SLPP took 27 seats, the UNPP 17, the PDP 12, the APC 5, the NUP 4, and the DCP 3. These were the first elections since the former House of Representatives had been shut down by the military coup of April 1992. In November 1999, the RUF changed its name to the Revolutionary United Front Party (RUFP) and Foday Sankoh gave addresses around the country as though he were running for president.

With a cease-fire in place, elections were held in May 2002. In a landslide victory, Ahmed Tejan Kabbah, candidate of the SLPP obtained 70.06% of the vote to defeat Ernest Koroma of the APC. Koroma received 22.4% of the vote, while the PLP gained 3%, and others took 4.59%. The Revolutionary United Front Party (RUFP) and its chairman Foday Sankoh, were thoroughly discredited. In the parliamentary contest, the SLPP captured 83 seats, the APC 27 seats, and the PLP 2 seats.

[15]LOCAL GOVERNMENT

Sierra Leone is divided into the Western Area (the former colony) and the Northern, Eastern, and Southern provinces (formerly the protectorate). The three provinces are divided into a total of 12 districts with 148 chiefdoms. Local government in the Western Area is administered by municipalities. Rural areas are governed by village committees, which send members to district councils, which in turn are represented in a rural area council.

Each province has a resident minister as administrative head. Local units within the provinces are, in ascending order of importance, villages, extended villages or sections, chiefdoms, and district councils. The 12 district councils, which contain elected members as well as paramount chiefs, are responsible for primary education, health centers, agricultural extension work, social welfare, community development, and transportation services (roads, bridges, and ferries). The war incapacitated local government by severely disrupting social institutions, and uprooting some two million refugees and internally displaced persons.

[16]JUDICIAL SYSTEM

Local courts apply traditional law and customs in the chiefdoms. Elected indigenous leaders preside over the local courts. Magistrates hold court in the various districts and in Freetown, administering the English-based code of law. Appeals from magistrates' courts are heard by the High Court, which also has unlimited original civil and criminal jurisdiction. Appeals from High Court decisions may be made to the Court of Appeal and finally to the Supreme Court, consisting of a chief justice and not fewer than three other justices. The attorney general is a cabinet minister and head of the state law office, which is administered by the solicitor-general. Many of the justices, magistrates, and other lawyers are Sierra Leoneans trained in British universities or at Inns of Court in London. Judges serve until the age of 65.

The National Provisional Ruling Council (NPRC) formed after the 1992 military coup has not altered the previously existing judicial system, but it has set up special commissions of inquiry to handle some cases. A 1992 decree authorized the government to create a Special Military Tribunal to try persons involved in "rebellion" against the NPRC or who commit serious crimes. In 1993, the decree was amended to permit appeal from the Tribunal to the courts. The military courts system is based on British military codes and common law.

The judiciary is not independent in practice and remains subject to manipulation. A decade of war destroyed much physical infrastructure and seriously damaged the human capacity of Sierra Leone's judiciary.

[17]ARMED FORCES

In 2002, the Sierra Leone armed services had about 13,000–14,000 active members. This was a new, UK-trained army formed after the dismantling of various factions. There were about 200 naval personnel, with five patrol craft. The UN placed 17,017 troops from 32 countries in Sierra Leone, along with 258 observers. Sierra Leone had defense expenditures of $10.3 million in 2001, or 1.5% of GDP.

[18]INTERNATIONAL COOPERATION

Admitted as the 100th member of the UN on 27 September 1961, Sierra Leone participates in ECA and all the nonregional specialized agencies. The country belongs to the African Development Bank, Commonwealth of Nations, ECOWAS, G-77, and AU. In 1980–81, President Siaka Stevens served as Chairman of the OAU, and Freetown hosted the organization's summit conference in July 1980; high-level ECA and ECOWAS meetings took place in Freetown in the following year. Sierra Leone is a member of the WTO and a signatory to the Lomé Convention and the Law of the Sea.

Sierra Leone signed a defense pact with Guinea in 1971 allowing for the exchange of some army personnel. In October 1973, Sierra Leone and Liberia concluded the Mano River Union agreement, aimed at establishing an economic union of the two countries; Guinea joined the union in 1980. Trade restrictions among the three nations were abolished in 1981, and a common external tariff was established for most items of trade. President Kabbah has participated in efforts to establish a West African Monetary Zone (WAMZ) that would include The Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone. The union, on which the IMF has taken a dim view, had been scheduled to come on-stream in January 2003, but has been postponed till June 2005.

[19]ECONOMY

Although Sierra Leone is a potentially rich country with diverse resources, which include diamonds, gold, rutile, bauxite, and a variety of agricultural products, the economy has been severely depressed over the past two decades. The country has a chronic balance-of-payments deficit aggravated by a rebellion in the export-producing diamond regions of the country. The economy suffers from low production, poor export performance, large budget deficits, shortage of essential goods, deterioration of infrastructure, inability to service external debts, a pervasive parallel market, an influx of refugees from the civil war in Liberia, and inflation.

The government adhered to a structural adjustment program established in 1991–92 that called for a reduction in the number of civil service employees, increased privatization of the economy, increased taxation, and fiscal discipline. The program produced some improvements in the stability of the exchange rate and reduced inflation. Consequently, although some donors suspended aid, Sierra Leone gained the support of the World Bank, IMF, and other international agencies. In 1994, after the devaluation of the CFA franc, the inflation rate was at 104%.

Civil unrest in 1997 and the Army's takeover of the democratically elected government cast doubt on whether support would last. Less than a third of $230 million dollars pledged in 1996 for the first stage of a five-year recovery program was given and it was likely that the donors would renege on the remainder if the political situation worsened. In 1997, GDP weakened by 20%, and remained at this depressed rate; in 1998, GDP gained by only 0.7%. Peace talks in 1998 broke down during the same year, and fighting continued into 2002.

In 2002, Sierra Leone qualified for $950 million in debt relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative. Under the IMF's Poverty Reduction and Growth Facility (PRGF), and with the aid of bilateral donors, the country is implementing strategies to reduce poverty and introduce stability by decentralizing government functions, supporting good governance and restoring local government, improving education and health programs, building an effective police force, and fighting corruption. The smuggling of diamonds out of the country from rebel-controlled areas remains a catalyst for instability and undermines the legitimate economy. Bauxite and rutile mines that were closed during the war had not reopened by 2003.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Sierra Leone's gross domestic product (GDP) was estimated at $2.7 billion. The per capita GDP was estimated at $500. The annual growth rate of GDP was estimated at 3%. The average inflation rate in 2000 was 15%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 43% of GDP, industry 27%, and services 30%. Foreign aid receipts amounted to about $65 per capita and accounted for approximately 46% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $139. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 8%. Approximately 47% of household consumption was spent on food, 9% on fuel, 3% on health care, and 13% on education. The richest 10% of the population accounted for approximately 43.6% of household consumption and the poorest 10% approximately 0.5%. It was estimated that in 1989 about 68% of the population had incomes below the poverty line.

[21]LABOR

There are approximately 1.4 million workers in Sierra Leone, but only 65,000 of those are actual wage earners. Subsistence agriculture is the occupation of vast majority of the population.

The 1991 constitution provides for the right of association, and all workers (including civil servants) have the right to join trade unions of their choice. The trade union movement in Sierra Leone, one of the oldest in West Africa, dates back to 1913, when Wallace Johnson organized the Customs Employees Union. Under his influence, other unions developed, and in 1943, the first Sierra Leone Trade Union Council (TUC) was formed. The Sierra Leone Council of Labor, which replaced the TUC in 1946, merged in May 1966 with the Sierra Leone Federation of Labor to form the Sierra Leone Labor Congress (SLLC). All unions are members of the SLLC, although membership is voluntary. In the mid-1980s, the SLLC had over a dozen constituent unions totaling about 40,000 members. With the decline of manufacturing, union membership has declined since then, although exact figures are unavailable. In 2001, about 60% of workers in urban areas (including government employees) were unionized, but unions have had little success in organizing workers in the agricultural and mining sectors.

The minimum working age is 18, but this is not enforced and children routinely work as vendors and petty traders in urban areas and work seasonally on family subsistence farms in rural areas. The standard workweek is 38 hours but most workweeks exceed that amount. Health and safety regulations set by law are not enforced. The minimum wage is set at $10.50 per month.

[22]AGRICULTURE

Agriculture is the primary occupation in Sierra Leone, employing two-thirds of the labor force and accounting for 50% of GDP. Most Sierra Leoneans live on small, scattered farms, following a scheme of bush-fallow rotation, slash-and-burn field preparation, and limited use of fertilizer. Agricultural exports in 2001 amounted to nearly $7.5 million and consisted of coffee, cocoa, palm kernels, piassava, kola nuts, and ginger.

Rice, grown by 80% of farmers, is the most important subsistence crop and, along with millet in the northeast, is a food staple; 247,000 tons were produced in 1999, down from an annual average of 508,000 tons during 1989 to 1991. The Rice Research Institute, located in the Northern Province, breeds high-yielding varieties for seed. Other domestic food crops include cassava, yams, peanuts, corn, pineapples, coconuts, tomatoes, and pepper.

Coffee is grown in the eastern and southern provinces; production totaled 15,000 tons in 1999. Cocoa is grown in the Kenema and Kailahun districts of the Eastern Province and in the Pujehun District of the Southern Province, mainly on smallholdings of about 0.4–1.2 hectares (1–3 acres). In 1999, an estimated 11,000 tons of cocoa beans were produced. Palm produce is derived from stands of wild palms, mainly in the northeast and southeast; production in 1999 included 22,000 tons of palm kernels and 36,000 tons of palm oil. Although there is substantial local consumption of palm kernels, they are a major agricultural export. Piassava, a raffia palm fiber used for broom and brush bristles, is grown in the swampy areas of the extreme south. Small amounts of kola nuts were also exported, and modest crops of bananas, pineapples, and sugarcane were grown.

The 1991 invasion of rebels from Liberia in the eastern and southeastern provinces severely damaged agricultural production and exports. Whereas annual agricultural growth averaged 3.1% during 1980–1990, it was –0.1% during 1990–2000.

[23]ANIMAL HUSBANDRY

Estimates of livestock in 2001 were 400,000 head of cattle, 370,000 sheep, 220,000 goats, and 55,000 hogs. Large numbers of Ndama cattle are kept, mainly by nomads in the savanna area of the northeast. Poultry farmers had an estimated seven million chickens in 2001. Total meat production in 2001 was 22,000 tons, 45% of it poultry.

[24]FISHING

Fresh fish is not a staple for the country as a whole but is much prized in Freetown and other parts of the Peninsula. The fishing industry, which once was confined to inshore waters, has spread into the middle waters and includes canoe, industrial, freshwater, and shellfish fisheries. Total fish and shellfish production in 2000 was 74,730 tons, with bonga shad accounting for 21,621 tons. Shrimp is the main export; fisheries exports were valued at $14.6 million in 2000. The government has a joint venture agreement with Maritime Protection Services Sierra Leone Ltd., the purpose of which is to prevent poaching, protect artisanal fishing, increase revenue, and conserve maritime resources.

[25]FORESTRY

About 15% of Sierra Leone is covered by forests. Much of Sierra Leone's rainforests have been cleared, with only remnant areas in the south and east; intensive farming gradually eliminated most of the forest area. There are still aboutonemillion hectares (2.5 million acres) of forests, with most of the prime forestland in the government estate in the mountainous eastern half of the country and in the Western Area hills. In 2000, an estimated total of 5.5 million cu m (194 million cu ft) of roundwood was harvested, 98% of it for fuel. Forests comprise both evergreen and semi-

deciduous rainforests, swamp forests, mangrove forests, and significant areas of secondary and regenerating forests. The Gola Forest in the southeast is the largest remaining tract of rainforest.

[26]MINING

The artisanal mining of diamonds was Sierra Leone's leading industry in 2002, and diamonds and rutile were the top export commodities. Artisanal recovery of gold was another important mineral output, and petroleum refining was the country's fourth-leading industry. Before rebel activities disrupted diamond mining in 1992, and bauxite and rutile operations in 1994–95, the mineral industry accounted for an estimated 15%–20% of GDP and 90% of export earnings, and employed one-half of the labor force. Although civil strife has adversely affected investment in natural resource development since 1995, conditions were expected to improve with the declaration that war had ended in 2001.

Diamond output was 600,000 carats in 1999, 2000, and 2001, 250,000 in 1998, and 400,000 in 1997; most production was by artisanal miners. It was believed that a substantial portion of the diamonds close to the earth's surface was smuggled out of the country. Alluvial diamonds, first discovered in Kono District in 1930, were widely scattered over a large area, but particularly along the upper Sewa River. The main diamond deposits were the Koidu and Tongo fields. DiamondWorks Ltd., of Canada, which owned 60% of the Koidu mine (reserves of 2.67 million carats), announced in 2001 that it was returning to Sierra Leone. DiamondWorks also held diamond exploration licenses on the Sewa River with reserves containing 1.7 million carats. Production of alluvial gold in 2001 was 30 kg, down from 123 kg in 1994.

For 25 years, the Sierra Leone Selection Trust (SLST), a subsidiary of the Consolidated African Selection Trust, had exclusive diamond prospecting rights and gave the government 27.5% of its annual net profit. However, this monopoly, plus numerous finds of gem diamonds at or close to the surface, encouraged so much illicit mining and exportation, that, in 1955, the government renegotiated SLST's concession, limiting it to two areas, Yengema, in Kono District, and Tongo, in Kenema District, and compensated the company for surrendering its rights in other areas. In 1956, the government introduced the Alluvial Diamond Mining Scheme, in which Sierra Leoneans were issued licenses to dig in declared areas totaling more than 23,300 sq km (9,000 sq mi). In addition to a licensing fee, each licensee had to pay land rental to the local chiefdom authorities and could employ up to 20 diggers. A buying organization, the Government Diamond Office (the Government Gold and Diamond Office since 1985), was set up in agreement with the Diamond Corp., in London. Foreigners, who had figured significantly in illicit diamond dealing, were removed from the diamond-mining areas. In 1962, the government ordered the SLST to sell all its diamond through the government office. In 1970, the government acquired a 51% interest in SLST and formed the National Diamond Mining Co. (NDM). In 1991, the government started returning control of diamond and gold export activities back to the private sector, to curtail illicit trading and maximize revenues. New mining policy in 1994 made requirements for licensing miners and exporters more rigid, to address the heavy revenue losses from illegal trading in diamonds and gold. NDM ceased operations in 1992, partly because of rebel activities in the Yengema mining district.

Sierra Rutile Ltd. announced that rutile mining would resume in 2003, having closed in 1995 because of fighting. The Sierra Rutile mine was the largest and highest- grade rutile resource in the world. Mining of rutile, a titanium oxide, began in the Southern Province, near Bonthe, in 1967; because of technical difficulties, mining operations were stopped in 1971. Sierra Rutile began operating a pilot plant in 1973, and production resumed in December 1979. Output rose from 46,000 tons in 1980–81 to a record 154,000 in 1991, before falling to 137,000 in 1994.

The main iron ore deposits were near Marampa, in the Port Loko District, and between the Sokoya and Waka hills, in the Tonkolili District. Mining began in 1933, and a program of expansion of the Marampa mine was launched in 1961. Exports increased from 952,000 tons in 1960 to 2.4 million tons in 1973, but the mine was closed in 1975. It reopened in 1982, under government ownership and Austrian management, shipment of iron ore resumed in 1983, and the mine was closed again in 1985.

Bauxite mining in the Mokanji Hills area of the Southern Province was begun by the Sierra Leone Ore and Metal Co. in 1963. Production of 735,000 tons was reported in 1994, before operations were disrupted by civil unrest. In 1996, the company announced that it would not reopen the site. A second bauxite operation and alumina plant were to be developed at Port Loko. A zircon recovery plant opened in 1991, using old tailings and new mine output from the rutile mines. Known reserves of other minerals included antimony, cassiterite, columbite, corundum, fluorspar, ilmenite, lead, lignite, magnetite, molybdenum, monazite, platinum, silver, tantalite, tin, titanium, tungsten, and zinc.

A 1999 amendment to the 1994 Mines and Minerals Act introduced procedures for sale and export of precious minerals by license holders, and penalties for unlawful possession or smuggling of precious minerals. In 2001, Sierra Leone and Angola introduced a diamond certification scheme in response to UN sanctions aimed at prohibiting importation of diamonds from rebel-controlled areas in the countries.

[27]ENERGY AND POWER

Total national electricity production increased from 42.6 million kWh in 1960 to 245 million kWh in 2000, with 100% from fossil fuels. Consumption of electricity in 2000 was 227.9 million kWh. Installed capacity in 2001 was 126,000 kW. In 1993, the World Bank approved a rehabilitation plan for the National Power Authority (NPA) to provide generation, transmission, and distribution facilities in the western area, and to establish the possibility of making the NPA into a commercially viable utility. Apart from wood, lignite is the only natural fuel found, but known deposits are not being economically exploited. Several companies prospected for offshore oil in the late 1970s and the 1980s.

[28]INDUSTRY

Industry accounted for 27% of GDP in 2000, and is oriented toward the processing of raw materials and of light manufactured goods for domestic consumption. The sector has suffered from a lack of foreign exchange, high import costs, unreliable local services, and political instability. The Wellington Industrial Estate, covering 46 hectares just east of Freetown, was developed in the 1960s by the government to encourage investments. Its factories produce a variety of products, including cement, nails, shoes, oxygen, cigarettes, beer and soft drinks, paint, and knitted goods. Timber for prefabricated buildings is milled, and another factory produces modern furniture. Small factories in the Freetown area process tuna and palm oil. Oyster farming and shrimp production dominate the fishing industry. There are no proven oil reserves in the country, but there is one oil refinery. In 1992, the oil refinery in Freetown closed due to lack of capital for crude oil imports; in 1994 the facility was sold to Unipetrol of Nigeria. Its production capacity in 2002 was 10,000 barrels per day. Village craft products include a popular cloth, rope, sail canvas, boats, wood carvings, baskets, and leather goods.

[29]SCIENCE AND TECHNOLOGY

The Institute of Marine Biology and Oceanography, founded in 1966, affiliated with Fourah Bay College of the University of

Sierra Leone at Freetown. The college itself, founded in 1827 by the Church Missionary Society, has faculties of engineering and pure and applied sciences and an institute of marine biology and oceanography. Also part of the university is Njala University College (founded in 1964), which has faculties of agriculture and environmental sciences, and the College of Medicine and Allied Health Sciences (founded in 1987). In 1987–97, science and engineering students accounted for 17% of college and university enrollments. A paramedical school in Bo operates with funds from the government and the European community. The Ministry of Mines has a geological survey division to locate mineral deposits and advise on all matters relating to the earth. The Sierra Leone Medical and Dental Association, founded in 1961, is headquartered in Freetown.

30 DOMESTIC TRADE

As of mid-1997, domestic commerce was hampered by political instability and guerilla raids on villages. Fuel and food staples are in short supply and many businesses and banks remained closed. Foreign investment has been stalled by all these factors.

Freetown is the principal commercial and distribution center. Internal trade is normally carried on by trading firms that deal in a variety of merchandise. Bo is the commercial center for the central region of the country, with most significant trading activity in ginger, rice, coffee, cocoa, and palm oil and kernels. Makeni, in central Sierra Leone, is a trading center for the Temne people, who mainly produce rice.

Normal business hours were from 8 AM to 12:00 PM and 2 to 4:45 PM, Monday through Friday, with a half day on Saturday. Banks were open from 8 AM to 1:30 PM, Monday through Thursday, and 8 to 2 PM on Friday.

31 FOREIGN TRADE

Principal imports are foodstuffs, machinery and transportation equipment, fuels, and lubricants. Civil war has inhibited foreign trade since 1995. Sierra Leone's most important exports are diamonds (45%) and rutile (27%). Other exports include vegetable oil (4.4%), fresh fish (3.9%), shellfish (3.8%), coffee (3.5%), and cocoa (1.7%). In 1999, Sierra Leone shipped 7,000 tons of rutile to the US, the first cargo since the mine was closed by rebels in early 1995.

About half of Sierra Leone's exports go to Belgium, in the form of diamond exports to Antwerp. In 1999, diamond exports fell from a high of $500 million to $30 million. An immense black market for diamonds exists, probably accounting for the majority of exports from Sierra Leone. Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Belgium	60	15	45
United States	11	26	-15
Spain	9	2	7
United Kingdom	6	40	-34
Italy	5	13	-8
Ireland	2	6	-4
France	1	7	-6
Netherlands	1	8	-7
South Africa	n.a.	9	n.a.
Nigeria	n.a.	11	n.a.

32 BALANCE OF PAYMENTS

Sierra Leone's frequently negative balance of trade and habitual deficit in current accounts are somewhat counterbalanced by capital inflows, generally from foreign governments.

The US Central Intelligence Agency (CIA) reports that in 2000 the purchasing power parity of Sierra Leone's exports was $65 million while imports totaled $145 million resulting in a trade deficit of $80 million.

The International Monetary Fund (IMF) reports that in 1995 Sierra Leone had exports of goods totaling $42 million and imports totaling $168 million. The services credit totaled $87 million and debit $92 million. The following table summarizes Sierra Leone's balance of payments as reported by the IMF for 1995 in millions of US dollars.

Current Account	**-127**
Balance on goods	-127
Balance on services	-5
Balance on income	-21
Current transfers	26
Capital Account	**...**
Financial Account	**62**
Direct investment abroad	...
Direct investment in Sierra Leone	-2
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	16
Other investment liabilities	48
Net Errors and Omissions	**19**
Reserves and Related Items	**46**

33 BANKING AND SECURITIES

The Bank of Sierra Leone, established in 1963, is the central bank and bank of issue. The Banking Act of 1964 provides for the regulation of commercial banks by the central bank, including the control of money supply. Poor revenue collection, failure to control expenditure and heavy debt servicing requirements as a result of past borrowing characterized government finances in the 1980s and early 1990s.

In the 1990s, there were six commercial banks operating in the country. Standard Chartered Bank Sierra Leone and Barclays Bank of Sierra Leone are both foreign banks that are locally incorporated, with Sierra Leonean staff. The International Bank of Trade and Industry opened in 1982, with funds from Lebanese and Sierra Leonean investors.

The National Development Bank was established in 1968 to finance agricultural and industrial projects. The National Cooperative Development Bank, established in 1971, serves as a central bank for all cooperatives and makes modest loans to individual farmers and cooperatives for agricultural improvements. Sierra Leone also has a Post Office Savings Bank. Most banks closed during the rebel attacks of the late 1990s.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $95.4 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $146.4 million.

There is no securities exchange in Sierra Leone.

34 INSURANCE

The National Insurance Co. is government owned. All insurance companies in Sierra Leone are supervised by the Ministry of Finance.

35 PUBLIC FINANCE

The government of Sierra Leone has been prevented from having any significant economic influence in the country thanks to a shortage of foreign exchange, deep-seated corruption, and uncertainty surrounding the civil wars that periodically take place. The minister of finance came under attack in 2000 for declaring expenditures reaching $30,000 on the war during the month of May alone, because government officials reportedly siphoned off money into private bank accounts. Payroll fraud in the same year to the tune of $400,00 in the accounting office also took a toll on government respectability.

The US Central Intelligence Agency (CIA) estimates that in 2000 Sierra Leone's central government took in revenues of approximately $96 million and had expenditures of $351 million. Overall, the government registered a deficit of approximately $255 million. External debt totaled $1.3 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**96**
Tax revenue	87.1%	84
Non-tax revenue	2.9%	3
Grants	10.0%	10
EXPENDITURES	**100.0%**	**351**
General public services	10.9%	38
Defense	9.9%	35
Public order and safety	3.5%	12
Education	13.3%	47
Health	9.6%	34
Social security	2.3%	8
Housing and community amenities	0.8%	3
Economic affairs and services	29.0%	102
Other expenditures	2.5%	9
Interest payments	18.2%	64

[36]TAXATION

The main items of taxation are customs duties and direct taxes, which include income taxes. A 1963 amendment to the income tax act abolished all personal deductions except medical and dental expenses and the costs of passage to and from Sierra Leone. A husband and wife are assessed separately for income tax on their individual incomes. Income tax is charged at a flat rate, with one rate for citizens and a higher rate for noncitizens. Also levied are a 55% corporate tax, property tax, payroll tax, social security contributions, and taxes on goods and services. In 2003, Sierra Leone's main indirect tax was its 20% sales tax.

[37]CUSTOMS AND DUTIES

All import licensing requirements were eliminated in 1989 and all other restrictions, including those on cigarettes, ended in early 1992. Imports from other Manu River Union (MRU) members enter duty-free. Most duties for non-MRU imports average 20% but range from 0 to 100% on luxury goods. There is an additional 12.5% sales tax levied on all imports.

[38]FOREIGN INVESTMENT

The government encourages the development of plantations and the investment of foreign private capital in agriculture and worthwhile new enterprises. Safeguards are provided against nationalization, and repatriation of capital, profits, and interest is permitted. Legislation in 1983 offered tax relief for up to five years, preferential access to import licenses, exemption from customs and duties on capital equipment and new materials, and special bonuses for companies setting up outside Freetown.

Sierra Leone attracted few foreign investors in the early 1990s. Progress in reforming the economy was expected to reverse that trend, but renewed civil disturbances in 1997 threatened those prospects. Rex Mining, the first company to invest in Sierra Leone after the civil war, suspended work at its diamond mine after the military coup in May of 1997. Production in the rutile and bauxite plants resumed in 2000, but continuance was unsure because of political unrest.

Foreign direct investment inflow (FDI) was $9.6 million in 1997, but this was more than reversed by a net divestment outflow in 1998 of -$9.8 million. Net FDI inflow was $6 million in 1999 and averaged $4.45 million a year in 2000 and 2001. In UNCTAD's ranking of 140 countries in terms of their potential for attracting foreign investment in the period 1998 to 2000, Sierra Leone was ranked number 140.

[39]ECONOMIC DEVELOPMENT

The Sierra Leone government, in addition to stabilizing its balance-of-payment and budgetary deficits and meeting its debt obligations, seeks investors in its mining sector. A parallel economy, lawless conditions, and a crumbling infrastructure continue to constrain economic growth. The government in the early 2000s was working with foreign donors to undertake rural development and agricultural projects. In 2001, the government created a mining community development fund, to direct a portion of diamond export taxes to diamond mining communities. The government encourages foreign investment. Senegal formed the Mano River Union (MRU) customs union with Liberia and Guinea, to implement development projects and promote regional economic integration.

In 2001, the International Monetary Fund (IMF) approved a $169 million three-year Poverty Reduction and Growth Facility (PRGF) Arrangement for Sierra Leone, to support the government's economic reform program. In 2002, Sierra Leone became eligible for nearly $950 million in debt service relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative.

[40]SOCIAL DEVELOPMENT

A community center, opened in 1946 in Freetown, enabled the Welfare Department to sponsor women's institutes and other groups interested in child welfare and domestic affairs; promote youth groups; set up programs for the care of the aged, the blind, and the mentally handicapped; and train staff and voluntary workers. In 1955, these allied services were reorganized into a new government department, now known as the Ministry of Social Welfare. A National Coordinating Committee concerned with community development and social services has also been set up, and there is a National Training Center for social workers. In 1972, the National Council of Social Services was established as a central body for coordinating and channeling the work of voluntary organizations. A national pension system exists only for public employees. Workers' compensation insurance with private carriers is compulsory. This program excludes small plantations with fewer than 25 agricultural workers, domestic servants and casual workers.

Women are guaranteed equal rights under the constitution, and a number of women have held prominent posts, including that of Supreme Court justice. Even so, discrimination and violence against women are frequent. Women carry out most of the strenuous agricultural work, and are responsible for child rearing. Women are less likely to attend or complete school, and only an estimated 6% are literate. They do not have equal access to economic opportunities, health care, or social freedoms. Female genital mutilation, a practice which is painful and sometimes life threatening, is an entrenched cultural practice. It is estimated that as many as 80–90% of girls and women may have been affected. There is considerable local opposition to advocates campaigning to have the practice banned. Domestic abuse and violence is a widespread social problem.

The government's human rights record has improved, although there are continued reports of the mistreatment of detainees and illegal detention, as well as summary execution of suspected rebels by government and ECOMOG forces.

[41]HEALTH

In 1985, Sierra Leone had 52 hospitals and 263 dispensaries and health treatment centers. In 1990, there was one hospital bed per 1,000 inhabitants. Only 38% of the population had access to health care services in 1992. As of 1999, there were an estimated

0.1 physicians per 1,000 people. As of 1999 total health care expenditure was estimated at 5.3% of GDP.

Lassa fever has continued to spread in the Kenema district since 1996. A World Health Organization (WHO) mission investigated the outbreak and is helping to remedy short supplies in this war-torn country. With WHO and UNICEF technical assistance, an endemic diseases control unit reduced the incidence of sleeping sickness and yaws and began a leprosy control campaign. Malaria, tuberculosis, and schistosomiasis remain serious health hazards, as does malnutrition. In 1999, there were 274 reported cases of tuberculosis per 100,000 people.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 44.6 and 18.8 per 1,000 people. The infant mortality rate was 154 per 1,000 live births in 2000 and maternal mortality was 2,100 per 100,000 live births in 1995. Since 1994, UNICEF estimated that Sierra Leone has one of the highest mortality rates in the world.

About 4% of married women (ages 15 to 49) were using contraception in 2000. The fertility rate was 5.8 children per woman surviving through the childbearing years in 2000. The prevalence of child malnutrition was 23% of children under five in 1989–1995. Immunization rates for children up to one year old in 1997 included: diphtheria, pertussis, and tetanus, 26%, and measles, 28%. Rates for 1992 included tuberculosis, 60%, and polio, 43%. Life expectancy in 2000 was 39 years, among the lowest in the world.

At the end of 2001, the number of people living with HIV/AIDS was estimated at 170,000 (including 7% of the adult population) and deaths from AIDS that year were estimated at 11,000. HIV prevalence in 1999 was 3 per 100 adults.

[42]HOUSING

Village houses in the provinces are traditionally made of sticks with mud walls and thatch or grass roofs; they may be circular or rectangular in shape. In some villages, wattle-and-daub construction has been replaced by sun-dried mud blocks, and roofs of grass, palm thatch, or palm tiles are giving way to corrugated iron sheeting. In Freetown, older two-story wooden houses have been being replaced by structures built largely of concrete blocks, with corrugated iron or cement-asbestos roofs. Building is controlled in the major towns, and designs are subject to approval.

In 1999, as a result of the invasion of rebels, about 5,932 homes were completely destroyed in Freetown and the surrounding areas of Kissy, Wellington, Calaba Town, and Allen Town. The town of Koidu, which was once the second largest town in the nation, suffered major destruction. National estimates indicate that by 2001, 300,000 homes were destroyed as a result of the internal rebellion. Approximately 1.2 million people were internally displaced or have fled to neighboring countries.

The government has made reconstruction a priority and has initiated a National Housing Policy to work on programs of reform, resettlement, and reconstruction. Through one program, the government has planned to sell public housing and to use the proceeds to build more housing units.

[43]EDUCATION

In 1990–91 Sierra Leone's 1,795 primary schools had 10,850 teachers and a total enrollment of 367,426 pupils, and secondary schools had 102,474 pupils and 5,969 teachers. The pupil-teacher ratio at the primary level was 30 to 1 in 1999. In the same year, 65% of primary-school-age children were enrolled in school, while 24% of those eligible attended secondary school. Primary education is neither wholly free nor compulsory, but the ultimate goal of the government is to provide free primary school facilities for every child. Projected adult illiteracy rates for the year 2000 stand at 63.7% (males, 49.3%; females, 77.4%). As of 1999, public expenditure on education was estimated at 1% of GDP.

Fourah Bay College, the oldest institution of higher learning in West Africa, was founded in 1827 by the Church Missionary Society, primarily to provide theological training. It was affiliated with the University of Durham in England in 1876 and received a royal charter in 1959 as the University College of Sierra Leone. In 1967, the University of Sierra Leone was chartered with two constituent colleges, Fourah Bay (in Freetown) and Njala University College (in Moyamba District). In 1990–91, all higher-level institutions were reported to have had 4,742 pupils and 600 teaching personnel.

[44]LIBRARIES AND MUSEUMS

The library of Fourah Bay College, founded in 1827 has 200,000 volumes. Public collections are maintained in 10 cities and towns by the Sierra Leone Library Board. The main collection in Freetown holds 80,000 volumes. The American Cultural Center and the British Council both maintain small collections. The Sierra Leone National Museum contains documents concerning Sierra Leone and its history and various works of sculpture, especially Nomolis stone fetishes representing seated figures of unknown origin that have been found in the Mende areas.

[45]MEDIA

International cablegram, telex, and telephone services are provided by Sierra Leone External Telecommunications. In 2001, there were about 25,000 mainline phones and 30,000 cellular phones in use throughout the country.

The Sierra Leone Broadcasting Service manages radio and television transmissions. Radio Sierra Leone, the oldest broadcasting service in English-speaking West Africa, broadcasts mainly in English, with regular news and discussion programs in several indigenous languages and a weekly program in French. The Sierra Leone Television Service was inaugurated in 1963. As of 1999 there were 1 AM and 9 FM radio stations and 2 television stations. In 2000 there were 259 radios and 13 television sets for every 1,000 people. There was only one Internet service provider in 2000, serving about 20,000 subscribers by 2001.

The only major daily newspaper is the government-owned *Daily Mail* (with a 2002 circulation of 10,000), but there were several privately owned weekly newspapers, including *New Shaft* (circulation 10,000) and *Weekend Spark* (20,000). Under legislation enacted in 1980, all newspapers must register with the Ministry of Information and pay a sizable registration fee.

The 1991 constitution provides for free speech and a free press, though in practice authorities are said to beat, detain, and otherwise harass journalists for publishing articles unflattering to the government.

[46]ORGANIZATIONS

There is a chamber of commerce in Freetown. The cooperative movement has grown rapidly since the 1960s. Several voluntary associations exist, mostly in the Freetown area; most of these are women's religious, cultural, political, or economic groups. Coordinating bodies include the Federation of Sierra Leone Women's Organizations and the United Church Women. National youth organizations include the National Union of Sierra Leone Students, Sierra Leone Association of Students in Economics and Commerce, Sierra Leone Scouts Association, YMCA/YWCA, and the Sierra Leone National Youth League. International organizations with national chapters include Amnesty International and the Red Cross.

[47]TOURISM, TRAVEL, AND RECREATION

Sierra Leone has magnificent beaches, including Lumley Beach on the outskirts of Freetown, perhaps the finest in West Africa.

Natural scenic wonders include Bintimani and the Loma Mountains, Lake Sonfon, and the Bumbuna Falls. There are several modern hotels in Freetown, as well as a luxury hotel and casino at Lumley Beach. There has been a slow response from the international community to change the image of the country to that of a tourist destination. Tourist arrivals numbered about 21,877 in 1996, and tourist receipts were about $10 million. In 1995 there were 1,025 hotel rooms with 1,990 beds and an occupancy rate of 14%.

According to 2002 US government estimates, the average cost of staying in Freetown is about $200 per day.

[48] FAMOUS SIERRA LEONEANS

Sir Samuel Lewis (1843–1903) was a member of the Legislative Council for more than 20 years and the first mayor of Freetown. Sir Milton Augustus Strieby Margai (1895–1964), the grandson of a Mende warrior chief, was the founder of the SLPP and the first prime minister of Sierra Leone, a post he held until his death. Sir Albert Michael Margai (1910–80) succeeded his half-brother as prime minister from 1964 to 1967. Siaka Probyn Stevens (1905–88), the founder of the APC, was prime minister from 1968 to 1971 and became the republic's first president from 1971 to 1985. John Musselman Karefa-Smart (b. 1915) served as minister of lands, mines, and labor, in which capacity he organized Sierra Leone's diamond industry, and also served as assistant director-general of WHO from 1965 to 1970. Davidson Nicol (1924–94) was his country's permanent representative to the UN from 1969 to 1971, served as president of the Security Council in 1970, and became executive director of UNITAR in 1972. Foday Sankoh (b. 1937) is the leader of the Revolutionary United Front, a guerrilla group that terrorized villages in the early 1990s.

[49] DEPENDENCIES

Sierra Leone has no territories or colonies.

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SOMALIA

CAPITAL: Mogadishu (Muqdisho)

FLAG: The national flag is light blue with a five-pointed white star in the center.

ANTHEM: *Somalia Hanolato (Long Live Somalia)*.

MONETARY UNIT: The Somali shilling (SH) of 100 cents is a paper currency. There are coins of 1, 5, 10, and 50 cents and 1 shilling, and notes of 5, 10, 20, 100, 500, and 1,000 shillings. SH1 = $0.0000498 (or $1 = SH20,041) as of May 2003.

WEIGHTS AND MEASURES: The metric system is in use.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; National Independence Day, 26 June; Foundation of the Republic, 1 July. Muslim religious holidays include 'Id al-Fitr, 'Id al-Adha', 'Ashura, and Milad an-Nabi.

TIME: 3 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the horn of East Africa, Somalia has an area of 637,657 sq km (246,201 sq mi), extending 1,847 km (1,148 mi) NNE–SSW and 835 km (519 mi) ESE–WNW. Comparatively, the area occupied by Somalia is slightly smaller than the state of Texas. It is bounded on the N by the Gulf of Aden, on the E and S by the Indian Ocean, on the SW by Kenya, on the W and NW by Ethiopia, and on the NW by Djibouti, with a total land boundary of 2,340 km (1,454 mi) and a coastline of 3,025 km (1,880). The boundary with Djibouti has been fixed by international agreement, but the western border with Ethiopia remains in dispute. Somalia is committed to supporting the right of self-determination for ethnic Somalis in all adjacent countries, including their right to join in a greater Somalia that would include the Ogaden, now part of Ethiopia.

Somalia's capital city, Mogadishu, is located on the Indian Ocean coast.

[2]TOPOGRAPHY

The northern region is somewhat mountainous, with plateaus reaching between 900 and 2,100 m (3,000–7,000 ft). To the northeast there is an extremely dry dissected plateau that reaches a maximum elevation of nearly 2,450 m (8,000 ft). South and west of this area, extending to the Shabeelle River, lies a plateau whose maximum elevation is 685 m (2,250 ft). The region between the Juba and Shabeelle rivers is low agricultural land, and the area that extends southwest of the Jubba River to Kenya is low pastureland.

The Jubba and Shabeelle rivers originate in Ethiopia and flow toward the Indian Ocean. They provide water for irrigation but are not navigable by commercial vessels. The Shabeelle dries up before reaching the ocean. Despite its lengthy shoreline, Somalia has only one natural harbor, Berbera.

[3]CLIMATE

Somalia has a tropical but not torrid climate, and there is little seasonal change in temperature. In the low areas, the mean temperature ranges from about 24°C to 31°C (75° to 88°F). The plateau region is cooler, the southwest warmer. The periodic winds, the southwest monsoon (June–September), and the northeast monsoon (December–March) influence temperature and rainfall. Rain falls in two seasons of the year: heavy rains from March to May, and light rains from September to December. Average annual rainfall is estimated at less than 28 cm (11 in). Droughts are not infrequent.

[4]FLORA AND FAUNA

Acacia thorntrees, aloes, baobab, candelabra, and incense trees are native to the semiarid regions. Mangrove, kapok, and papaya grow along the rivers. Coconut, dune palm, pine, juniper, cactus, and flowering trees such as the flamboyant were imported and have become widespread in the populated areas.

Animal life includes the elephant, lion, wildcat, giraffe, zebra, hyena, hippopotamus, waterbuck, gazelle, dik-dik, lizard, crocodile, turtle, porcupine, baboon, and boar. There is a large variety of snakes, the best known being the puff adder, the spitting cobra, and the krait. Domestic animals are camels, sheep, goats, and cattle. The most common birds are the ostrich, duck, guinea fowl, bustard, partridge, green pigeon, sand grouse, and heron.

[5]ENVIRONMENT

The increasing aridity of the Somali climate, coupled with excessive timber cutting and overgrazing, has led to deforestation and extension of the desert area. In a five-year period, Somalis can anticipate two years of drought. Overgrazing between Mogadishu and Chisimayu has resulted in the gradual movement of coastal sand dunes inland, posing a serious threat to agricultural areas and human habitation. Somalia has 6 cubic kilometers of renewable water resources with 97% used for farming. Three percent is for urban and domestic use. Only about 26% of the entire population have access to safe drinking water.

Along with its large livestock herd, Somalia has one of the most abundant and varied stocks of wildlife in Africa. The hunting and trapping of antelopes and gazelles for their skins was

LOCATION: 12° N to 1°39′ S; 41°30′ to 51°E. BOUNDARY LENGTHS: Total coastline, 3,025 kilometers (1,874 miles); Kenya, 682 kilometers (424 miles); Ethiopia, 1,626 kilometers (1,016 miles); Djibouti, 58 kilometers (36 miles). TERRITORIAL SEA LIMIT: 200 miles.

banned in 1969. However, many species continued to be adversely affected by growing numbers of livestock, exclusion from watering spots by human settlement, and the cutting of bush vegetation and tree cover. As of 2001, only 0.3% of the nation's total land area was protected.

As of 2001, 18 of the country's mammal species and 8 bird species were reported endangered. Fifty-seven types of plants were threatened with extinction. Endangered species in Somalia include the black rhinoceros, Pelzeln's dorcas gazelle, Swayne's hartebeest, and the green sea, hawksbill, and leatherback turtle.

6 POPULATION

The population of Somalia in 2003 was estimated by the United Nations at 9,890,000, which placed it as number 80 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age,

with another 44% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 4.17%, with the projected population for the year 2015 at 15,263,000. The population density in 2002 was 12 per sq km (31 per sq mi).

It was estimated by the Population Reference Bureau that 28% of the population lived in urban areas in 2001. The capital city, Mogadishu, had a population of 1,162,000 in that year. Hargeysa (the former capital of British Somaliland), had an estimated 150,000 inhabitants. Other cities included Chisimayu, Berbera, and Merca. Approximately 60% of the population is nomadic. According to the United Nations, the urban population growth rate for 2000–2005 was 5.2%.

[7]MIGRATION

Since about half of all Somalis are nomadic or semi-nomadic, there are substantial movements back and forth across the frontiers in the normal range of grazing activities. Within the country there has been a gradual migration toward the south and southwest, especially since the north was drought-stricken in the 1970s and early 1980s. A campaign of political terror began in 1986. So severe were the effects that it was estimated in 1993 that three-quarters of the population had been internally displaced since 1988.

The conflict with Ethiopia led to the influx of many refugees from the Ogaden, most of them ethnic Somalis. In 1990, an estimated 586,000 were being assisted by the UN High Commissioner for Refugees in refugee camps. The government claimed the total number in refugee camps exceeded 1.3 million. Yet the political violence in Somalia was so extreme that about 600,000 people fled the country between 1988 and 1991.

After Siyad Barre's regime fell in January 1991, fighting began between 16 different rival factions in Somalia. These clan wars and the long drought led to over 900,000 Somalis fleeing to neighboring nations. Of these, some 400,000 went to Kenya. Due to UNHCR's aid program that was started in 1992, a majority of these refugees have returned. However, UNHCR's repatriation program was broken off in 1995 due to fighting. As of May 1997, there were still 285,000 Somali refugees in Ethiopia, 131,000 in Kenya, 20,000 in Djibouti, and 10,000 in Yemen. In 2000, the net migration rate was 1.7 migrants per 1,000 population. This was a significant drop from -21.9 per 1,000 in 1990. The total number of migrants living in Somalia in 2000 was estimated at 22,000. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The Somalis are classified as a Hamitic people with a Cushitic culture. It is believed that the Somalis descend from people who migrated from the equatorial lakes of Africa to settle in the area of Somalia's two rivers, there to intermix with pastoral groups from the north and migrants from the Arabian Peninsula, the Persian Gulf, and perhaps Southeast Asia.

Ethnic Somalis, who made up about 85% of the population in 1998, are divided into two main clan families: the Samaal, which includes the Darod, Isaaq, Hawiye, and Dir clan groups; and the Saab, which includes the Rahanweyn and Digil clans and other smaller clan groups. The Samaal are principally nomadic or seminomadic pastoralists; the Digil and Rahanweyn are primarily farmers and sedentary herders. There are also small Bantu-speaking groups who live along the Shabeelle and Jubba rivers.

The nonindigenous population consists primarily of Arabs, Italians, Pakistanis, and Indians. The Italians are mainly engaged in teaching, business, and banana production; the Arabs, Pakistanis, and Indians are primarily shopkeepers.

[9]LANGUAGES

Somali, classified as a lowland Eastern Cushitic language, is spoken by all Somalis, with dialectal differences that follow clan family divisions. Loanwords from Arabic, English, and Italian have been thoroughly assimilated by Somali phonetic rules. Until 1972, the official languages of Somalia were oral Somali, Arabic, English, and Italian. In 1973, a written form of Somali, with a script based on the Latin alphabet, was adopted as the nation's chief official language. This official script largely replaced the use of English and Italian in newspapers and public documents. It is used in all schools. However, Arabic, English, and Italian are all still widely spoken and understood.

[10]RELIGIONS

The Somalis are primarily Sunni Muslims of the Shafi'i sect. According to their tradition, their ultimate ancestors were of the Qurayshitic lineage of the Prophet Muhammad. Except for a small number of urbanites influenced by higher education, all Somalis belong to one of the following brotherhoods: Qadiriyyah, Salihiyyah, Ahmadiyyah, and Rifaiyyah. As Muslims they adhere to the law of the Shari'ah whenever it does not conflict with local customary law.

In 2002, a transitional government had not yet adopted a constitution; however, a Transitional Charter had established Islam is the state religion, as he nation has historically been Muslim. Christian mission schools closed in 1972 and foreign Protestant missionaries were expelled in 1976. The 1960 constitution forbade proselytizing of any religion but Islam, a law which is still in effect. However, a small, extremely low-profile Christian community does exist.

As of 1999, the number of practitioners of radical Islam is growing. During the first half of 1999, there was an influx of foreign Muslims into Somaliland, reportedly Islamic teachers from Afghanistan, Pakistan, and Sudan. Al-Islah and Al-Ittihaad are two Islamic groups which have organized within the country with a goal to establish an Islamic state. In general, groups of non-Sunni Muslims are viewed with suspicion by the Sunni majority. By March 1999 the Minister of Religion in Somaliland issued a list of instructions and definitions on religious practices. Under the new rules, religious schools and places of worship are required to obtain the Ministry's permission to operate. Entry visas for religious groups must be approved by the Ministry, and certain unspecified doctrines are prohibited.

[11]TRANSPORTATION

Of 22,100 km (13,733 mi) of roads in Somalia in 2002, only 2,608 km (1,621 mi) were paved. A 1,054-km (655-mi) road constructed with Chinese financing and work crew participation, completed in 1978, tied together the northern and southern parts of the country for the first time. Motor vehicles in use in 1995 numbered 24,000, divided equally between passenger cars and commercial vehicles. There are no railways and no commercial water transport facilities.

The ports of Mogadishu, Chisimayu, and Berbera are served by vessels from many parts of the world, as well as by Somali and Arab dhows. Mogadishu in recent years handled more than 70% of Somalia's export and import traffic. In 1995, the state-owned shipping line operated two oceangoing vessels totaling 5,529 GRT. However, by 2002 no merchant marine existed.

In 2001, there were 54 airports, 6 of which had paved runways. The major airfields are in Mogadishu and Berbera. International air service has been provided by the state-owned Somali Airlines (among other carriers), which also has regular flights connecting Mogadishu with regional centers and with Kenya, Djibouti, Sa'udi Arabia, the Comoros, Yemen, the Persian Gulf states, Frankfurt, Cairo, and Rome.

12 HISTORY

Somalia was known as the Land of Punt by ancient Egyptians, who came to Somalia's northern shores for incense and aromatic herbs. In the 9th or 10th century, Somalis began pushing south from the Gulf of Aden coast. About this time, Arabs and Persians established settlements along the Indian Ocean coast. During the 15th and 16th centuries, Portuguese explorers attempted without success to establish Portuguese sovereignty over the Somali coast. Meanwhile, the main coastal centers continued to be controlled by Arab merchant families under the nominal suzerainty of the sultanate of Oman, which transferred its seat to Zanzibar in the early 19th century.

After the British armed forces occupied Aden in 1839, they developed an interest in the northern Somali coast. By 1874, Egyptians occupied several points on the shore, but their occupation was short-lived. From 1884 to 1886, the British signed a number of "protectorate" treaties with Somali chiefs of the northern area. The protectorate was first administered by the resident in Aden and later (1907) by the Colonial Office. From 1899 to 1920, British rule was constantly disrupted by the "holy war" waged by 'Abdallah bin Hasan (generally known in English literature as the "Mad Mullah").

Italian expansion in Somalia began in 1885, when Antonio Cecchi, an explorer, led an Italian expedition into the lower Juba region and concluded a commercial treaty with the sultan of Zanzibar. In 1889, Italy established protectorates over the eastern territories then under the nominal rule of the sultans of Obbia and of Alula; and in 1892, the sultan of Zanzibar leased concessions along the Indian Ocean coast to Italy. Direct administrative control of the territory known as Italian Somaliland was not established until 1905. The Fascist government increased Italian authority by its extensive military operations. In 1925, the British government, in line with secret agreements with Italy during World War I, transferred the Jubaland (an area south of the Jubba River) to Italian control. During the Italo-Ethiopian conflict (1934–36), Somalia was a staging area for Italy's invasion and conquest of Ethiopia. From 1936 to 1941, Somalia and the Somali-inhabited portion of Ethiopia, the Ogaden, were combined in an enlarged province of Italian East Africa.

In 1940–41, Italian troops briefly occupied British Somaliland but were soon defeated by the British, who conquered Italian Somaliland and reestablished their authority over British Somaliland. Although the Ogaden was returned to Ethiopia in 1948, British administration over the rest of Italian Somaliland continued until 1950, when Italy became the UN trusteeship authority. A significant impetus to the Somali nationalist movement was provided by the UN in 1949 when the General Assembly resolved that Italian Somaliland would receive its independence in 1960. By the end of 1956, Somalis were in almost complete charge of domestic affairs. Meanwhile, Somalis in British Somaliland were demanding self-government. As Italy agreed to grant independence on 1 July 1960 to its trust territory, the UK gave its protectorate independence on 26 June 1960, thus enabling the two Somali territories to join in a united Somali Republic on 1 July 1960. On 20 July 1961, the Somali people ratified a new constitution, drafted in 1960, and one month later confirmed Aden 'Abdullah Osman Daar as the nation's first president.

From the inception of independence, the Somali government supported the concept of self-determination for the people of the Somali-inhabited areas of Ethiopia (the Ogaden section), Kenya (most of the northeastern region), and French Somaliland (now the Republic of Djibouti), including the right to be united within a greater Somalia. Numerous border clashes occurred between Somalia and Ethiopia, and between Somalia and Kenya. Soviet influence in Somalia grew after Moscow agreed in 1962 to provide substantial military aid.

Abdirashid 'Ali Shermarke, who was elected president in 1967, was assassinated on 15 October 1969. Six days later, army commanders seized power with the support of the police. The military leaders dissolved parliament, suspended the constitution, arrested members of the cabinet, and changed the name of the country to the Somali Democratic Republic. Maj. Gen. Jalle Mohamed Siad Barre, commander of the army, was named chairman of a 25-member Supreme Revolutionary Council (SRC) that assumed the powers of the president, the Supreme Court, and the National Assembly. Siad Barre was later named president.

In 1970, President Siad Barre proclaimed "scientific socialism" as the republic's guiding ideology. This Marxist ideology stressed hard work and public service and was regarded by the SRC as fully compatible with Islam. A number of industries and large firms, especially foreign banks and oil companies, were nationalized. Self-help projects were instituted to clean up the towns and villages, construct roads and sidewalks, dig and maintain wells and irrigation canals, build infirmaries and schools, and stabilize sand dunes. In 1972, the SRC proclaimed the adoption of a Latin script for Somali; in 1973, it inaugurated widespread literacy campaigns. The drought that affected large areas of Africa from 1968 to 1973 became severe in Somalia in late 1974, and in November of that year, the SRC declared a state of emergency, set up relief camps, and initiated food rationing.

Controversy arose in 1975 over US charges that the USSR was developing a military installation at the port of Berbera. Somalia denied the charges and invited inspection by journalists and US congressmen, who reported that they had found evidence of Soviet missile-handling facilities there. Somali officials did acknowledge receipt of Soviet military and technical advisers. Meanwhile, Ethiopia claimed that a Soviet-equipped Somalia represented a threat to its security. That same year, Siad Barre extended formal recognition to the Western Somali Liberation Front in the Ogaden. Somali forces took part in the fighting but were defeated in 1977, soon after the USSR had swung its support to Ethiopia. Late in the year, Siad Barre expelled the Soviets. Relations with the United States warmed, and in 1980, in return for military and economic aid (about $80 million in 1982), Siad Barre agreed to allow the US use of air and naval facilities at the northern port of Berbera, facilities that had been built by the USSR, and also at Mogadishu.

A new constitution was ratified in 1979. On 30 December 1979, an unopposed list of 171 candidates was elected to the People's Assembly, which, the following month, elected Siad Barre unanimously to a new term of office. (Unopposed elections were again held on 31 December 1984.) In October 1980, Siad Barre declared a state of emergency and reestablished the SRC, responding to the activities of an Ethiopian-backed opposition movement, the Somali Salvation Democratic Front (SSDF). The state of emergency was lifted in March 1982, but at midyear the insurgents, supported by a reported 10,000 Ethiopian troops, invaded Somalia. By December, however, only a small area was in insurgent or Ethiopian hands.

In January 1986, Siad Barre met with Lt. Col. Mengistu Haile Mariam, Ethiopia's head of state, in Djibouti, in an effort to improve relations between the two countries. Two other meetings of Somali and Ethiopian officials were held in May and August, but no agreement was reached. After Barre's unopposed reelection on 23 December 1986—the first direct presidential election in Somalia—Barre appointed a prime minister for the first time, Lt. Gen. Mohamed 'Ali Samater, the first vice president and minister of defense. The SSDF had virtually crumbled by the end of 1986, but in 1987 another insurgent group, the Somali National Movement, was conducting operations in the north (the former British Somaliland). In February 1987 relations between

Somalia and Ethiopia deteriorated following an Ethiopian attack on six settlements. Growing out of the Soviet shift to the Ethiopian side, American-Somali relations became closer during the administration of US president Ronald Reagan. This included a 10-year agreement providing US forces access to naval and air facilities at Berbera and increasing US military aid to Somalia.

In 1988, both the Ethiopian and Somalian governments, faced by growing internal resistance, pledged to respect their border. By 1990, the Somali regime was losing control. Armed resistance from the Somali Salvation Democratic Front (SSDF), the Somali Democratic Alliance (SDA), the Somali Democratic Movement (SDM), the Somali National Movement (SNM), the Somali Patriot Movement (SPM), and the United Somali Congress (USC) were turning the Somali territory into a death trap. Government forces were no less ruthless. Each was led by a clan leader or local warlord. Donor nations threatened to cut off aid unless the atrocities were ended.

In March 1990, Barre called for dialogue and, possibly, an end to single-party rule, but he was eventually ousted and, in January 1991, he fled Mogadishu. The USC seized the capital, but fighting continued. The SNM controlled much of the north and declared its territory the independent state of "Somaliland." By December, the USC had split in two. One faction was led by Ali Mahdi Muhammad, the interim president, the other by Gen. Muhammad Farrah Aideed. They were from different subclans of the Hawiye clan. The fighting continued and the warring factions prevented people from planting and harvesting crops. Several hundred thousand people died. Far more were threatened by starvation. Over a half-million fled to Kenya. Contagious disease spread through refugee camps inside the country. The starvation and total breakdown of public services was publicized in the western media. Calls for the UN to intervene mounted. Yet, the food relief that was sent was stolen by soldiers and armed looters. Private relief efforts were frustrated and subject to extortion. Late on 3 December 1992, the UN Security Council passed a resolution to deploy a massive US-led international military intervention (UNITAF-United Task Force) to safeguard relief operations. By the end of December, Aideed and Ali Mahdi had pledged to stop fighting. The UNITAF spread throughout the country. Violence decreased dramatically. But later, gunmen began to appear again.

US forces shifted their mandate toward the UN-Boutros-Ghali position of trying to confiscate arms and "technicals"—vehicles with mounted heavy weapons. Although the problem of relief distribution had largely been solved, there was no central government, few public institutions, and local warlords and their forces became increasingly emboldened.

By early 1993, over 34,000 troops from 24 UN members—75% from the US—were deployed. Starvation was virtually ended, a modicum of order was restored, and hope had returned. Yet, little was done to achieve a political solution or to disarm the factions. From January 1993 until 27 March, 15 armed factions met in Addis Ababa, Ethiopia, to haggle and finally reach agreement to end hostilities and to form a transitional National Council for a two-year period to serve as the political authority in Somalia.

On 4 May 1993, Operation Restore Hope, as the relief effort was labeled, was declared successful, and US force levels were sharply reduced. Command of relief, disarmament, and reconstruction work was assumed by the UN. This effort, UNOSOM II, featured Pakistani, US, Belgian, Italian, Moroccan, and French troops, commanded by a Turkish general. On 23 June 1993, 23 Pakistani soldiers were killed in an ambush, and the UN Security Council ordered the arrest of those responsible. Gen. Aideed's forces were blamed and a $25,000 bounty was placed on Aideed's head.

Mogadishu became a war zone. In early October 1993, 18 US Army Rangers were killed and 75 were wounded in a firefight. American public opinion and politicians pressured President Bill Clinton to withdraw US troops. He established a 31 March 1994 deadline and instructed his special envoy, Charles Oakley, to return to Somalia and begin a new diplomatic initiative. Efforts at inclusive UN-sponsored, and then Ethiopian-sponsored, talks failed. Later discussions in Kenya and in Mogadishu reached agreements that teetered on collapse as the factions jockeyed for advantage. By this time, Aideed's forces were called the Somali National Alliance (SNA) and Ali Mahdi led the "Group of Twelve." Kenya's President Daniel arap Moi mediated. After the US pullout, some 19,000 UN troops remained to try to maintain order. A 4 February 1994 Security Council Resolution (897) redefined the UNOSOM II mandate, emphasizing peacemaking and reconstruction. In effect, it was a recognition that the assertive, coercive strategy of the UN had failed and that a more neutral role was necessary.

The United States completed its withdrawal of troops in March 1995, after which Mogadishu again disintegrated into chaos. The last of three major battles was engaged after peace talks between the factions collapsed in November 1996. Some 300 people, many civilians and aid workers, were killed in a month of fighting.

The hope for restored order was rekindled with the death of Gen. Aideed on 1 August 1996. Aideed's rivals declared a cease-fire, although his son and successor, Hussein Muhammad Aideed, vowed revenge and renewed the fight.

Because the factional splits were not based on ideological, religious, or issue differences, but instead were quests for power and riches, there was little hope for the restoration of a central government, and by the year 2000 the country was split into four pieces—Somaliland to the north, Puntland to the northeast, South Mogadishu controlled by Hussein Muhamad Aideed and North Mogadishu dominated by Ali Mahdi. Islamic courts took on the task of establishing law and order.

Despite overtures by Libya to influence the political configuration, clan elders met in neighboring Djibouti, and at the Arta Peace Conference on 26 August 2000 established a three-year Transitional Government (TNG) with Abdiqassim Salad Hassan as president. The purpose of the TNG was to restore stability. However, the TNG controlled only pockets of the capital and country, and by August 2003 the TNG was due to expire.

Meanwhile, on 14 April 2003 citizens in the self-declared republic of Somaliland, went to the polls to elect a president in Somaliland's first multiparty election. After disputing the results, the Kulmiye party's presidential candidate, Ahmad Muhammad Silanyo, said that the intervention of elders and others had persuaded him to accept the outcome, perhaps with promises for a power-sharing deal. Incumbent President Dahir Riyale Kahin of the Unity of Democrats Party (UDUB) was declared the winner by the Somaliland Election Commission (SEC), a decision that later was confirmed by the constitutional court.

By July 2003, more than 350 delegates had gathered for a national conference held in Kenya—Somalia's 14th peace talks in ten years—to vote on a parliament that would elect an interim president, who would then appoint a prime minister. Delegates, who were to elect a president from among more than 30 candidates, broke through a serious impasse by selecting a federal system of government and nominating a 351-member parliament to serve a four-year term. However, Abdiqassim threatened to withdraw from the talks unless various grievances were resolved including complaints that the parliament was too large, that elders alone should elect the president, and that Arabic must not be considered a second language. Further, the proposal to federate the country according to existing jurisdictions was rejected by Abdiqassim because in his opinion it would dismember Somalia into a collection of small states and deepen existing divisions in the country. Indeed, some counterterrorism

experts feared that a federal system would encourage warlordism and provide safe havens for international terrorists.

Although there was no deadline for the establishment of the new government, at a minimum it appeared that delegates had approved a successor transitional government to that of Abdiqassim.

[13]GOVERNMENT

As of mid-July 2003, Somalia had no permanent national government and was ruled de jure by a transitional parliamentary national government (TNG) and de facto by regional governments and warlords. The interim TNG, established October 2000, consists of a president, prime minister, and 245-member national assembly. Since 12 November 2001, the prime minister has been Abshir Farah Hassan. The cabinet, appointed by the prime minister and sworn in on 20 October 2000, was demoted to caretaker status following a no-confidence vote in October 2001. Somaliland, Puntland, and traditional clan and faction strongholds are beyond the token control of the TNG.

From July 1961 to October 1969, Somalia was a parliamentary democracy based on the principle of separation of powers. After the army's seizure of power in October 1969, Maj. Gen. Siad Barre was named chairman of the 25-member SRC, which then elected him president. A constitution, approved in January 1979 by the ruling Somali Revolutionary Socialist Party and ratified by popular referendum on 25 August, vested legislative authority in the People's Assembly of 177 members serving five-year terms. This assembly could be dissolved by a two-thirds vote of its members or by the president. The People's Assembly was given the right to elect the president to a six-year, renewable term. (This was changed in 1984 to a direct popular election for a seven-year term.) The president was authorized to appoint members of the cabinet and to act as its chairman. He was declared commander in chief of the armed forces, with the power to declare war and to appoint the president of the Supreme Court. An article of the document allowed him to invoke emergency rule. On 24 October 1980, Siad Barre issued a decree suspending those constitutional provisions that were incompatible with the state of emergency triggered by the conflict with Ethiopia.

Large-scale fighting among clan factions from 1989 to January 1991 brought about the collapse of the Barre regime and his flight from Mogadishu. An interim administration (based on the 1969 constitution) was created by the United Somali Congress, but it collapsed in November 1991 and its two warring factions plunged Somalia into total civil war. The northern province declared its independence on 18 May 1991 as the sovereign state of "Somaliland," the name it bore under British colonial rule. That independence, so far, has brought relatively orderly rule. On 5 May 1993, Mohammed Ibrahim Egal was elected president by members of the central committee.

Since Barre's overthrow in June 1991, Somalia has had no viable central government. Some 15 armed factions have been fighting, except for the relatively peaceful early months of UN-US administration from December 1992 until around June 1993. UNOSOM II was technically in control until March 1995, when the UN withdrew the last of its troops from the country. With the UN's departure, the country split into zones controlled by the various factions. Gen. Aideed's death on 1 August 1996 renewed prospects for political stability as rival warlords Osman Ali Atto and Ali Mahdi Muhammed declared a cease-fire. It was also hoped that the moderate Osman Atto, Aideed's clansman and a former advisor, would assume control of Aideed's forces. But Aideed's immediate successor, his son Hussein Muhammad Aideed, renewed the fight against his father's rivals.

Although unrecognized as an independent nation, Somaliland maintains an army, a police force, a currency, a judicial system, and levies taxes. Although it has not been free of the factional fighting that pervades the south, it appears to enjoy more stability and less lawlessness.

[14]POLITICAL PARTIES

In place of political parties, clans and sub-clans currently vie for political power in Somalia.

Prior to October 1969, Somalia had a multiparty system of government where opposition in parliament came from within the majority party as well as from opposition parties. The Somali Youth League (SYL), the largest party, was formed in 1943 as the Somali Youth Club. Its program included the unification of all Somalis (including those in Kenya, Ethiopia, and French Somaliland); social, political, and economic development; and nonalignment in international affairs. It represented almost all government personnel, entrepreneurs, and skilled and quasi-skilled workers of the southern area, formerly Italian Somaliland. In the first national elections after independence, held on 30 March 1964, the SYL won an absolute majority of 69 of the 123 parliamentary seats. The remaining seats were divided among 11 parties. In general elections held in March 1969, the ruling SYL, led by Mohammed Ibrahim Egal, was returned to power. A total of 64 political parties contested the elections. In October 1969, the Supreme Revolutionary Council (SRC) prohibited all political parties and announced that elections would be held in due course. In 1976, the SRC was abolished and its functions transferred to the leadership of the newly formed Somali Revolutionary Socialist Party (SRSP), which was led by the former SRC members. Siad Barre was general secretary of the SRSP, which remained the sole legal party until his overthrow in January 1991. Subsequently, the Somali National Movement (SNM) seized control of the north and established the independent state of "Somaliland." Since then, armed factions largely identified with clans and sub-clans divided up the territory as they fought and negotiated to expand their influence.

Curiously, many of the factions bear the titles of political parties; e.g., the Somali Democratic Movement, the Somali National Union, the Somali Patriotic Movement, and the United Somali Congress (USC). In fact, their bases are not national. The USC controlled Mogadishu and much of central Somalia until late in 1991 when it split into two major factions. Aideed's Somali National Alliance (SNA) identified with the Habar Gadir subclan of the Hawiye clan and Ali Mahdi's Somali Salvation Alliance (Abgal subclan of the Hawiyes). Currently the latter exists as the "Group of Twelve" coalition and these are the two dominant claimants to national power.

Aideed was killed on 1 August 1996 and was succeeded by his son, Hussein Muhammad Aideed. Some observers believe he could be displaced by Osman Ali Atto, an elder clansman and former Aideed advisor who was a rival of the General's at the time of the latter's death. Osman Atto is considered more moderate than Aideed, and more receptive to a political solution for Somalia.

[15]LOCAL GOVERNMENT

Somalia is divided into 18 regions (*gobolka*): Awdal, Bakool, Banaadir, Bari, Bay, Galguduud, Gedo, Hiiraan, Jubbada Dhexe, Jubbada Hoose, Mudug, Nugaal, Sanaag, Shabeellaha Dhexe, Shabeellaha Hoose, Sool, Togdheer, and Woqooyi Galbeed.

Until 1973, the country was divided into eight regions, each headed by an official chosen by the central government. The regions were subdivided into 48 districts, headed by district commissioners also appointed by the government. There were 83 municipalities and sub-municipalities. The powers of the municipal councils included local taxation, town planning, registry and census, public services, and approval of the local budget. The major educational, economic, and social services were financed and maintained by the central government, which

also exerted supervisory control over the municipal councils through its power to remove mayors and to dissolve the councils.

In 1973, reorganization increased the number of regions from 8 to 16 and the number of districts to 80. In 1986 there were 15 regions, each governed by a regional revolutionary council, the members of which were appointed by the president.

By 1990, this pattern of local government had collapsed. The UN and United States sought to restructure local services and representative bodies, but without a convincing military presence it was difficult to sustain. UNOSOM-II was mandated to create the peace necessary to help reconstruct the country, but the mission ended with the UN's withdrawal.

[16]JUDICIAL SYSTEM

Owing to the collapse of national government, no national system exists. However, much of the country has reverted to Shari'ah with the possibility for appeals; secular courts exist in some localities. The UN operation in Somalia oversaw administration of the Somalia penal code in those areas under UN supervision. Islamic law and traditional mediation continue to be applied to settle disputes over property and criminal offenses. The fear of renewed anarchy interferes with impartial administration of justice, and prosecution of war crimes is difficult.

In 1993, plans were released for a three-tier judicial system with courts of appeals, regional courts, and district courts. In the self-declared Republic of Somaliland, adoption of a new constitution is pending and the pre-1991 penal code is in effect. In North Mogadishu and part of South Mogadishu, the middle Shabelle and the Gedo and Hi'ran regions, court decisions are only based on Shari'ah law.

Historically, under the 1961 constitution the Supreme Court was the highest juridical organ of the republic, having ultimate jurisdiction over all civil, penal, and administrative matters, and over all rights established by the constitution and by the laws of the state. Other judicial organs were qadi courts (Muslim courts), district courts, provincial courts, and courts of assize. Judicial organs of second instance were a tribunal of qadis, a court of appeals, and an appeals court of assize. Somali citizens participated as jurors in the courts of assize and the appeals court of assize. The Ministry of Justice administered the prison system and the offices and employees of the judicial organs. It prepared projects and regulations dealing with judicial matters and it supervised notaries, the bar, and the Office of State Attorney.

When the SRC assumed all judicial as well as executive and legislative powers in October 1969, it suspended the Supreme Court. However, the court was reopened in December 1969, and the rest of the court system was left much as before. A new National Security Court was empowered to rule on cases involving persons accused of attempting to undermine the independence, unity, and security of the state. The 1979 constitution established the Constitutional Court (composed of the Supreme Court and delegates to the People's Assembly) to decide on the constitutionality of laws. It also empowered the Higher Judicial Council, chaired by the president and composed of high-ranking SRC members, to be responsible for the selection, promotion, and discipline of members of the judiciary.

[17]ARMED FORCES

The regular armed forces disintegrated in the revolution of 1991, leaving the nation awash with Russian, Chinese, and European weapons. Clan gangs armed with these weapons terrorized relief workers during their humanitarian efforts sponsored by international and private organizations, and battled a UN and US expeditionary force to a standstill. Between December 1992 and March 1994 over 100,000 US military personnel served in Somalia. As of late 2002, the national armed forces had not been reconstituted, and the country was torn between the Republic of Somaliland declared by the Somali National Movement in the north and insurgent groups in the south. Military expenditures in 2001 were estimated at $15.3 million or 0.9% of GDP. The exact number of armed Somalis was not known.

[18]INTERNATIONAL COOPERATION

Somalia, which joined the UN on 30 September 1960, participates in ECA and all the non-regional specialized agencies except IAEA. It is also a member of the African Development Bank, G-77, the Arab League, and AU. Somalia signed the Law of the Sea in 1982 and has observer status at the WTO.

[19]ECONOMY

Somalia's economy, one of the poorest in the world, is an agricultural one based primarily on livestock and, to a lesser extent, on farming. Livestock accounts for about 40% of GDP and a large percentage of export earnings, mainly from Saudi Arabia; bananas are the main cash crop and account for nearly 50% of export earnings. Other crops produced for domestic consumption are cotton, maize, and sorghum. There are plans to develop the fishing industry. Northern Somalia is the world's largest source of incense and myrrh. There has been little exploitation of mineral resources, which include petroleum, uranium, and natural gas. Since 1990, the economy has been a shambles, the consequence of drought and of protracted civil strife which has left the country without central authority. By early 1992, virtually all trade, industrial and agricultural activities had stopped, large numbers of people were forced from their homes, and more than six million people were at risk of starvation. In 1993, donors pledged $130 million toward Somalia's reconstruction. The aid, together with good rains and increased stability, helped ease the food situation and few communities were at risk of widespread famine in 1997; however, the lack of rains in spring 2001 caused major food shortages in the south of the country. Continued fighting and the lack of a central authority in 2003 prevented significant improvements in economic conditions. The UN through its various relief agencies is the country's largest employer. Although Somalia was largely still in a state of anarchy in 2003, despite ongoing peace talks, the telecommunications sector was functioning, with most major cities having wireless telephone services.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Somalia's gross domestic product (GDP) was estimated at $4.1 billion. The per capita GDP was estimated at $550. The annual growth rate of GDP was estimated at 3%. The average inflation rate in 2000 was 100%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 65% of GDP, industry 10%, and services 25%. Foreign aid receipts amounted to about $16 per capita.

[21]LABOR

There are approximately 3.7 million workers in Somalia, with nomadic shepherds and subsistence farmers accounting for 70% of the working population. Industry and services employed the remaining 30%. Since the overwhelming majority of the population was engaged in stock herding or agriculture, the number of unemployed was not large, but there was considerable unemployment in the urban centers.

Labor codes were enacted in the early 1960s for minimum wages, hours of work, employment of women and children, vacations, and collective bargaining. After the 1969 revolution, the SRC dissolved the existing unions and took action to organize the General Federation of Somali Trade Unions along lines more

in keeping with its plans for a Socialist state, but it was believed to have ceased functioning with the collapse of the government in 1992. As of 2001, the recent constitution of Somaliland provided the right to unionize, but no unions had been formed yet. There are no systems in place to implement acceptable work conditions, child labor regulations, workweek standards or wage minimums.

[22]AGRICULTURE

Only 1.6% of Somalia's total land area is cultivated, and 69% is permanent pasture. There are two main types of agriculture, one indigenous and the other introduced by European settlers. The Somalis have traditionally engaged in rain-fed dry-land farming or in dry-land farming complemented by irrigation from the waters of the Shabeelle and Jubba rivers or from collected rainwater. Corn, sorghum, beans, rice, vegetables, cotton, and sesame are grown by both methods. Somali and Italian farmers operating the banana farms practice more modern European-style techniques, as do some of the newly created Somali cooperatives. A system of state-administered farms grew rapidly during the early 1970s.

The commercial crops, bananas and sugarcane, are grown on irrigated land along the two rivers. Bananas constitute the nation's major commercial crop; output was 50,000 tons in 1999, down from 110,000 tons in 1990. Sugarcane is cultivated at Giohar and Jilib by a state-owned company. Sugarcane production in 1999 totaled some 210,000 tons, down from 500,000 tons in 1985. Somalia is the world's leading producer of frankincense.

Between 1975 and 1991, all land was nationalized. Existing customary rights were generally honored, but the state took over large areas of irrigable land in the river valleys. Plantations had to register to obtain a concession grant, with the value of the land itself excluded from the selling price. In 1993, privatization and assistance from Italy (the main market for banana exports) began to help revitalize the agricultural sector. In 2001, agricultural products accounted for 47% of exports and 17% of imports; there was an agricultural trade surplus of $10.2 million.

[23]ANIMAL HUSBANDRY

The majority of Somalis raise livestock; in some areas, particularly in the north, this is the only means of subsistence. During the civil war, herds were looted and killed. The national cattle herd was estimated at 5.3 million head at the end of 2001. At that time, Somalia also had 13.1 million sheep, 12.7 million goats, and 6.2 million camels. Live animals constituted 41% of the nation's exports in 1997, compared to 73% in 1983, partly because of drought, a ban imposed by Saudi Arabia on African cattle that were suspected to be infected with rinderpest, and political turmoil. Total meat production in 2001 was 187,000 tons. The export of hides and skins is also important.

[24]FISHING

Approximately 1% of the population is engaged full-time in fishing. Fish-processing plants produced fish flour, inedible oil, and semirefined edible oil. In 1985, fish—tuna, sardines, mackerel, and lobster—and fish products accounted for 10.7% of exports. The catch in 2000 was 20,200 tons. Fisheries exports have declined from about $14.8 million in 1990 to $2.5 million in 2000. In 1993, the yearly potential catch was estimated at 200,000 tons, which could bring in an estimated $26 million in revenue each year. One of the government's aims has been to establish fishing cooperatives; in 1975, thousands of nomads from the drought-affected area were resettled in fishing villages.

[25]FORESTRY

Forests cover 12% of Somalia's land area, but only 4% of the land has dense tree stands. Somalia is one of the few areas in the world where frankincense is produced; incense trees of the genus Boswellia are found in the northeast. Gum arabic in small quantities is also produced. In the scant forests along the rivers of the Jubba region, Euphorbia ruspoli is milled and used for the production of banana crates. Roundwood production was estimated at 9,338,000 cu m (329.6 million cu ft), with almost 99% of it burned as fuel.

[26]MINING

The Somali minerals sector, which was not a significant economic force before the 1991 overthrow of the government, failed to expand in the ensuing years of political and economic instability. In 2001, small quantities of gypsum, marine salt, and sepiolite (meerschaum) were exploited, and the country also presumably produced clays, sand and gravel, crushed and dimension stone, and limestone (for lime manufacture and/or agriculture). Officially reported mineral and trade data have been unavailable owing to lack of a central government from 1991 to 2000, and the secession of Somaliland and Puntland. The civil war forced the closure of Somalia's cement plant and oil refinery (a leading industry), and halted exploration for natural gas and other resources. There were unexploited deposits of anhydrite, bauxite, columbite, feldspar, natural gas, iron ore, kaolin, quartz, silica sand, tantalum, thorium, tin, and uranium, and recent discoveries of amethyst, aquamarine, emerald, garnet, opal, ruby, and sapphire. Mining of the gemstones, in Somaliland, has been limited by a lack of modern equipment, civil strife, and damage to the infrastructure; a EU-funded non-governmental organization was working with Somaliland's government to exploit gemstone resources. Tin was mined by the British before World War II, and charcoal was the fifth-leading export commodity. The outlook showed little change for the short run.

[27]ENERGY AND POWER

Somalia relies on imported petroleum products for the production of its electric energy. Installed capacity in 2001 was 70,000 kW, almost entirely thermal; total production was 250 million kWh, more than double the 1991 amount and all from fossil fuels. Consumption of electricity in 2000 was 232.5 billion kWh. Civil conflict has delayed the development of new electrical capacity, including a dam scheduled to be built on the Juba River near Baardheere, which was to have added 10,000 kW to Somalia's installed capacity. Also delayed are plans for development of wind power.

Somalia is entirely dependent on imports to fill its oil needs. An oil refinery, built with Iraqi assistance, opened at Gesira, near Mogadishu, in 1978 but has not operated since 1991. Petroleum consumption was 4,000 barrels per day in 2000. As of 2002, Somalia had proven natural gas reserves of 5.7 billion cu m. The only immediately exploitable domestic sources of energy are firewood and charcoal.

[28]INDUSTRY

Before the start of civil war in the early 1990s, the manufacturing sector was beginning to develop. However, all industries suffered major losses during the civil war, accounting in 2000 for only 10% of GDP. Industries mainly serve the domestic market and, to a lesser extent, provide some of the needs of Somalia's agricultural exports, such as the manufacture of crates for packing bananas. Most industries have been looted, however, and many sold for scrap metal.

The most important industries were petroleum refining (as of 2000 shut down), the state-owned sugar plants at Jowhar and

Gelib, an oilseed-crushing mill, and a soap factory. Other industries manufactured corrugated iron, paint, cigarettes and matches, aluminum utensils, cardboard boxes and polyethylene bags, and textiles. A cement plant at Berbera was completed in 1985.

The fish- and meat-canning export industries operate below capacity. Textiles are produced at the SOMALTEX plant, which supplies virtually the entire domestic market. Most major enterprises were government-owned, but private plants produce food, beverages, chemicals, clothing, and footwear. There are also plants for milk processing, vegetable and fruit canning, and wheat flour and pasta manufacturing, as well as several grain mills. The country's first pharmaceuticals factory, near Mogadishu, opened in 1986. Local craft industries produce sandals and other leather products, cotton cloth, pottery, baskets, and clay or meerschaum vessels.

The oil refinery at Mogadishu, with a production capacity of 10,000 barrels per day, has been out of operation since 1991. There is one natural gas field, but exploration and exploitation of oil and natural gas has been suspended since political conflict began.

[29]SCIENCE AND TECHNOLOGY

In 1993, the Somali National University in Mogadishu had faculties of medicine, agriculture, veterinary medicine, engineering, geology, and industrial chemistry. Also located in Mogadishu were the Institute for the Preparation of Serums and Vaccines, the Laboratory of Hygiene and Prophylaxy, and the Society of Medicine and Tropical Hygiene. In Mogadishu there is the school of public health and a veterinary college; the Geological Survey Department of the Ministry of Water Development and Mineral Resources and the Survey and Mapping Department of the Ministry of Public Works. A technical college is located in Burao.

[30]DOMESTIC TRADE

Despite the lack of a central government, domestic commerce in Somalia is still active, although on a small scale. Some merchants, using satellite telephones or radios coordinate distribution networks that transport food and other goods between various rival territories. Small shops barter or sell a limited number of such imported and domestic items as tea and coffee, kerosene, sugar, cotton goods, spices, cereals, skins, hides, and ghee. Outside the urban centers, the barter system is often employed. In the urban centers, small traders deal essentially in a cash economy.

Mogadishu is a primary business and commercial center and hosts a large number of shops and markets offering a variety of goods. In the south, at the mouth of the Juba River, Kismayu serves as an important port, particularly for banana exports. Hargeisa serves as a watering and trading center for many of the nation's nomadic herders.

Usual business hours are from 8 AM to 12:30 PM and from 4:30 PM to 7 PM, Saturday to Thursday.

[31]FOREIGN TRADE

Exports consist largely of livestock (camels, sheep, and goats), bananas, hides, and fish. Principal imports are manufactures, petroleum products, food, and petroleum. Imports also include guns, medicine, and khat (a stimulant leaf chewed by Somalis). Foreign trade is handled by local traders who coordinate transactions despite factional fighting and the lack of a central government. Many traders in the north have relocated from Berbera to Bosaso in order to avoid foreign exchange regulations imposed by the self-proclaimed Somaliland government in the northwest. Livestock is normally driven from northeast Ethiopia to ports, and then shipped to Saudi Arabia. In 1998, Saudi Arabia imposed a 16-month ban on the import of livestock because of low health standards. Government revenues fell from $45 million to $25 million in that year, but the ban was lifted in 1999.

Remittances from Somalis working abroad constitute one of the Somalia's main sources of foreign exchange, reaching an estimated $500 million in 1999.

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Saudi Arabia	110	29	81
Yemen	32	9	23
United Arab Emirates	29	11	18
Italy	8	5	3
Pakistan	3	4	-1
India	1	25	-24
Kenya	n.a.	40	n.a.
Djibouti	n.a.	72	n.a.
Thailand	n.a.	7	n.a.
Brazil	n.a.	26	n.a.

[32]BALANCE OF PAYMENTS

Since independence, Somalia has consistently had an unfavorable balance of payments on current accounts, caused by deficits of trade and invisible transactions. In the 1980s, Somalia depended on direct transfers and capital assistance from other governments, and became even more dependent after civil war and ensuing anarchy broke out in 1991. Economic aid reached $192 million in 1995. Total external debt in 2000 was estimated at $2.6 billion.

The US Central Intelligence Agency (CIA) reports that in 1999 the purchasing power parity of Somalia's exports was $186 million while imports totaled $314 million resulting in a trade deficit of $128 million.

[33]BANKING AND SECURITIES

The Central Bank of Somalia, a government institution with branches in every region, controls the issue of currency and performs the central banking functions of the state. All banks were nationalized in 1970. The Central Bank was set up in 1960. The Commercial and Savings Bank, formed in 1975 from a merger of the National Commercial Bank and the Somali Savings and Credit Bank, was closed in June 1990. The Somali Development Bank was created in 1983, and the Commercial Bank of Somalia was opened in July 1990. The formal banking system no longer functions.

As of 1996, the Somali shilling was still widely in use despite the lack of a government to back the currency, which was holding its value because there were no new notes. In 1999, the mass distribution of counterfeit Somali shillings reduced the value of the shilling against the US dollar from 7.5 to 10,000. The exchange rate was at 2,600 in 2000. Four competing versions of the national currency were reported to be in circulation.

A new bank, the Barakat Bank of Somalia, was established in Mogadishu at the end of October 1996. Initially capitalized at $2 million, the bank intended to use the dollar as its working currency; and to specialize in small loans to Somali traders, foreign currency exchange, and currency transactions abroad. The bank aimed to establish a further 90 branches across the country.

There are no securities exchanges in Somalia.

[34]INSURANCE

A small number of European agencies which had acted as agents for foreign insurance companies were replaced by a state-owned insurance company, the National Insurance Co. of Somalia, in 1972.

[35]PUBLIC FINANCE

The Somali budget has been in deficit since the early 1970s. Disintegration of the national economy since 1991 has led to relief and military intervention by the UN. No central government authority existed as of 2002, so there was no functioning system of civil administration to collect and disburse public finances. External debt totaled $2.6 billion.

[36]TAXATION

Direct taxes are imposed on income and profits, when officials can collect them. In 1986, tax rates on wages and salaries ranged from 0% to 18.9%. Income from trade and the professions was taxed at rates of up to 35%. Indirect taxes are imposed on imports, exports, mortgages, vehicle registration, sugar, alcohol, and a number of other goods and services. In 2003, Somolia's sales tax rate was 10%.

[37]CUSTOMS AND DUTIES

Customs and duties are levied primarily to provide income for the state and to offer protection to local industries. Most duties are ad valorem and range from zero to 100%. Unspecified goods are dutiable at 25% ad valorem. A general sales tax of 10% for imported goods is also levied.

[38]FOREIGN INVESTMENT

Civil strife and the lack of a central government have discouraged foreign investment. Although the UN and associated foreign governments spent $4 billion dollars to restore order to the country, no productive assets remained after their departure in 1995. The only economic spin-off appears to have been contracts issued to local companies to dispose of military debris and trash. Foreign investment in the late 1990s centered around the communications structure in mobile phone technology, and energy creation, but continuation of political conflicts well into 2002 drove away investment. For the period 1997 to 2001, annual foreign direct investment (FDI) ranged from $1.1 million in 1997 to a negative divestment of -$800,000 in 1999. Across the five years, net FDI flows were barely positive, at $400,000.

[39]ECONOMIC DEVELOPMENT

Successive Somali governments have sought to stimulate production in all sectors of agriculture, commerce, and industry. However, drought, inflation, civil strife, and the rise of oil prices have severely hampered these programs. Government priorities prior to the civil war included the expansion of the fishing fleet, food self-sufficiency based on the development of the Baardheere dam project, livestock breeding, and meat export programs, and transport and telecommunication improvements.

Clan warfare has left Somalia without a central government since 1991. Economic development at the beginning of the new millennium was expected to be devoted in large part to the rebuilding of the Somali civil administration. Despite a continuing lack of infrastructure in the early 2000s, domestic trade was thriving and the clan system had sufficiently organized the economic system to support the population.

[40]SOCIAL DEVELOPMENT

Since 1989, internal fighting and widespread drought conditions have severely disrupted government and its ability to provide social services. Private humanitarian agencies tried to fill the need but fighting, extortion, and the activities of armed factions and looters chased many of them away. The UN has also tried to help, but it too finds operations difficult. Somalia in effect has no national government, and current data for social services is unavailable.

Although widespread violence and fighting subsided in 1995, human rights abuses by warring factions continue. Civilians are often the victims of indiscriminate shelling.

Women play a subordinate role in Somalia's culture and politics. Polygyny is practiced and female genital mutilation is nearly universal. The punishment for murdering a women is half as severe as that for killing a man. Rape is a common occurance. There are no women in prominent political positions. The Somaliland constitution adopted in 1997 prohibits discrimination based on sex or ethnicity.

Serious human rights violations included suppression of civil and political rights, disappearances, arbitrary detention, and harsh prison conditions. Many civilians were still being killed in factional fighting.

[41]HEALTH

In 1972, all health facilities and the services of all private medical personnel were placed under state control. Government policy was eventually to provide free medical treatment for all. One of the self-help projects instituted by the SRC was the construction of local clinics. In 1982, there were 76 hospitals and 87 mother and child healthcare centers. In 1990, there were about 500 doctors. The nurse to doctor ratio was 7:1 in 1992. As of 1999, it was estimated that there were fewer than 0.05 physicians per 1,000 people, and 0.8 hospital beds. Total health care expenditures in 1990 were $60 million.

Somalia has a high incidence of tuberculosis (an estimated 365 cases per 100,000 people in 1999), schistosomiasis, and pulmonary disturbances. Malaria and intestinal parasites are endemic. Serious dietary deficiencies are found, particularly in the north. In 1990–96, only 31% of the population had access to pure drinking water, which is rarely available outside the larger cities. Water outside these centers needs to be filtered, boiled, or chemically treated. Somalis, however, take few of these precautions. A very low 17% of the population had adequate sanitation in 1990-96, and only 27% had access to health care services.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 46.8 and 18 per 1,000 people. Only 1% of married women (ages 15 to 49) have used contraception (1990–95). Average life expectancy in 2000 was only 48 years and the infant mortality rate was 117 per 1,000 live births. The maternal mortality rate was a very high 1,100 per 100,000 live births in 1991. These mortality rates do not include civil war-related deaths of about 355,000 from 1988 to 1992, or the thousands of deaths between 1993 and 1994.

Immunization rates for children up to one year old in 1990–95 were: tuberculosis, 31%; diphtheria, pertussis, and tetanus, 18%; polio, 18%; and measles, 30%. The rates for DPT and measles as of 1999 were, respectively, 18% and 26%. The number of AIDS cases in 1995 was low, with only 13 cases reported in that year. As of 2001, there were an estimated 43,000 people living with HIV/AIDS. In 1994, there were 2,023 tuberculosis cases. The previous year 3,049 malaria cases had been reported.

[42]HOUSING

Development schemes aided by UN and foreign assistance programs have helped alleviate housing shortages in Mogadishu and Hargeysa. Town planning and housing are under the jurisdiction of municipalities, and assistance is given by the central government only when it has approved a project submitted by the municipality. The typical Somali house is either a cylindrical hut with a conical thatched roof or a rectangular hut with an angular roof of thatch or metal. According to the latest available information for 1980–88, the total number of housing units was 710,000 with 6.8 people per dwelling.

[43]EDUCATION

Private schools were closed or nationalized in 1972, and all education was put under the jurisdiction of the central government. In 1975 primary education was made compulsory. A minimum of eight years of schooling at the primary level is mandatory; however, many prospective students, particularly among the nomadic population, cannot be accommodated. Secondary education lasts for four years but is not compulsory. A mass literacy campaign was conducted in the mid-1970s, but there is some question as to how lasting the effects were, particularly among the nomadic population. In the mid-1980s, literacy remained low, perhaps 18% among adult men and 6% among adult women. In 1990 UNESCO estimated the adult literacy rate to be 24.1% (males, 36.1%; females, 14.0%). An estimated 2% of government expenditure was allocated to education in the period between 1986 and 1993.

In 1985, there were 196,496 pupils and 10,338 teachers in 1,224 primary schools, and 45,686 students and 2,786 teachers in secondary schools. The same year, 5,933 secondary school children were in vocational courses. The Somali National University, located at Mogadishu, also had a technical college, a veterinary college, and schools of public health, industry, seamanship and fishing, and Islamic disciplines. All institutions at the higher level had 817 teachers and 15, 672 students in 1986.

During 1992, Somalia was in a state of anarchy and not only did the country's economy collapse, but its educational system as well. Few schools were operating and even the Somali National University was closed in 1991. As of 1996, some schools were beginning to reopen.

[44]LIBRARIES AND MUSEUMS

The National Museum of Somalia in Mogadishu (3,000 volumes) maintains a highly specialized library dealing primarily with African and Somali culture, government, and history. The National Library of Higher Education and Culture has 9,000 volumes, and the Somali Institute of Public Administration also has a book collection; both are in Mogadishu. The National Museum in Mogadishu is a restored residence of the viceroy of the sultan of Zanzibar. Besides its comprehensive collection of Somali ethnographic material, the museum has local art objects, fossils, and old coins. Due to the long civil conflict in the country during much of the 1990s, little is known about the state of these institutions.

[45]MEDIA

Somalia had an estimated 9,000 telephones as of 1995. Current information about radio and television stations is unavailable, since civil war has destroyed much of the telecommunications infrastructure.

As of 2001, the only radio stations were small, local access stations. Most of the country can receive transmissions from British Broadcasting. A television service, limited to the Mogadishu area, was inaugurated in 1983; it broadcasts in Somali and Arabic. However, this station was demolished during civil strife in 1991. In 2001, there were three main television stations, two in Mogadishu and one if Hargeisa. In 2000, there were 60 radios and 14 television sets for every 1,000 people. Internet service is extremely limited, with three service providers serving only 200 subscribers in 2000.

The government-controlled Somali National News Agency (SONNA) has regional offices in several major Somali towns. SONNA provides news information for radio and press, supplies information to foreign correspondents in Somalia, and publishes a daily news bulletin, *Xiddigta Oktobar (October Star),* in Somali and English. The government also publishes a weekly newspaper in English, *Heegan*, and another weekly, *Horseed*, in Arabic and Italian.

Freedom of speech and the press are severely limited, according to reports. Factional infighting creates an atmosphere of mistrust, and as recently as January 1997, media representatives such as comedians, actors, and journalists have been arrested, detained, or otherwise harassed. Most news comes from foreign broadcasts.

[46]ORGANIZATIONS

Private organizations that existed in the 1960s have largely been replaced by government-sponsored groups. Among party-controlled groups are the Union of Somali Cooperatives Movement, the Somali Women's Democratic Organization, and the Somali Revolutionary Youth Organization. The Red Crescent Society is active.

[47]TOURISM, TRAVEL, AND RECREATION

Somalia's modest tourist industry declined since the civil war began. Every person entering Somalia is required to have a valid passport, a proper visa, and an official certificate showing immunization against cholera and yellow fever.

Before the war, Somalia offered lovely beaches, excellent diving, and numerous species of East African wildlife. According to 1999 UN estimates, the cost of staying in Somalia is $81 per day.

[48]FAMOUS SOMALIS

The most important historical figure in Somali history is Muhammad 'Abdallah bin Hasan (known popularly in English literature as the "Mad Mullah"). He was born about 1860 and during his youth devoted himself to religious studies. In August 1899, with his followers of the Salihiyyah confraternity, he declared a holy war against the British, Italians, and Ethiopians. His resistance to the British lasted until his death in November 1920. Muhammad, also known as one of Somalia's greatest poets, was the first to call for Somali unity. Other important historical figures include Sharif Abu Bakr bin 'Abdallah al-'Aydarus (d.1503), who founded the Qadiriyyah confraternity in the Somali region; Sheikh 'Ali Maye Durogba of Marka (d.1917), who founded the Ahmadiyyah sect in Somalia; and Sheikh Muhammad Guled (d.1918), who started the Salihiyyah sect in Somalia.

'Abdullahi 'Issa Mohamud (b.1921) was prime minister during the Italian trusteeship administration (1956–60) and was Somalia's first foreign minister. Aden 'Abdullah Osman Daar (b.1908) is regarded as the Somali most responsible for bringing about the transition of the Somali territory from dependence to independence; he was the nation's first president. Abdirashid 'Ali Shermarke (1919–69) was Somalia's first prime minister after independence and the nation's second president. He was assassinated on 15 October 1969 by a member of his bodyguard. Maj. Gen. Jalle Mohamed Siad Barre (1921–95) was the leader of the bloodless coup that took over the government six days later and established the SRC. He subsequently became president of the Somali Democratic Republic. Mohamed 'Ali Samater (b.1931), first vice-president and minister of defense, became prime minister in 1986. Mohammed Farah Aidid (1934–96) was the clan leader that gained control over much of Somalia during the civil war. His son, Hussein Aidid (b.1962), a former US marine, took over after his death. Osman Hasan Ali (b.1950) became famous as the wealthy financier of clan militias during the civil war.

[49]DEPENDENCIES

Somalia has no territories or colonies.

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SOUTH AFRICA

Republic of South Africa
Republiek van Suid-Afrika

CAPITAL: Pretoria (administrative); Cape Town (legislative); Bloemfontein (judicial)

FLAG: The national flag, adopted in 1994, consists of a blue-black triangle placed vertical to the hoist and bordered in gold-yellow. Bands of red, white, green, white, and blue appear horizontally.

ANTHEM: Two anthems are currently in use: the official anthem, *Die Stem van Suid-Afrika (The Call of South Africa),* and *Nkosi Sikelel' Afrika (God Bless Africa),* a hymn adopted by most liberation groups.

MONETARY UNIT: The South African rand (R) is a paper currency of 100 cents. It is used throughout the South African monetary area. There are coins of 1, 2, 5, 10, 20, and 50 cents and 1 rand, and notes of 2, 5, 10, 20, and 50 rand. R1 = $0.1329 (or $1 = R7.52) as of May 2003.

WEIGHTS AND MEASURES: The metric system is in use.

HOLIDAYS: New Year's Day, 1 January; Republic Day, 31 May; Kruger Day, 10 October; Day of the Vow, 16 December; Christmas, 25 December; Goodwill Day, 26 December. Movable religious holidays include Good Friday and Ascension; Family Day is a movable secular holiday.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

The area of South Africa is 1,219,912 sq km (471,011 sq mi). Comparatively, the area occupied by South Africa is slightly less than twice the size of the state of Texas. Considered as a whole, South Africa extends 1,821 km (1,132 mi) NE–SW and 1,066 km (662 mi) SE–NW. It is bounded on the N by Botswana and Zimbabwe (formerly Rhodesia), on the NE by Mozambique and Swaziland, on the E by the Indian Ocean, on the S by the confluence of the Indian and Atlantic oceans, on the W by the Atlantic Ocean, and on the NW by Namibia. South Africa also controls two small islands, Prince Edward and Marion, which lie some 1,920 km (1,200 mi) southeast of Cape Town. South Africa's capital city, Pretoria, is located in the northeastern part of the country.

[2]TOPOGRAPHY

South Africa has a mean altitude of about 1,200 m (3,900 ft), and at least 40% of the surface is at a higher elevation. Parts of Johannesburg are more than 1,800 m (6,000 ft) above sea level. There are three major zones: the marginal regions, which range in width from 80 to 240 km (50–150 mi) in the east to 60–80 km (35–50 mi) in the west, and including the eastern plateau slopes, Cape folded belt, and western plateau slopes; a vast saucer-shaped interior plateau, separated from the marginal zone by the Great Escarpment; and the Kalahari Basin, only the southern part of which projects into north-central South Africa. The land rises steadily from west to east to the Drakensberg Mountains (part of the Great Escarpment), the tallest of which is Mt. Injasuti (3,408 m/11,181 ft), on the border with Lesotho. The coastal belt of the west and south ranges between 150 and 180 m (500 and 600 ft) above sea level and is very fertile, producing citrus fruits and grapes, particularly in the western Cape. North of the coastal belt stretch the Little and the Great Karoo highlands, which are bounded by mountains, are semiarid to arid, and merge into sandy wastes that ultimately join the arid Kalahari. The high grass prairie, or veld, of the Orange Free State and the Transvaal is famous for its deposits of gold and silver; other minerals are found in the Transvaal's bush veld. From the Drakensberg, the land falls toward the Indian Ocean in the rolling hills and valleys of Natal, which are covered with rich vegetation and, near the coast, subtropical plants, including sugarcane.

The two most important rivers draining the interior plateau are the Orange (with its tributary the Vaal), which flows into the Atlantic Ocean, and the Limpopo, which empties into the Indian Ocean through Mozambique. Of the fast-flowing rivers with steeply graded courses that produce spectacular waterfalls, the largest is the Tugela, which rises in the Mont-aux-Sources and flows swiftly to the Indian Ocean.

[3]CLIMATE

South Africa lies almost wholly within the southern temperate zone, and its climate is more equable than that of corresponding northern latitudes because of its surrounding waters. Temperature differentials between east and west coasts stem from the influences, respectively, of the warm Mozambique (Agulhas) Current and the cold Benguela Current. The average daily minimum temperature at Durban, on the east coast, ranges from 11°C (52°F) in July to 21°C (70°F) in February; on the west coast, at Port Nolloth, the range is from 7°C (45°F) to 12°C (54°F) during the corresponding months. Temperatures are cooler in the highlands: at Johannesburg, the average daily minimum is 4°C (39°F) in June and July and 14°C (57°F) in January. On the high veld there are sharp differences of temperature between day and night, but there is less daily fluctuation nearer the coast. Rainfall is unpredictable in large parts of the country, and prolonged droughts are a serious restriction on farming in such areas. While the mean annual rainfall is 46 cm (18 in), 21% of the country receives less than 20 cm (8 in) and 31% gets more than 60 cm (24 in). Much of South Africa gets its rain in the summer months, but the western coastal belt is a winter rain area. Along the Cape south coast, rain falls during both seasons.

[4]FLORA AND FAUNA

The variety of South Africa's climate and altitude accounts for its diversified flora and fauna. Major vegetation zones include the

LOCATION: 16°28′ to 32°54′ E; 22°8′ to 34°50′ S. BOUNDARY LENGTHS: Botswana, 1,778 kilometers (1,105 miles); Zimbabwe, 225 kilometers (140 miles); Mozambique, 491 kilometers (305 miles); Swaziland, 449 kilometers (279 miles); total coastline, 2,954 kilometers (1,836 miles); Namibia, 1,078 kilometers (670 miles); Lesotho, 909 kilometers (565 miles). TERRITORIAL SEA LIMIT: 12 miles.

forest and palm belt of the east, south, and southwest coasts; the temperate grasslands (veld) of the eastern portion of the interior plateau; the desert and semidesert (Karoo) vegetation of the western interior; and the bushveld (savanna) of the Kalahari and the northeast. Of the 200 natural orders of plants in the world, over 140 are represented and South Africa has over 25,000 species of flora, including a floral kingdom found nowhere else. There are 200 species of euphorbia, about 350 different kinds of heath in the Cape Province alone, and more than 500 species of grass. Wild flowers (including the protea, South Africa's national flower) grow in great profusion throughout the Cape region.

Aardvark, jackal, lion, elephant, wild buffalo, hippopotamus, and various kinds of antelope are still found in some parts of the country. In the great game parks, animals may be seen living in natural surroundings. So extensive is the variety both of smaller mammals and of plants that they have not yet all been identified. The number of different kinds of birds is approximately 900; that of snakes, 200. The number of species of insects is estimated at 40,000, and there are about 1,000 kinds of fish.

[5]ENVIRONMENT

Recent industrialization and urbanization have taken their toll on the South African environment, as have such agricultural practices as veld fires, overgrazing of livestock, and intensive use of pesticides. Soil erosion and desertification are two more significant environmental issues in South Africa. Three hundred to four hundred million tons of soil per year are lost. The country's limited water resources have been impaired by mineralization, eutrophication, and acidic mine drainage. South Africa has 44.8 cubic kilometers of renewable water resources, with 72% used for farming and 11% for industrial activity. The country's cities produce about 4.2 million tons of solid waste per year. Air pollution in urban areas stems primarily from coal burning and motor vehicle exhausts.

The principal environmental bodies are the Department of Water Affairs, the Department of Environmental Affairs, and the Department of National Health and Population Activities. Pursuant to a government "white paper" about environmental conservation policy, approved in 1980, a comprehensive environmental protection bill was given parliamentary approval in 1982. It included development of a comprehensive technology for treating sewage and industrial effluents, surveys of threatened natural habitats, research on marine pollution, monitoring of atmospheric pollutants, and a program of environmental education in the public schools.

As of 2001, 33 mammal species and 16 bird species were endangered. Plant species numbering 1,875 were also endangered. Endangered species in South Africa include the riverine rabbit, Cape Mountain zebra, Treur River barb, and several species of butterfly. Twelve species have become extinct, including the cape warthog, bluebuck, Burchell's zebra, and quagga. About 5.4% of the total land area is protected and there are numerous nature and game reserves and national parks. Some 120 rare Addo elephants are protected in Addo Elephant National Park, 56 km (35 mi) north of Port Elizabeth; Bontebok National Park (near Swellendam, Cape Province) is a habitat for the last surviving herd of bontebok antelope; Mountain Zebra National Park (near Cradock, in Cape Province) is a refuge for several hundred rare mountain zebras and springbok; and Kruger National Park, in northeastern Transvaal, has almost every species of South African wildlife in its natural habitat.

[6]POPULATION

The population of South Africa in 2003 was estimated by the United Nations at 45,026,000, which placed it as number 26 in population among the 193 nations of the world. In that year approximately 5% of the population was over 65 years of age, with another 34% of the population under 15 years of age. There were 96 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 0.59%, with the projected population for the year 2015 at 44,266,000. The population density in 2002 was 36 per sq km (93 per sq mi).

It was estimated by the Population Reference Bureau that 50% of the population lived in urban areas in 2001. The capital city, Pretoria, had a population of 1,475,000 in that year. The largest city, the commercial and industrial center of Johannesburg, had a metropolitan population of 2,412,000; the legislative capital, Cape Town, had 2,727,000. Other major cities include East Rand, 2,021,000; Durban, 1,379,000; West Rand, 1,297,000; Port Elizabeth, 1,226,000; and Sasolburg, 1,259,000. According to the United Nations, the urban population growth rate for 2000–2005 was 1.3%. However, more than a third of the people live on only 4% of the land area.

The prevalence of AIDS/HIV has had a significant impact on the population of South Africa. The United Nations estimated that 21.3% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Preference was given in the past to immigrants from those countries from which South Africa's present white population is derived. Between 1963 and 1984, the number of immigrants averaged about 37,000 annually, and the number of emigrants about 12,000. Between 1980 and 1984, some 72,528 Zimbabwe residents emigrated to South Africa. After 1984, immigration fell, and, perhaps as a consequence, the white population actually declined between 1980 and 1991. Of the 63,495 immigrants between 1986 and 1991, 16,815 came from other African countries, 16,056 from the UK, 16,512 from other European countries, and 14,112 from other parts of the world. Emigration came to 46,541 during these years.

In 1986, it was estimated that between 1.5 million and 2 million black Africans migrate temporarily to South Africa each year to fulfill work contracts, although only about 500,000 foreign male Africans are living and working in the country at any given time. South Africa was providing informal sanctuary to perhaps 200,000 refugees from Mozambique in 1992, most of whom repatriated by 1996.

Since 1999, one of South Africa's main challenges has been the increasing cross-border migration. In addition to the large number of undocumented migrants that enter the country, South Africa receives some 1,000 new asylum applications every month. As of 1999, the country was hosting some 55,000 asylum-seekers, only 8,500 of whom had been recognized as refugees. Also in 1999, xenophobia was on the rise, with 30 refugees and asylum-seekers having been killed in attacks on foreigners since 1995. In 2000, the net migration rate was -0.01 migrants per 1,000 population. The number of migrants living in South Africa that year was 1,303,000, including refugees. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

South Africa has one of the world's most complex ethnic patterns. Furthermore, legal separation of the racial communities was a cornerstone of government policy through most of the 20th century. This racial policy, often called apartheid but referred to in South African government circles as "separate development," created and maintained one of the most rigidly segregated societies in the world. During the 1970s and 1980s, enforcement of separatist policies eased, but the division of the population into four racial communities remained. According to 1998 estimates, blacks formed the largest segment of the population, constituting 75.2% of the total. Whites accounted for 13.6%; Cape Coloureds for 8.6%; and Asians 2.6%.

The black population includes a large number of peoples. The largest groups include the Zulu, Xhosa, Northern Sotho, Southern Sotho, Tswana, Shangana-Tsongo, and Swazi.

About 60% of the whites are descendants of Dutch, French Huguenot, and German settlers, and about 40% are of British descent; South Africans of European, especially Dutch, descent are called Afrikaners. The Cape Coloureds are a long-established racial amalgam of white, Hottentot, and other African, Indian, and Malay lineage. Some 86% live in Cape Province.

The Asians include descendants of Indian, East Indian, and Chinese indentured laborers who were not repatriated after their brief period of service as miners.

[9]LANGUAGES

The interim constitution adopted in 1993 recognized 11 languages as official at the national level: Afrikaans, English, Ndebele, Pedi, Sotho, Swazi, Tsonga, Tswana, Venda, Xhosa, and Zulu. All were still recognized officially in 2002. The African languages spoken in South Africa are of the Niger-Congo family.

In general, English is more commonly spoken in the cities, and Afrikaans in the rural areas.

Afrikaans is a variant of the Dutch spoken by the 17th-century colonists, and it includes lexical items, phrases, and syntactic structures from Malay, Portuguese, the Bantu group, Hottentot, and other African languages, as well as from English, French, and German. Afrikaans has borrowed from English words such as *gelling* (gallon), *jaart* (yard), *sjieling* (shilling), and *trippens* (three pence), while English has taken over *kraal, veld,* and other Afrikaans words. More than 70% of South African whites are bilingual. Afrikaans was the mother tongue of 58% and English of 39% in 1991; the remaining 3% included speakers of German, Portuguese, and other languages. Some 83% of Coloreds spoke Afrikaans as their first language. Asians mostly (95%) spoke English as their first language. Zulu was the most common language of the blacks; 39% spoke it as their first language (excluding blacks in the four "sovereign" homelands).

[10]RELIGIONS

According to a 1996 census, approximately 84% of the population claimed to be Christian, with the largest group of Christian churches linked to the African Independent Churches. These include the Zion Christian Church (accounting for about 11% of the population) and the Apostolic Church (about 10% of the population), as well as some Pentecostal offshoots which were founded as breakaways from various missionary churches, or the so-called Ethiopian churches. The Dutch Reformed churches make up about 10% of the population and include the Nederduits Gereformeerde, Nederduitsch Hervormde, and the Gereformeerde Churches. The next-largest denomination was the Roman Catholic Church, followed by the Methodists, Anglicans (Church of the Province of South Africa), Lutherans, Presbyterians, and Congregationalists. There are a number of Pentecostal and charismatic churches as well as congregations of Greek Orthodox and Seventh-Day Adventists. About 86% of all Whites are Christian, as are about 90% of all Blacks and 84% of all Coloureds.

About 1.5% of the population are Hindu and another 1.5% are Muslim, with most adherents being of Indian descent. There are very small numbers of Jews, Buddhists, Confucianists, and Rastafarians.

About 13% of the population claim no formal religious affiliation, but many of these individuals practice traditional indigenous customs, including the veneration of deceased ancestors and the use of herbs, therapeutic techniques, and even black magic to manipulate the powers of the spirits. There are some who combine traditional practices with Christianity.

Though there is no state religion, only Christian holidays are officially observed.

Relations between most religious groups is amicable. Members of the Islamic-oriented People Against Gangsterism and Drugs (PAGAD) have complained of discrimination and police brutality; however, reports indicate that this organization, which is known for violent vigilantism, has been targeted as a matter of public safety and not because of the religious affiliation of its members. In the Northern Province, belief in the practice of witchcraft has reportedly led to the murders of individuals believed to be practitioners. The government has initiated educational programs to prevent such actions. Though there have been a few community reports of murders linked to Satanism, the government cannot confirm these cases, since they are investigated and prosecuted as homicides without specific regard to religious practices.

[11]TRANSPORTATION

South Africa's transportation network is among the most modern and extensive on the continent. In 2002, there were an estimated 358,596 km (222,831 mi) of national and provincial roads, of which 59,753 km (37,431 mi) were paved, including 1,927 km (1,197 mi) of expressways. There were 3,795,600 automobiles and 1,736,000 commercial vehicles in 2000.

The South African Transport Service, a government department under the minister of transport affairs, operates the railways, principal harbors, South African Airways, and some road transportation services. In 2002, there were 20,384 route-km (12,667 route-mi) of track.

In 2002, the South African merchant fleet consisted of 8 ships with a total volume of 271,650 GRT. South Africa's seven ports, owned and operated by the government, include the deepwater ports of Durban, Port Elizabeth, and Table Bay (at Cape Town); other ports with good facilities are Richards Bay, Saldanha Bay, East London, and Mosselbaai (or Mossel Bay).

Airports in 2001 totaled 740, of which 143 had paved runways. The government-owned South African Airways operates both international and domestic flights. Jan Smuts Airport, near Johannesburg, is the major international airport; other international airports are located at Cape Town and Durban. In 2001, 7,984,400 passengers were carried on domestic and international flights.

[12]HISTORY

Fossil skulls suggest that South Africa may have been one of the earliest scenes of human evolution. Little is known of the original settlers, but when Europeans first arrived, there were two distinct groups of peoples—the Bushmen, primitive nomadic hunters of the western desert upland country, and the Hottentots, a pastoral people who occupied the southern and eastern coastal areas. Before AD 100, Bantu-speaking peoples entered the Transvaal from the north, settling territories in the north and east.

In 1488, the Portuguese sailor Bartholomeu Dias discovered the Cape of Good Hope, and on Christmas Day of 1497, Vasco da Gama discovered Natal. The first European settlement at the Cape was made in 1652 under Jan van Riebeeck on behalf of the Dutch East India Co., which needed a refreshment station on the route to the East. Because there was a shortage of farm labor, the Dutch imported slaves from West Africa, Madagascar, and the East Indies, and because of the scarcity of European women, mixed marriages took place, eventually producing the Cape Coloured people. Huguenot settlers joined the small Dutch settlement in 1688. Continued demands for meat and relatively poor agricultural production encouraged the development of cattle farming, which in turn led to the need for more grazing land. Settlements were established on the coastal plain, along the valleys, and on the Great Karoo. The European population multiplied, but the Bushmen and Hottentots declined in numbers. The first contacts with Bantu-speaking Africans were made along the Great Fish River, which, in 1778, the Cape authorities proclaimed the boundary between the colonists and the Africans. The first serious clash came in 1779, when invading Xhosa tribesmen were driven back across the river border. Three more frontier wars were fought by 1812.

In 1795, Britain occupied the Cape, and in 1814, the area was ceded to the UK by the Treaty of Vienna. The free Coloured inhabitants of the Cape were given the same legal and political status as whites, and in 1834, slavery was abolished. Because of severe droughts and in reaction to British policy and administration, about 6,000 Boers (Dutch farmers) undertook the Great Trek in 1834–36, migrating northward into the present Orange Free State and the Transvaal. Some crossed the Drakensberg Mountains into Natal. The British annexed Natal in 1843 and extended their rule over Kaffraria in 1847, Griqualand West in 1871, and Zululand and Tongaland in 1887. The Transvaal was annexed in 1877 but returned to independence after a revolt in 1880–81, culminating in a British defeat by the Boers at Majuba Hill. In 1881, Swaziland also was declared independent. After a war between the Boers and Basutos, the

British proclaimed Basutoland (now Lesotho) a British territory, and in 1884, it became a British protectorate. The British granted local self-government to the Cape in 1872 and to Natal in 1897.

Meanwhile, the spread of European settlements into areas occupied by Africans led to the setting aside of large native reserves and to the development of separate white and black communities. In 1860, indentured Indians were brought into Natal to work on the sugarcane plantations; by 1911, when India halted the emigration because of what it called "poor working conditions," more than 150,000 Indians had come to South Africa as contract laborers. It was in South Africa, while pursuing the Indians' claims of injustice, that Mohandas (Mahatma) Gandhi, then a young lawyer, developed his philosophy of nonviolent resistance.

The discovery around 1870 of diamonds along the Orange and Vaal rivers and in the Kimberley district led to an influx of foreigners and brought prosperity to the Cape and the Orange Free State. Railways were built and trade increased. The discovery of gold on the Witwatersrand in 1886 brought in thousands of additional newcomers and made Transvaal potentially the wealthiest state. Tension between the Boers and outsiders attracted to Transvaal was accentuated by an unsuccessful attempt to capture Johannesburg by Dr. Leander Starr Jameson (Jameson Raid) in 1895–96 and culminated in the South African (or Boer) War in 1899–1902. After a desperate struggle against the larger British forces, the Boer republics of Transvaal and the Orange Free State gave up their independence by the Treaty of Vereeniging on 31 May 1902 but shortly thereafter were granted self-government by the British. In a convention during 1908–9, the leaders of the Afrikaners (as the Boers were now called), together with those from the Cape and Natal, drafted a constitution for a united South Africa that passed the British Parliament as the South Africa Act in 1909 and became effective on 31 May 1910. The constitution provided for a union of the four territories or provinces, to be known as the Union of South Africa. In 1913, the Union Parliament passed the Bantu Land Act, setting aside 8.9 million hectares (22 million acres) of land as black areas; an additional 6.3 million hectares (15.6 million acres) were added to the black homelands by another parliamentary act in 1936.

The Union of South Africa fought with the Allies in World War I, signed the Treaty of Versailles, and became a member of the League of Nations. In 1920, the League gave South Africa a mandate over the former German colony of South West Africa (now generally called Namibia), which lasted until 1946, when South Africa refused to recognize UN authority over the area and regarded it as an integral part of the country. In 1926, a British declaration granted South Africa national autonomy and equal legal status with the United Kingdom. Mining and industrialization advanced in the period between the two wars. More intensive exploitation of the wealth of the country led to better living standards. South Africa sent troops to fight the Nazis in World War II, although many Afrikaners favored neutrality. In 1948, the National Party (NP) took power, influencing the general character of life in South Africa and, in particular, enforcing its policies of apartheid, or racial separation (officially called "separate development" after 1960) of whites and nonwhites.

South Africa's white electorate approved a republican form of government in a 1960 referendum, and South Africa became a republic on 31 May 1961. The republican constitution did not deviate substantially from the former one, the only major change being the substitution of a president for the monarch as the head of state. As a result of objections from nonwhite members of the Commonwealth of Nations to South Africa's presence, South Africa withdrew its application for continued Commonwealth membership in 1961.

The immediate period surrounding the creation of the republic was one of mounting pressures applied to the government because of its apartheid policies. In 1960, black unrest swelled to the point where a state of emergency was declared. On 21 March 1960, a black demonstration was staged against the "pass laws," laws requiring blacks to carry "reference books," or internal passports, thus enabling the government to restrict their movement into urban areas. The demonstration resulted in the killing at Sharpeville of 69 black protesters by government troops and provided the touchstone for local black protests and for widespread expressions of outrage in international forums. During 1963–64, the government acted to stiffen its control over blacks living in white areas. After 1 May 1963, the General Law Amendment Act allowed the government to hold people for consecutive 90-day periods without trial (the length was decreased to 15 days in 1966). In 1965, the Suppression of Communism Amendment Bill renewed the government's authority to detain for security reasons persons who had completed prison sentences.

As the Portuguese colonial empire disbanded and blacks came to the fore in Mozambique and Angola during the mid-1970s, South African troops joined the Angolan civil conflict, in an unsuccessful attempt to prevent a Soviet-backed faction from coming to power, but then withdrew from Angola in March 1976. South Africa subsequently launched sporadic attacks on Angola (which supported insurgents seeking to end South African rule over Namibia) and Mozambique and aided insurgencies in the two former Portuguese territories; these operations (and other raids into Botswana, Lesotho, and Zimbabwe) were apparently in response to the aid and political support given by South Africa's neighbors to the African National Congress (ANC), a black nationalist group.

Beginning in June 1976, the worst domestic confrontation since Sharpeville took place in Soweto, on the outskirts of Johannesburg, where blacks violently protested the compulsory use of Afrikaans in schools; suppression of the riots by South African police left at least 174 blacks dead and 1,139 injured. The Afrikaans requirement was subsequently modified. During the late 1970s, new protest groups and leaders emerged among the young blacks. After one of these leaders, 30-year-old Steven Biko, died on 12 September 1977 while in police custody, there were renewed protests. As a result, on 4 November, the UN Security Council approved a mandatory arms embargo against South Africa—the first ever imposed on a member nation.

As of 1981, the government had designated four of the ten black homelands as "sovereign" states: Bophuthatswana, Ciskei, Transkei, and Venda. All members of the ethnic groups associated with these homelands automatically lost their South African citizenship; the government's stated intent to grant independence to the remaining six homelands meant that the vast majority of South Africa's blacks would eventually lose their South African citizenship. In an effort to conciliate nonwhites and international opinion, the government scrapped many aspects of apartheid in the mid-1980s, including the "pass laws" and the laws barring interracial sexual relations and marriage. A new constitution established legislative houses for Coloureds and Indians in 1984, although only 31% and 20% of the respective eligible voters went to the polls.

These measures failed to meet black aspirations, however, and as political violence mounted, in July 1985, the government imposed a state of emergency in 36 magisterial districts, embracing nearly all of the urban black population, which lasted over seven months. During this time, 7,996 persons were detained and 757 people died in political violence, by government count. A new, nationwide state of emergency was imposed in June 1986, with police and the military exercising extraordinary powers of arrest and detention. At least 4,000 and possibly as

many as 10,000 were detained in 1986, including over 1,400 aged 18 or under.

In 1984, South Africa and Mozambique signed an agreement by which each country pledged not to aid the antigovernment forces in the other country; also in 1984, South Africa signed an agreement under which it withdrew forces that it had sent into southern Angola in an effort to forestall aid to guerrillas in Namibia. However, the government continued to hold its neighbors responsible for ANC violence, and South African raids into Botswana, Zambia, and Zimbabwe were conducted during 1985–86. In 1987, the government announced that it was withdrawing troops that it had sent into Angola to aid the rebels fighting against the Angolan government, which was supported by Cuban and Soviet troops.

In July 1987, the government cracked down on the United Democratic Front (UDF), an umbrella organization of over 600 civic, sports, church, trade union, women's, professional, youth and student bodies opposed to apartheid. Some 22 of its leaders were charged with treason and many more were forced to go underground. The government banned 17 antiapartheid organizations, including the UDF and the largest trade union, on 24 February 1988. Repression increased throughout 1987 and 1988, as did protest against state policies. Alternative newspapers, New Nation and Weekly Mail, were prohibited briefly from publishing. Various antiapartheid leaders were assassinated by secret hit squads identified with the police and military intelligence. Others were detained and otherwise restricted; still others were served with banning orders. In retaliation, protest strikes and demonstrations mounted, as did organization efforts among antiapartheid activists.

In 1989, President P.W. Botha resigned as head of the NP after a "mild stroke" in January. He was replaced by F. W. de Klerk who, on 15 August, was also named acting state president. After the general election, held 6 September, de Klerk was elected to a five-year term as president.

De Klerk launched a series of reforms in September 1989 that led speedily to the release of ANC leader Nelson Mandela and others on 10 February 1990. The ANC and other resistance militants, including the Communist Party, were legalized. Mandela had been in prison 27 years and had become a revered symbol of resistance to apartheid.

At that point, the ANC began to organize within South Africa. Government began "talks about talks" with the ANC and in August 1990, the ANC suspended its armed struggle. Most leaders of the ANC returned from exile. Still, fighting continued, largely between ANC activists and supporters of the Zulu-dominated Inkatha Freedom Party, strongest in Natal province. More than 6,000 people were killed in political violence in 1990 and 1991, many victims of fighting provoked by a "third force" of operatives employed by hardliners within the Defense Force and the police.

In 1991, de Klerk introduced and parliament passed measures to repeal laws that had institutionalized apartheid policies—the Land Act (1913 and 1936), the Group Areas Act (1950), and the Population Registration Act (1950). A number of repressive security acts were repealed as well.

In July, the ANC convened its first full conference in South Africa in 30 years. They elected Mandela president and Cyril Ramaphosa the secretary general. The ailing Oliver Tambo moved from president to a new post, National Chairman.

Meanwhile, negotiations continued over constitutional changes and plans for nonracial elections and the transition to majority rule. Numerous parties engaged in a Convention for a Democratic South Africa (CODESA) starting in December 1991. On 14 September 1991, government, the ANC and Inkatha signed a pact to end factional fighting. Other groups signed on, but it hardly stemmed the high levels of violence. The militant right wing refused to cooperate with any negotiations and agreements. In order to strengthen his negotiating hand, de Klerk called a whites-only referendum for 17 March 1992. Of the 85% turnout, 68.7% supported de Klerk's efforts to negotiate a settlement. By May, however, CODESA talks bogged down. The ANC mounted a series of mass protests against the stalemated CODESA talks. After 42 residents were horribly murdered at Boipatong Township by Zulu hostel dwellers allegedly assisted by police, the ANC withdrew from CODESA. On 7 September, 24 ANC supporters were killed by the Ciskei army troops as they marched in protest on the homeland's capital.

Later that month, negotiations began again between government and the ANC. A 26 September summit between Mandela and de Klerk produced a Record of Understanding that met several key ANC demands. But this angered KwaZulu Chief Mangosuthu G. Buthelezi, so he withdrew from the talks. In February 1993, government and the ANC reached agreement on plans for a transition to democracy. Multiparty negotiations followed in April. An interim parliament was to be elected for a five-year period after a general election in April 1994. All parties gaining over 5% of the vote would be represented in the new cabinet. The new parliament would also serve as a constituent assembly to iron out details of a new constitution. The broad guidelines were agreed upon by the government, the ANC, and other parties in late December 1993. A transitional Executive Council to oversee some aspects of government, including security, came into existence in December 1993. Inkatha, led by Buthelezi, and the right wing Conservative Party refused to participate. The Conservative Party and Inkatha boycotted the talks on multi-party government. But just a few days before the scheduled elections, Inkatha agreed to participate. White conservatives tried to hold out for an Afrikaner homeland, yet the white right was divided on whether to participate in preelection talks, in the election itself, or whether to take up arms as a last resort. There were inefficiencies and some claims of electoral fraud and intimidation, especially by the ANC against Inkatha in Natal province. The elections proceeded relatively peacefully and with great enthusiasm. They were pronounced "free and fair" by international observers and the independent Electoral Commission.

The results left the ANC as the major vote getter with 62.5%. The NP gained 20.4%; the Inkatha Freedom Party, 10.5%; the Freedom Front, 2.2%; the Democratic Party, 1.7%; and the Pan-Africanist Congress, 1.2%. ANC, thus, was awarded 252 of the 400 seats in parliament. It was the governing party in all but two of the nine regions. The IFP carried KwaZulu/Natal and the NP held the Western Cape. Mandela became president and the ANC's Thabo Mbeki and the NP's de Klerk, deputy presidents. Even Buthelezi was persuaded to take a ministerial post in the cabinet.

In May 1994, the Constitutional Assembly convened to lay the groundwork for the new constitution. All parties were included in the initial sessions, but Inkatha boycotted the Assembly's drafting of an interim constitution when its demand for international mediation on regional autonomy was not met. At the same time, violent clashes between Inkatha and ANC supporters flared anew in the Natal Province.

South Africa held local elections on 1 November 1995, although last-minute changes to the interim constitution allowed for seven provinces—including Kwa-Zulu Natal—to delay elections until 1996. The ANC also swept the provincial elections, with the NP winning the largest minority share of the vote.

Bishop Desmond Tutu convened a Truth and Reconciliation Commission in early 1996 to expose apartheid atrocities committed in the years of white rule. Although those who refused to cooperate with the commission could be subject to criminal penalties, the commission granted immunity and amnesty to those who admitted their roles in apartheid crimes. Testimony in

a 1995 court case also linked death squads to the highest levels of government, including the prime minister's office.

In 1997, the Constitutional Court ratified the new constitution after rejecting a first submitted draft in 1996. The new constitution was inaugurated in February 1997. It granted a strong central government with some limited powers vested in the provinces. Inkatha, which boycotted the drafting sessions to the end, accepted the Constitutional Court's decree.

The NP withdrew from the government of national unity immediately after ratification of the constitution to take its place as the official opposition party. De Klerk, who would leave politics in August 1997, also resigned his post to head the opposition party.

By 1997, the exuberance of the new constitutional era and two years of economic expansion had given way to uncertainty in the months following ratifications. South Africa was struggling with the new political structure, a flagging economy, revolutions of the Truth and Reconciliation, and a crime wave seemingly out of control. The latter was deemed by citizens as the number one problem facing the new government. The murder rate had grown to ten times higher than the murder rate in the United States. Robbery, assault, and carjackings had left downtown Johannesburg in ruins, and vigilante groups were prevalent throughout the nation. The high crime rate had deterred foreign investment and affected the tourist industry as well.

Early in 1999, Nelson Mandela, president of South Africa since 1994, delivered his final "state of the nation" address. The vote in June 1999 passed without a single political killing and was quickly embraced by all political parties. Despite the increase in crime in the nation, the second parliamentary elections held in June 1999 were peaceful and generally fair. In the 3 June elections, the ruling African National Congress (ANC) won 266 of 400 parliamentary seats (63%), just one seat shy of the two-thirds majority required to change the constitution. Thabo Mbeki was sworn in as South Africa's second democratically elected president at a glittering inauguration ceremony, which saw Nelson Mandela step down after steering the country away from apartheid rule and oppression. However, the one-sided vote in favor of ANC was itself troubling. Critiques noted that the dominance of the ANC had the coloring of a de facto one party state.

Mbeki's first four years in office were marked by an active foreign policy and controversy over his AIDS policy. Along with Botswana, South Africa sent peacekeeping forces to Lesotho in 1999 to quell rioting and civil unrest following the 1998 elections there. Subsequently, the government played host to the belligerents of Africa's "first world war" in the Great Lakes region, helping them reach power sharing and peace agreements in December 2002 and April 2003. In addition to sending peacekeeping troops to the DRC, South Africa also took the lead in providing peacekeepers for Burundi in early 2003 following peace negotiations by Nelson Mandela in that country. Mbeki has been one of four African heads of state to champion the New Partnership for Africa's Development (NEPAD), a continent-wide initiative that promises accountable governance in exchange for donor resources and technical assistance. South Africa hosted the World Summit on Sustainable Development in Johannesburg in August 2002.

However strong this record, it has been tarnished by Mbeki's feeble response to the flawed March 2002 elections in Zimbabwe, and by his de-linking of HIV—the virus that the world scientific community says causes AIDS—from the disease itself. His government's reluctance to introduce anti-retroviral therapy widely and affordably has damaged his credibility at home and abroad. Given HIV prevalence rates of 23% among adults 15-49 years old, Mbeki was roundly booed at the world AIDS summit in Durban in July 2000.

13 GOVERNMENT

The terms of a new constitution adopted in February 1997 were hammered out prior to the 27–29 April 1994 election. There is a 400-seat National Assembly chosen by proportional representation (200 nationally and 200 from regional lists). Following the implementation of the new constitution on 3 February 1997, the former senate was disbanded and replaced by the National Council of Provinces with essentially no change in membership and party affiliations—although the new institution's responsibilities have been changed somewhat by the new constitution. Of 90 members, 10 come from each province or region and selected by each provincial assembly. The members serve as both a legislature and a constituent assembly. They also elect the president and deputy presidents. Elections for the National Assembly and National Council of Provinces were last held 2 June 1999 with the next to be held by 2 August 2004. The president names a cabinet, divided proportionally between parties that have gained at least 5% of the vote. The next presidential elections were scheduled for sometime between May and July 2004.

Although the degree of autonomy and the level of power given to the regions remains contentious with the IFP's longstanding grievance about the way power is devalued to the regions, the nine provinces have assemblies based on the total number of votes cast in the general election. Thus, the number of members each provincial legislature has depends on the number of votes cast divided by 50,000. The executive branch of the provincial governments is, like the legislatures, allocated proportionally.

14 POLITICAL PARTIES

The early division in the South African party system was between those who promoted Afrikaner nationalism and those Afrikaans-speaking and English-speaking persons who worked together toward goals on which both sides could agree. When General Louis Botha formed the first cabinet in 1910, he combined the moderate Afrikaners and English into the South African National Party, which confronted an English-speaking opposition. Soon afterward, however, General J.B.M. Hertzog formed the National Party (NP), dedicated to placing the interests of South Africa above those of the British Empire and to developing the Afrikaner group until it was as powerful as were English South Africans.

Hard-pressed by Hertzog's NP in 1920, General Jan Christiaan Smuts, who succeeded Botha, fused the South African National Party with the English-speaking Unionists, establishing the alignment of the English-speaking, except those in the Labour Party (LP), with moderate Afrikaners. The LP allied itself with Hertzog, who achieved office in 1924. Together they carried through the so-called civilized labor policy, designed to safeguard a wide area in the economy for white labor.

Economic crisis during the Depression forced a new alignment of parties that brought Hertzog and Smuts into coalition in 1933 and fusion in the United Party (UP) in 1934. Daniel F. Malan broke with Hertzog in 1934 to form the "purified" NP, dedicated to a more exclusive and radical Afrikaner nationalism than Hertzog had ever preached.

When World War II broke out, Hertzog wished to remain neutral. Smuts swung the House of Assembly in support of the Allies and became prime minister with the support of all English-speaking South Africans and a substantial group of moderate Afrikaners in the UP. Malan won the 1948 election, the first whose campaign was waged chiefly on the racial issue. The sharpest division between the two parties arose from NP efforts to remove the Coloureds from the common voting roll.

The basic division in the party system was between the NP, which favored the policy of apartheid, or totally separate development of the different races, and the UP, which favored social and residential segregation but economic integration. The

members of the NP were mainly Afrikaans-speaking and those of the UP were English-speaking, but each party had a considerable number of members of the other language group. Beginning in 1950, the Nationalists implemented their program of apartheid. Between 1953 and 1987, the NP won nine successive parliamentary elections under four party leaders: Malan (in 1953); Hendrik Frensch Verwoerd (1958, 1961, 1966); Balthazar Johannes Vorster (1970, 1974, 1977); and Pieter W. Botha (1981–87). Vorster, who succeeded Verwoerd as prime minister after the assassination of Verwoerd in 1966, left the office in 1978 to become president. In the following year, however, he was forced to resign because of a political scandal involving the misappropriation of government funds to finance clandestine political and propaganda activities in the United States, Norway, and other Western countries. The Nationalists' program met with little effective opposition from the UP, which formally disbanded in 1977. In that year, leaders of the UP and its splinter group, the Democratic Party, which had formed in 1973, established the New Republic Party (NRP), with support from English-speaking voters in Natal and the Eastern Cape. The NRP endorsed continuing white rule, but with a softening of apartheid. In the same year, another merger produced the Progressive Federal Party (PFP), which drew its main backing from English-speaking voters in urban areas and stood for universal suffrage within a federal system, with guarantees of minority rights. In the 1987 elections, the NP increased its representation from 116 (in 1981) to 123 seats. The PFP fell from 26 to 19 seats; the NRP lost 4 of its 5 seats. In 1989, the last national race-based parliamentary elections, the NP suffered a setback, winning just 48% of the vote and 93 seats. The PFP dissolved itself in favor of the Democratic Party, which took 33 seats.

The Conservative Party (CP) opposed any form of power sharing with nonwhites. It was led by a former cabinet minister, Andries Treurnicht. The CP became the official opposition party after winning 23 seats in the 1987 elections and 39 in 1989.

Several Coloured and Indian parties participated in the August 1984 elections for the houses of Parliament created for their respective ethnic groups. The Labour Party, a Coloured party headed by the Rev. Allan Hendrickse, won 76 of the 80 directly elected seats; it opposed the new constitution, advocated repeal of all discriminatory measures, and said that it was campaigning on behalf of all nonwhites but was vague on the question of whether it would accept a unitary state governed on the principle of one-person, one-vote. All five Indian parties participating in the elections favored protection of minority rights and rejected government in a unitary state on the basis of one-person, one-vote. The National People's Party won 18 and Solidarity 17 of the 40 directly elected seats; the two parties formed a governing alliance in January 1986.

In 1985, the government repealed a law that had prohibited people of different racial groups from belonging to the same political party.

Several extraparliamentary organizations of Africans and Asians have formed on a national basis. The African National Congress (ANC) and the South African Indian Congress have cooperated with each other and have sought to cooperate with white liberal organizations. Banned in 1960, the ANC turned from its earlier tradition of nonviolence toward sabotage and other terrorist acts. In 1987, the government offered to legalize the group if it renounced violence. In 1987 and onward, talks were held outside the country between the ANC and diverse groups of white South Africans.

Notable among the more militant African groups was the Pan-Africanist Congress (PAC), which broke away from the ANC in 1959 and was banned in 1960. The ANC and PAC had been recognized by the UN General Assembly as "the authentic representatives" of the people of South Africa. During the 1970s, a loose coalition of African student groups known as the Black Consciousness Movement developed under the leadership of Steven Biko. The United Democratic Front (UDF) was founded in 1983, claiming at its peak to be a multiracial alliance of nearly seven hundred groups representing nearly two million people. It dissolved itself in August 1991, after having continued resistance to apartheid while the ANC was in exile. Considerable ferment occurred among political parties in the run-up to the 1994 elections. The Inkatha Freedom Party (IFP) headed by Zulu Chief Mangosuthu Buthelezi, at first had a cozy relationship with the NP, but that dissolved once the NP began negotiating in earnest with the ANC. Not until just days before the elections in 1994 did the IFP agree to run candidates. It captured over 10% of the national vote and managed to win the election for the provincial government in Natal. The Freedom Front (FF) became the electoral vehicle for Gen. Constand Viljoen, former head of the Defense Force. He contested the results (2.2% of the vote, nine seats) despite resistance from the CP and other right-wing bodies. The FF sought to work within the system to achieve the creation of an autonomous Afrikaner state.

In February 1993 the ANC allowed minority parties to participate in the government for five years after the end of apartheid. Also in February 1993 the first nonwhites entered the cabinet, thus broadening the base of the NP.

The 1994 elections resulted in an overwhelming victory for the ANC, headed by Nelson Mandela, as did the 1995 local elections. The new government included six ministers from the NP and the IFP.

Any political party that wins 20% or more of the National Assembly votes in a general election is entitled to name a deputy executive president; any party that wins 20 or more seats in the National Assembly is entitled to become a member of the governing coalition. As of 1997 the ANC, the IFP, and the NP constituted a Government of National Unity.

In the second post-apartheid parliamentary elections in 1999, the ANC won handsomely, taking 266 of 400 parliamentary seats (66%), just one seat shy of the two-thirds majority required to change the constitution. The remaining seats went to 12 other parties as follows: Democratic Party (DP) 38; Inkatha Freedom Party (IFP) 34; New National Party (NNP) 28; United Democratic Movement (UDM) 14; African Christian Democratic Party (ACDP) 6; Pan Africanist Congress (PAC) 3; United Christian Democratic Party (UCDP) 3; Vryheidsfront/Freedom Front (VF/FF) 3; Federal Alliance (FA) 2; Minority Front (MF) 1; Afrikaner Eenheids Beweging (AEB) 1; and Azanian People's Organization (Azapo) 1.

15 LOCAL GOVERNMENT

Historically, the four provinces—Cape, Natal, Transvaal, and Orange Free State—dealt chiefly with local matters, such as hospitals, roads, municipal government, and educational matters that can be classified as general affairs (applying to all population groups). The provinces receive annual subsidies from the national government. Elected provincial councils were abolished in 1986 and replaced by regional services councils, with representation by local authorities. Executive power in each province is exercised by an administrator and executive committee appointed by the state president and responsible to the national government.

Under the 1984 constitution, local government was to be assigned to the three parliamentary houses, as applicable, or, in regard to general affairs, to the Department of Constitutional Development and Planning. However, residents in each (segregated) residential area, including blacks, elected primary local authorities, who rendered certain services as well as represented their constituents at the provincial level. As far as local government and administration for whites were concerned, elected municipal councils were retained. The local affairs of blacks living in the six black homelands within the Republic of

South Africa were administered by the respective homeland governments.

Under the post-1994 election arrangements, nine provincial governments were established (Northern Province, Gauteng, Mpumalanga, Free State, Kwazulu-Natal, Eastern Cape, Western Cape, Northern Cape, and North-West). Their legislatures were determined (in size and party representation) by proportional representation. The actual distribution of governmental powers and responsibilities has to be worked out by the constituent assembly.

A transitional local government arrangement prevails. The 1995 local election results were as follows: ANC, 76.66%; NP, 18.58%; FF, 2.36%. The remaining few parties, including the Inkatha Freedom Party, split the remainder of the votes. There were 5.3 million valid votes cast and 12.7 million registered voters.

[16]JUDICIAL SYSTEM

South Africa has a unified judicial system. The Supreme Court has a supreme appellate division and provincial and local divisions with both original and appellate jurisdictions. The Court of Appeals, with its seat in Bloemfontein, the judicial capital, normally consists of the chief justice and a variable number of appellate judges. Special superior courts may be constituted to try security cases, and there were, in 1986, 309 magistrates' offices vested with certain judicial as well as administrative powers. Judges are appointed by the state president. There were no nonwhite judges as of 1987.

The common law of the Republic of South Africa is Roman-Dutch law, which has evolved from the uncodified law of the Netherlands as it existed when the Cape of Good Hope was ceded to Great Britain. It has been influenced by English common law in procedures more than in substantive matters. Trial by jury was abolished in 1969.

Black tribal chiefs and headmen have limited jurisdiction to hear cases in traditional courts. There are appeals courts, divorce courts, and children's courts for blacks. In self-governing black homelands, lower courts have been established by the legislative assemblies.

The judiciary has moved in the direction of more independence from the other branches with instances of alleged political interference with courts on the decline. Prospects have considerably improved for nonwhite law school graduates to receive "Articles of Clerkship" which qualify them for admission to the bar.

A new constitution went into effect partially in February 1997, with complete implementation scheduled for 1999. The 1994 interim constitution provided for an independent judiciary and the authorities respect this provision in practice. There is also a constitutional court as highest court for constitutional issues. It provides for due process, including the right to a fair, public trail, legal counsel, and the right to appeal.

[17]ARMED FORCES

In 2000 the South African defense force consisted of the permanent force, the citizen force, and the commandos. The permanent force is the regular professional nucleus. All medically fit white male citizens of South Africa are required to serve for 12 months in the armed forces; nonwhites serve on a voluntary basis. After fulfilling this service, conscripts are allotted to the citizen force, which consists of reservists who may be called up in case of war, training, internal disorders, or other national emergencies. The commandos are an armed civilian paramilitary force used to defend their home areas.

In 2002 South Africa had nearly 60,000 active military personnel including 8,681 women. The army had 40,250 troops, with some 168 main battle tanks. The total strength of the navy was 5,000 personnel equipped with seven patrol and coastal combatants, two submarines, and 36 additional vessels. The air force, with 9,250 personnel, had 85 combat aircraft and several armed helicopters. There is also a medical corps of 5,500. South Africa maintained forces in Burundi, and participated in two peacekeeping missions in Africa. In 2001 South Africa spent $1.8 billion on defense, or about 1.6% of GDP.

[18]INTERNATIONAL COOPERATION

South Africa became a charter member of the UN on 7 November 1945 and has technically remained a member, despite continued disputes with the world body over apartheid and the country's unwillingness to place its League of Nations mandate, Namibia, under UN international trusteeship. After the UN General Assembly put the apartheid issue on its agenda, South Africa retained only token representation at the UN from 1955 to 1958. In 1966, the Assembly terminated South Africa's mandate over Namibia; in 1971, the International Court of Justice issued an advisory opinion holding that South Africa's presence in Namibia was illegal. On separate occasions in 1974, 1979, and 1980, South Africa attempted to participate in the General Assembly's meetings, but each time the Assembly prevented the South African delegation from taking its seat; however, resolutions to expel South Africa from the UN have been vetoed in the Security Council by the UK, United States, and France. South Africa agreed in principle in 1978 to permit elections in Namibia that would lead to the territory's independence, which was gained in 1990. The nation adheres to the Law of the Sea and belongs to the WTO.

South Africa has reestablished membership in the ECA, IMF, and the World Bank. South Africa sent token forces to serve with the UN in Korea and has contributed funds to the Office of the High Commissioner for Refugees and to UNICEF. South Africa also belongs to the IAEA, ICAO, IDA, IFC, ITU, UPU, WHO, and WIPO.

A founding member of the Commonwealth of Nations, South Africa withdrew on 31 May 1961 as a result of objections by nonwhite members to its membership, but later rejoined the organization. South Africa is joined in a customs union (SACU) with Botswana, Lesotho, Swaziland, and Namibia. Originally, the three smaller lands were to have been transferred to South African control, but the plan was dropped by the British after South Africa left the Commonwealth, and the three subsequently became independent.

The nation was diplomatically isolated from other states on the African continent after Angola, Mozambique, and Zimbabwe were constituted as black-ruled countries during 1975–80, leaving South Africa as the continent's only white-minority regime. South African teams were excluded from international competition, such as the Olympic Games (from 1960). Following changes in South Africa's political situation, the country was reinstated to international competition by the International Olympic Committee. South Africa sent a team to the 1992 Winter and Summer Olympics. It also now is a member of the African Union (AU) and the sub-regional organization of the Southern Africa Development Community (SADC).

[19]ECONOMY

The opening of the political process to all South Africans and the election of a new multiracial government in 1994 marked a turning point in South Africa's economic history. With a modest agriculture sector (though known for excellent fruits and wine), fabulous mineral wealth (gold accounts for over one-third of exports), a diverse manufacturing sector (centered in metals and engineering, and especially steel-related products), and growing financial services and tourism sectors, South Africa's influence extends well beyond its borders. It has a mixed economy, with substantial government intervention and a number of state-owned enterprises existing jointly with a strong private sector. A

chief characteristic of the private sector is the high concentration of ownership by a small group of integrated conglomerate structures.

Real economic growth in the GDP fell from 1.1% in 1991 to about 0.5% in 1998. It stood at 2.6% in 2001. Still, analysts estimate that the economy must grow at between 5 and 10% if South Africa is going to overcome unemployment rates estimated at 37%. Although the white minority enjoys living standards equal to those in the rest of the industrialized world, most of the remaining 85% of the population has Third World living standards. The high prevalence of HIV/AIDS remains the major obstacle to achieving economic growth, and, with 5.2 million people living with the disease in 2000 and over 300,000 deaths caused by it, social upheaval only adds to the crisis. High unemployment, rigid labor laws, low skill levels, crime, and corruption hamper economic progress. Emigration has also emerged as one of South Africa's challenges, as those South Africans who are highly skilled find better markets for their skills abroad, especially in Australia, New Zealand, the UK, Canada, and the US.

Foreign direct investment in 2003 remained below levels targeted by the government; plans were made to build a knowledge and technology-based economy to attract investment. Structural economic changes and policies geared to lower inflation helped temper the effects on the South African economy of the global economic downturn that began in 2001. A rise in interest rates and a strong rand contributed to a fall in inflation in 2003, but so did an accounting error by the government, which caused many borrowers to pay more in interest on loans than they would have had the correct economic statistics been reported by the government. Business activity and consumer confidence subsequently fell. Nonetheless, economic growth was projected for 3.5% in 2004.

[20] INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 South Africa's gross domestic product (GDP) was estimated at $412 billion. The per capita GDP was estimated at $9,400. The annual growth rate of GDP was estimated at 2.6%. The average inflation rate in 2001 was 5.8%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 3% of GDP, industry 31%, and services 66%. Foreign aid receipts amounted to about $10 per capita.

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $2,554. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 1%. The richest 10% of the population accounted for approximately 45.9% of household consumption and the poorest 10% approximately 1.1%. It was estimated that in 2000 about 50% of the population had incomes below the poverty line.

[21] LABOR

As of 2000, 17 million persons were classified as economically active. Services accounted for 45% of the labor force, agriculture 30%, and industry 25%. Official unemployment was 37% in 2001.

All workers are entitled to form unions and to strike. In 2001, unions had a total membership of about three million or about 31% of the workforce. The Labor Relations Act provides protection to workers. The government does not interfere with collective bargaining. The constitution provides for the rights to unionize and strike, both of which are reinforced by the Labor Relations Act of 1995. In industries and trades where employers and employees are not organized, the Minister of Labor, acting on the advice of the government-appointed wage board, may prescribe compulsory wages and conditions of employment.

The standard workweek was set at 45 hours by legislation in 1997. Some collective agreements provide for three weeks' annual leave, and many industries work a five-day week. Employers must provide satisfactory working conditions and accident-prevention measures. Enforcement of safe working conditions is irregular although the government is making attempts to improve the means of enforcement. The National Economic Forum, a tripartite structure representing labor, business, and government, is involved in nurturing job creation and job training. There is no legally mandated national minimum wage, rather negotiations between labor and management set minimum wage standards industry by industry. Employment of minors under 15 is illegal. The Ministry of Welfare allows exceptions to this for children in some sectors of the economy, and the prohibition against underage laborers is not systematically enforced.

[22] AGRICULTURE

Over 80% of the total land area is available for farming, but only 13% is cultivated. Many areas suffer from erratic rainfall and soil erosion; cultivated land is not expected to exceed 15% in the future because of these adversities. Only 8.6% of cultivated land was irrigated in 1998. The worst drought of this century in southern Africa resulted in near to total crop failure in 1991–92. Many farmers subsequently abandoned the countryside for urban areas. After many years of dry weather, South Africa had abundant rainfall in the 1995/96 growing season. Except for rice, tea, coffee, and cocoa, the country is typically self-sufficient in essential food production. The average annual growth rate of agricultural output was 0.6% during 1990–2000. Agriculture contributed an estimated 3% to GDP in 2001.

The principal crop is corn ("mealies"), which is grown mainly on the plateau of the Orange Free State and Transvaal. Some 27% of the sown area is planted in corn; output totaled 7,712,000 tons in 1999 (down from 10,136,000 tons in 1997). Wheat can be grown only in winter; production of wheat totaled 1,561,000 tons in 1999. An indigenous sorghum ("Kaffir corn") is used to make beer and is also an important source of protein. Less important, but planted in considerable quantities, are the other winter cereals—barley, oats, and rye. Potato production totaled 1,701,000 tons in 1999.

Sugarcane, indigenous to the Natal coastal belt, was grown before World War II (1939–45) in quantities sufficient to export. Increasing domestic demand after the war absorbed the total output, but with a rise in production and an expansion of the capacity of sugar mills, South Africa became a large sugar exporter. Sugarcane production totaled 21,248,000 tons in 1999. Deciduous and citrus fruits, some of them exported, are also profitable. Vegetables, peanuts, sunflower seeds, groundnuts, soy beans, coffee, ginger, tobacco, cotton, and various types of fodder plants are used domestically. Wine is an important product; over 90% of it is consumed locally. In 1999, 1,554,000 tons of grapes were produced.

[23] ANIMAL HUSBANDRY

Until the end of the 19th century, cattle were kept mainly for draft purposes and bred for strength and endurance; meat and fat needs were provided by sheep. The cattle gave little milk and yielded poor-quality meat, while the sheep gave only fat mutton and no wool. The introduction of foreign breeds and crossbreeding gradually improved the stock, providing excellent meat, wool of fairly good quality, and good milk yields. The country's sheep breeds consist mainly of Merino for wool and Dorpes for mutton. Cattle breeds include the introduced

Hereford and Aberdeen Angus as well as the indigenous Afrikaner. Diary cows are mostly Fresian, forming a well-developed dairy industry.

The livestock in 2001 included 28.8 million sheep; 13.7 million head of cattle; 6.6 million goats; 1.5 million hogs; and 119 million chickens. Output of fresh cow's milk in 2001 was 2.5 million tons; eggs, 339,000 tons; cheese, 36,000 tons; and wool (greasy), 57,000 tons. Meat production in 2001 included (in tons): beef, 577,000; pork, 118,000; mutton and lamb, 104,000; and poultry, 705,000. South Africa does not produce enough meat to satisfy domestic demand and typically imports live animals from Namibia and meat from Botswana.

Exports of meat in 2001 amounted to $66.6 million. Exports of raw hides, skins, and leather in 2001 were valued at $65.4 million; wool, $48 million.

[24]FISHING

After Morocco, South Africa is Africa's most important fishing nation. The Fisheries Development Corp., established in 1944, has helped modernize equipment, secure better conditions of life for fishermen, and stimulate the catching and canning of fish. In 1995, about 28,000 people were employed in the fishing industry. The commercial fishing fleet is operated mainly from Cape Town harbor, and consisted of 3,341 vessels in 1995.

The total catch for 2000 was 643,812 tons, according to the FAO. The value of fish exports was estimated at $271 million that year. More than 90% of the catch is taken from the productive cold waters off the west coast. Shoal fishing by purse-seine accounts for most of the volume. Hake accounts for 70% of all deep-sea landings. Anchovy, pilchard, mackerel, round herring, snoek, abalone, kingklip, rock lobster, oysters, and mussels are other important species. One-third of the hake catch and nearly all of the abalone are exported. Anchovy, pilchard, and round herring are processed into fishmeal, fish oil, and canned fish.

Rock lobster is caught mainly along the western and southern Cape coasts; about 1,693 tons of rock lobster were caught in 2000, with much of it processed into frozen lobster tails for export. About 75% of the lobster catch is exported. South Africa ceased whaling in 1976 and is a member of the International Whaling Commission.

Oyster farming at Knysna began decades ago. Interest in mariculture has grown in recent years and permits have been granted for farming abalone, prawns, red-bait, and mud crab.

Besides commercial fishing, there are thousands of anglers who fish for recreation from the shore and small craft. There are size restrictions and limits for sport fishing. A total ban has been placed on the catching of four species: the great white shark, Natal basse, and the potato and brindle bass.

[25]FORESTRY

South Africa is sparsely wooded, with a wooded and forested area of about 8.9 million hectares (22 million acres), or about 7.3% of the land area. Cutting in indigenous forests is strictly controlled. Commercial forestry covers 1.2 million hectares (31 million acres), with pine and commercial softwoods, eucalyptus, and wattle the principal timbers produced. South Africa is an important producer of wattle and wattle extract, used in the tanning of leather. The timber cut was 30,616,000 cu m (1.1 billion cu ft) in 2000, with 39% used as fuel wood. Sawn wood production was 1,498,000 cu m (52.9 billion cu ft) in 2000; wood-based panels, 476,000 tons; wood pulp, 2,118,000 tons; and paper and paperboard, 2,041,000 tons. Domestic timber production satisfies 90% of domestic needs. Wood is imported for furniture manufacture, railroad ties, and high-quality paper.

[26]MINING

Since the late 19th century, South Africa's economy has been based on the production and export of minerals, which, in turn, have contributed significantly to the country's industrial development. One of the largest and most diverse mineral producers, South Africa was the largest producer and exporter of chromium and vanadium; the leading producer of gold, gem diamonds, ferrochromium, platinum (88% of world reserve base of platinum-group metals), manganese (80% of world reserve base of ore), and synthetic liquid fuels and petrochemicals derived from coal; the second-largest producer of antimony (8% of world output) and titanium (third-largest exporter); the third-largest exporter of coal; and a major producer of cobalt, copper, iron ore, lead, nickel, silver, uranium, zinc, zirconium, aggregate and sand, andalusite (aluminum silicate), asbestos, dimension stone, fluorspar, lime, limestone, phosphate rock, sulfur, and vermiculite. South Africa was self-sufficient in the vast majority of its mineral needs, the bulk of which were produced in the northern half of the country. South Africa was among the top five countries in terms of reserves, ranking first in reserves of andalusite, chromite, gold, manganese, PGMs, and vanadium. De Beers, the South African mining giant, accounted for 94% of the country's diamond production and controlled 80% of the world's uncut diamond trade.

In 2000, mineral commodities accounted for 47% of the $30.8 billion in total exports—gold, diamonds, platinum, and other metals and minerals were the top export commodities in 2002. The total value of sales of primary minerals was $14.2 billion in 2000 ($12.3 billion in 1999); $11 billion worth was exported ($9.5 billion in 1999). Processed mineral materials added another $2.98 billion to sales in 1999 and $2.43 billion to exports. The leading export earners in 2000 were PGMs ($3.9 billion), gold ($3.4 billion), coal, ferroalloys, aluminum, iron ore, vanadium, and copper. The year 2000 was the first in which the value of PGM exports exceeded that of gold. The recent sharp increase in PGMs has helped compensate for the declining role of gold. No export figures were available for significant export earners diamond, steel, titanium, and zirconium. The weakness of the rand allowed the mineral sector to remain competitive. The mineral industry contributed 25%–31% of GDP, of which 6.5% came from primary mined products—mining was the country's leading industry—and an additional 20%–25% came from value-added processed mineral products such as aluminum, ferroalloys, steel, and titanium, a development of the 1990s. The production of iron, steel, chemicals, and fertilizers ranked among the country's top industries.

In 1999, South Africa produced 62 mineral commodities from 695 mines and quarries, including 530 industrial (half devoted to aggregate and sand production), 61 coal, 54 diamond, and 53 gold operations. In 1999, the mining and minerals processing through semimanufactured products accounted for more than 500,000 jobs, of which 437,000 were in the primary mining sector (466,700 in 1998, and 778,000 in 1990).

The 2000 output of PGMs (platinum, palladium, rhodium, ruthenium, and iridium) was 206,770 tons (188,636 in 1996)—198,944 kg was exported (114,459 kg of platinum, 55,818 kg of palladium, 19,427 kg of ruthenium, and 12,067 kg of rhodium). Production came almost exclusively from mines in the Bushveld Complex, north of Pretoria, and included rhodium and other PGMs (88%), platinum (74%), and palladium (32%). The PGM industry employed more than 96,000 workers. The shortfalls in Russian PGM production since 1997, and South Africa's higher-grade ores (0.48:1 palladium-to-platinum ratio vs. 3:1 at Siberia's Norilsk nickel complex) have created an incentive to expand production. More than $3.5 billion in investment spending was projected, to bring capacity to 246,300 kg by 2007. The Anglo American Platinum Corp. Ltd. (Anglo Platinum), the world's

largest PGM producer, supplied 37% of the world's platinum, from six mines and three processing plants, all in South Africa. Anglo Platinum's proved mineral reserves totaled 145.56 million tons; probable reserves, 1,349 million tons; and indicated resources, 1,624 million tons. In 2000, Anglo Platinum spent $193 million on expansions and two new mines, and $450 million was to be spent in 2001. Impala Platinum Holdings Ltd. (Implats), South Africa's second-largest producer, operated 13 shafts within the Merensky and UG2 Reefs, and planned on investing $486 million by 2004 to maintain its capacity at 31,110 kg per year until 2030—from 112 million tons of ore reserves. Lonmin PLC, the third-largest PGM producer in the world, divested its nonmining interests in 2000, restructured itself as a focused PGM producer, and announced plans to increase production by 43% within a 7-year period, to 27,060 kg per year of platinum, at a cost of $550 million. The country's total reserve base of PGMs (metal content) was 62.8 million tons.

Primary gold output in 2000 was 430,778 kg, down from 491,680 in 1997 and the 1970 peak of 989 tons. Anglogold Ltd. (the gold division of Anglo American) accounted for 37% of output; Gold Fields Ltd., 25.7%; and Harmony Gold Mining Co., 15.3%—the three companies had capacities of 161 tons per year, 125 tons per year, and 87.1 tons per year, respectively. Anglogold reported its South Africa reserves to be 364.1 million tons (5.41 grams per ton of gold), and measured and indicated resources, 1,558.9 million tons (4.0 grams per ton of gold). The main shaft at Anglogold's high-grade Moab Khotsang deposit was completed; contained reserves totaled 18.5 million tons (16.36 grams per ton of gold), and resources, 14.3 million tons (26.52 grams per ton of gold), for a combined gold content of 681,000 kg. Gold Fields operated three gold-mining divisions—the Dreifontein, the Kloof, and the Free State, which included the new underground Target development—and estimated total measured and indicated mineral resources to be 304.3 million tons (8.8–17.3 grams per ton of gold) and proved and probable ore reserves, 244 million tons (5.0–12.9 grams per ton of gold). Through aggressive acquisitions, Harmony Gold, which was spun off from Randgold Resources Ltd. in 1997, has developed into a major gold-mining company, increasing its production from 18,040 kg per year in 1996 to 77,759, and its gold reserve base from 249 to 1,026 tons. Harmony's total contained measured, indicated, and inferred mineral resources were 1,863.4 million tons (1.54–6.29 grams per ton of gold), of which proved and probable ore reserves totaled 170.7 million tons (1.91–7.10 grams per ton of gold). Placer Dome reported proven and probable ore reserves at South Deep to be 107.8 million tons (8.4 grams per ton), and additional measured and indicated mineral resources of nearly 70 million tons (9.0 grams per ton), with a projected mine life of 72 years. The country's total gold reserve base (metal content) was 35,900 tons.

Gold, discovered in 1886, occurred along a 430-km arc that stretched across Gauteng, the North-West, Mpumalanga, and the Free State. Production of gold rose steadily through the 1960s and 1970s, as newer mines opened to keep pace with burgeoning world-market demands. Gold production declined in the 1990s, because of reduced ore grades, increased mining costs, labor unrest, and industry restructuring. In 1996, production reached its lowest level (496,846 kg) since 1956, although South Africa was still the world's largest producer. The world's deepest mine (3,777 m) was the Western Deep Levels gold mine, at Carletonville (Gauteng). The high cost of deep gold mining, and the decline in world market prices have caused South Africa's gold export earnings to decline by $300–$900 million per year since 1994—dropping from $7 billion in 1994, to $3.4 billion in 2000. Gold ore grades steadily declined, from 13.3 grams per ton in 1970, to 4.5 grams per ton in 2000. Employment in the gold mines, meanwhile, declined to 197,500, from 416,800, and South Africa's world share of new mined gold dropped from 68% in 1970, to 17% in 1998.

Iron ore and concentrate output in 2000 was 20.9 million tons (metal content). Of the iron ore sold in 2000 ($438 million), 68% was exported. Iscor Ltd.'s two mines, Sishen and Thabazimbi, accounted for more than 80% of South Africa's output. The Sishen Mine, Northern Cape Province, produced 23 million tons per year of contained iron ore at a grade of 65% iron; 80% was exported, via Saldanha Bay. Sishen has commissioned an expansion program, to increase production capacity to 30 million tons per year iron ore by 2003 and 38 million tons per year by 2007. Because Thabazimbi had a remaining mine life of 6–8 years, Iscor was conducting a prefeasibility study at the Welgevonden deposit, which contained a high-quality resource of 259 million tons of iron ore suitable for open-pit mining. In the face of heavy indebtedness, Iscor, which was also South Africa's largest crude steel producer, was to unbundle its assets and spin off its coal, base metals, iron ore, and titanium heavy-minerals assets into a separate mining company. The country's total iron ore reserve base (metal content) was 1.5 million tons.

Chromite output in 2000 (gross weight) was 6.62 million tons, compared with 6.82 million tons in 1999 and 5.08 million tons in 1996. Chromite ore, from more than 20 mines in the Bushveld Ultramafic Complex, fed South Africa's world-leading ferrochrome industry and its major chromium chemicals and refractories industry. The leading chromite producer was BHP Billiton's Samancor Group, the world's largest integrated ferroalloys producer. In FY 2000/01, Samancor produced 3.16 million tons of chromite ore and 908,000 tons of chrome alloys. Samancor's total chromite resources exceeded 1.8 billion tons, and were expected to support mining activity for more than 200 years. Xstrata AG, of Switzerland, which produced 1.14 million tons of ferrochrome, reported proven chromite reserves of 4.4 million tons, probable reserves of 21.8 million tons, and inferred resources of 332.9 million tons. The new Dwarsrivier open-pit chrome mine was to start production at its underground section in 2001, and produce 1 million tons per year of run-of-mine ore. Total chromite ore reserved exceeded 450 million tons, with a chromium ore reserve base (metal content) of 3.1 million tons.

Mine copper (metal content) output in 2000 was 137,092 tons, down from 164,000 in 1998. Palabora Mining Co. Ltd. had a 205,000-ton-per-year capacity. The Nigramoep copper mine's operations were to begin closing in 2002; the mine had remaining proved mineral reserves of 4.9 million tons and mineral resources exclusive of reserves of 7 million tons. The country's total copper reserve base (metal content) was 13 million tons.

The output of antimony, at the Consolidated Murchison mine (near Gravelotte, Northern Province), was 4,104 tons (metal content), down from 5,278 in 1999. Proved and probable reserves of antimony amounted to 1.5 million tons, and mineral resources exclusive of reserves totaled 8.6 million tons. The country's total antimony reserve base was 250,000 tons.

Output of manganese ore and concentrate (primarily metallurgical-grade, but also chemical) was 3.64 million tons (gross weight) in 2000, and 3.24 million tons in 1996. In FY 2000/01, Billiton's Samancor Manganese Division produced 2.16 million tons of ore from its Mamatwan open-pit and Wessels underground mines (both near Hotazel); 40% was exported to ferroalloy producers, and Samancor had a 3.7 million ton per year capacity. Associated Manganese Mines was adding a new shaft complex at the Nchwaning III Mine, which was to be operational by 2003, to have a run-of-mine capacity of two million tons per year of manganese, and to extend its mine life by 20 years; total proved reserves were 12.8 million tons (44.61% manganese, 7.30% iron), and measured, indicated, and inferred resources were 237 million tons (41.24% manganese, 7.98% iron). The country's total manganese reserve base was four billion tons.

Production outputs for the other principal metals were: vanadium, 18,021 tons (with a reserve base of 12 million tons); titanium (ilmenite and rutile concentrates), 2.1 million tons (2.43 million tons in 1998; with a reserve base of 146 million tons); zirconium concentrate (baddeleyite and zircon), 253,000 tons (a reserve base of 14.3 million tons); and nickel (metal content), 36,616 tons (a reserve base of 11.8 million tons). South Africa also produced cobalt, lead, silver, uranium, and zinc. Anglo American was expanding its Black Mountain lead-zinc mine (near Aggenys, Northern Cape Province); its Gamsberg deposit had ore reserves of 145.3 million tons (6.04% zinc).

Natural gem diamond output in 2000 was 4.75 million carats; and natural industrial diamond, 6.06 million carats. De Beers mines produced 10.29 million carats, from 23.3 million tons of material treated. The Venetia Mine (north of Potgietersrust) recovered 4,497,756 carats at $55 per carat; the Finsch (south of Kimberley, northern Cape), 1,925,059 ($50 per carat); the Premier (east of Pretoria), 1,782,420 ($46 per carat); the Namaqualand (north of Port Nolloth), 809,938 ($159); the Kimberley, 568,639 ($76); the Marsfontein, 436,191 ($165); the Koffiefontein (south of Kimberley), 151,498 ($228); and the Oaks, 116,048 ($165). The country's total diamond reserve base was 1,127 million carats. Alluvial diamonds were discovered along the Orange River in 1867, and surface diamonds, at Kimberley, in 1870; both types were later discovered in other parts of South Africa. The Big Hole Mine, at Kimberley, was the world's largest hand-dug mine; by the time it ceased production, in 1914, 14.5 million carats of diamond had been extracted from 22.6 million tons of earth.

Output of other industrial minerals included chrysotile asbestos, 18,910 tons (51,776 in 1996; three mines were closed); vermiculite, 208,835 tons (221,300 in 1998, and a reserve base of 80 million tons); and limestone and dolomite, 15.9 million tons (22.2 million tons in 1997). South Africa also produced aluminosilicates (andalusite, with a reserve base of 50.8 million tons), barite, calcite, hydraulic cement, clays (attapulgite, bentonite, fire clay, raw and calcined flint clay, and kaolin), feldspar, fluorspar (acid-grade and metallurgical-grade, with a total reserve base of 36 million tons), tiger's eye, gypsum, industrial or glass sand (silica), lime, crude magnesite, mica, nitrogen, perlite, phosphate rock (a reserve base of 2.5 billion tons), natural mineral pigments (ochers and oxides), salt, natural sodium sulfate, dimension stone (granite, norite, and slate), crushed and broken stone (quartzite and shale), aggregate and sand, sulfur, and talc and pyrophyllite (wonderstone). No brick clay was produced in 2000, no nepheline syenite or sillimanite aluminosilicates was produced in 1999–2000, no ceramic-grade fluorspar or crocidolite asbestos, in 1998–2000, and no marble, in 1997–2000. Dimension stone (granite, gabbro, norite, or "black granite," syenite, diabase, and tonalite) was exported to Japan, Italy, Spain, and the Middle East, and accounted for 47% of industrial mineral exports, which earned $194 million in 2000. Other major export commodities were vermiculite, phosphate rock, andalusite, and asbestos.

The wealth derived from the sale of diamonds provided the initial capital for the development of the Witwatersrand gold mines. The market created by the gold mines, in turn, provided the impetus for coal mining, and, later, for the development of the iron and steel industry, which, in its turn, required the development of other minerals. Taxation of mining enterprises has supported South African agriculture, and financed many of the country's administrative and social needs.

The South African minerals industry operated on a free-enterprise, market-driven basis. Government involvement was primarily confined to ownership of the national electric power supply and the national oil and gas exploration company; under the draft Minerals Development Bill of 2000, mineral rights would revert to the state. The bulk of mineral land holdings and production has historically been controlled by five mining investment houses. Since 1994, the industry has undergone a major corporate restructuring, or "unbundling," aimed at simplifying a complex system of interlocking ownership, at establishing separate core-commodity-focused profit centers, and at diversifying and rationalizing nonperforming assets. The move from Johannesburg to London of two major corporate financial headquarters, Anglo American PLC and Billiton PLC, caused concern over "capital flight," and the government in 2000 blocked the $3 billion merger of Gold Fields Ltd. and Franco-Nevada Mining Corp., of Canada; in 2001, though, the government approved a $19 billion takeover of De Beers Consolidated Mines Ltd. by Anglo American.

The 2000 draft minerals bill gave the state exclusive custodianship of all mineral rights and focused on freeing up unexploited mineral rights long held by the major mining houses, to provide more opportunities in the mining sector for black South African entrepreneurial groups ("to redress the results of past racial discrimination and ensure the historically disadvantaged persons participate in the minerals and mining industry"). The Chamber of Mines, which represented the largest sectors of the mining industry, supported the underlying objectives, but expressed concerns about "unintended negative consequences," such as undermining property rights, excessive discretion to a single person (the minister of mines and energy), and offering no right of appeal to the courts. In 2000, a mining summit of government, labor, and industry leaders sought a common vision for the industry and a consensus on ways to improve the industry's job creation potential.

The well-developed railway and port infrastructure was built mainly to transport mineral products, and minerals continued to constitute a major part of the nation's freight. Domestic and foreign investors have committed more than $10 billion to develop and expand new mining and value-added mineral processing capacity by 2007. The impact of HIV/AIDS on the able-bodied skilled and semiskilled work force in the country was of concern to investors. There was also increased attention to environmental issues.

[27]ENERGY AND POWER

South Africa is the second-largest energy producer on the African continent, surpassed only by Algeria. Coal is the country's primary energy source and product and accounted for 75% of primary energy consumption in 1998. Since 1980, the Department of Mineral and Energy Affairs has directed energy acquisition and distribution. A national high-voltage grid network was established in the 1970s. Electric generation totaled 196.2 billion kWh in 2000, of which 92.6% was from fossil fuels, 6.7% from nuclear power, and less than 1% each from hydropower and other renewable sources.

South Africa's annual electricity consumption is 181.5 billion kWh (2000). The Electricity Supply Commission (Eskom) generates about 95% of the total, primarily from locally mined coal. Peak electricity demand is provided by the hydro facilities of the Orange River Project and Mozambique's Cahora Bassa dam. Power is generated by coal-fired plants, as well as nuclear power and hydroelectric power. Total installed generating capacity totaled 44.7 GW at the beginning of 2001. An aggressive electrification program was aimed at bringing electric power to 2.5 million households over the 1994-2000 period, and was to raise the proportion of households with electricity from 44% to 72%.

In 2000, South Africa was among the world's leading exporters of coal, with estimated production of 247.2 million ton and exports of 77.1 million tons. Proven coal reserves from 19 coal fields totaled 61 billion short tons of anthracite and bituminous coal. About 80% of coal production comes from the Mpumalanga Province, and another 10% from the Northern

Province. About 90% of annual production was used for power generation and synthetic fuels. The South African Coal, Oil, and Gas Corporation (SASOL) is the world leader in oil-from-coal technology. SASOL operates two coal gasification plants in Secunda and one in Sasalburg. SASOL has a capacity to produce 150,000 barrels per day, mostly to the gasoline market. South Africa's other leading synthetic fuel producer is Mossgas, with capacity of 45,000 barrels per day. Mossgas develops natural gas condensate deposits at Mossel Bay into synthetic fuel. In March 1992, the project delivered its first sea-to-shore gas to a synthetic fuel plant. The natural gas converted at the plant is converted into gasoline, diesel oil, and kerosene. South Africa has four crude oil refineries whose combined capacity in early 2002 was 468,547 barrels per day, the second largest in Africa. Oil production at the offshore Oribi field began in 1998. Total oil production in 2001 was 224,000 barrels per day.

Ownership of uranium is vested in the Atomic Energy Corporation on behalf of the state. In 1975, a pilot plant for the manufacture of enriched uranium went into operation at Valindaba (Transvaal), and it was extended to a production plant, scheduled to open in 1987. Africa's only nuclear power station, at Koeburg near Cape Town, began operating in 1984. South Africa and the United States are signatories to a 1957 bilateral atomic-power treaty.

[28]INDUSTRY

The manufacturing sector has evolved over the past 70 years, beginning with light consumer industry in the 1920s and expanding into heavy industry with the creation of ISCOR (Iron and Steel Corporation of South Africa) in 1928. Industry is localized in Gauteng, Western Cape, the Durban-Pinetown area of KwaZulu-Natal, and the Port Elizabeth-Uitenhage area of Eastern Cape.

The largest industrial sector is the metal products and engineering sector dominated by ISCOR, now privatized. South Africa is the world's largest gold, platinum, manganese, chromium, vanadium, alumino-sillicates and titanium producer; and the second largest of vermiculite and zirconium; third for fluorspar; fourth for antimony; and fifth for zinc, coal, lead, and uranium. The steel industry feeds a substantial motor vehicle sector, which experienced a 14% increase in production from 2000 to 2001. Companies like Columbus Stainless Steel and Billiton's Hillside Aluminum Smelter produce processed industrial minerals, instead of just primary commodities. A dip in gold prices during the late 1990s threatened the gold mines, but only temporarily. The mining industry contributes more than 50% to exports, and some estimates go up to 70%.

Other than Swaziland, South Africa is the only African state to produce pulp and paper. The clothing and textiles sector and the electronics sector were experiencing strong growth in 2002, as was the construction sector, which employed 260,000 people. The chemical sector centers on sizeable fertilizer production and the Modderfontein explosives factory. The sector is also home to the synthetic fuels production industry which, with three plants in operation that produce oil and petrochemicals from coal, serves 40% of the nation's motor fuels demand. There are four oil refineries in South Africa, with a total production capacity in 2002 of 469,000 barrels per day.

[29]SCIENCE AND TECHNOLOGY

Among South Africa's earliest research ventures was the Royal Observatory at the Cape of Good Hope, established by the British Admiralty in 1820. Societies of leading engineers, architects, chemists, metallurgists, and geologists were organized in the 1890s, and the South African Association for the Advancement of Science was established in 1902. The Council for Scientific and Industrial Research (founded in 1945) has 13 research divisions. The Atomic Energy Corporation established an experimental nuclear reactor in 1965 and has since directed the government's nuclear program; in 1970, it was announced that its researchers had devised a new uranium-enrichment process, subsequently developed by the national Uranium Enrichment Corp. The Scientific Advisory Council to the Minister of National Education (established in 1962) promotes the application of scientific knowledge and recommends national science policies and programs.

The Hartebeestheek Radio Astronomy Observatory's 26-meter-diameter antenna was originally constructed to serve as a tracking station for NASA's Deep Space Network. In Johannesburg are located a geological museum, the Adler Museum of the History of Medicine, and the James Hall Museum of Transport. Botanical and zoological gardens are located, respectively, in Durban and Pretoria. South Africa has 30 universities and colleges offering courses in basic and applied sciences. In 1987–97, science and engineering students accounted for 29% of college and university enrollments.

In 1987–97, expenditures for research and development totaled 0.7% of GNP; 1,031 scientists and engineers and 315 technicians per million people were engaged in research and development.

[30]DOMESTIC TRADE

South Africa has largely dismantled its old economic system that involved extensive government involvement in the domestic economy through state-owned enterprises. Approximately 90% of the population and consumer market surrounds the cities of Johannesburg, Cape Town, Durban, Pretoria, and Port Elizabeth.

Retail establishments are extremely diverse, ranging from local convenience stores and specialty shops to department stores, supermarkets, and chain stores. There are some wholesale outlet stores as well and hypermarkets are beginning to find a place in some suburban areas. In rural areas, merchants sponsor cooperative stores. Nearly 90% of consumer goods are domestically sourced. The number of franchises continues to grow, with about 300 firms represented as of 2002. The government maintains price controls on petroleum products and certain food products. There are many advertising agencies, with the five largest accounting for 70% of all advertising billings.

Business hours for most offices and shops are from 8:00 AM to 1:00 PM and 2:00 PM to 4:30 PM, Monday through Friday, and from 8:30 AM until 1:00 PM on Saturday. Banks are usually open from 9 AM to 3:30 PM weekdays, and from 8:30 to 11 AM on Saturdays.

[31]FOREIGN TRADE

Gold, diamonds and other metals and minerals are the most valuable export commodities. Exports of gold, platinum, coal, and iron account for approximately 17% of commodity exports. The share of gold as a percentage of total merchandise exports fell from 51.4% in 1980 to 13% in 2000. In 1995, processed primary product exports exceeded those of gold for the first time. The top nine exports are as follows:

	% OF COUNTRY TOTAL
Diamonds	6.7
Coal, lignite and peat	5.1
Pig iron	5.0
Iron and steel primary forms	2.5
Inorganic chemicals	2.5
Base metal ores	2.4
Fruits and nuts	2.2
Pulp and waste paper	1.9
Iron and steel plates	1.4

In 2000 South Africa's imports were distributed among the following categories:

Consumer goods	11.1%
Food	3.8%
Fuels	14.2%
Industrial supplies	24.7%
Machinery	27.7%
Transportation	10.4%
Other	8.1%

The US and South Africa established bilateral trade agreements in the late 1990s. Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
United States	2,409	3,187	-778
United Kingdom	2,288	2,251	37
Germany	1,900	3,524	-1,624
Japan	1,355	2,131	-776
Netherlands	1,010	513	497
Belgium	965	410	555
Italy	838	894	-56
China (inc. Hong Kong)	662	1,275	-613
France	564	1,138	-574
Iran	n.a.	1,164	n.a.

[32]BALANCE OF PAYMENTS

Gold invariably represents the great majority of the country's international reserves, but decreased demand for gold lowered world prices in the 1990s, slowing financial flows. The current account balance improved at the end of 2000 due to increased merchandise export earnings, which rose by 15%. This can be attributed in part to the depreciation of the rand, which strengthened the competitiveness of South African manufactures. Petroleum imports rose that year as well.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of South Africa's exports was $32.3 billion while imports totaled $28.1 billion resulting in a trade surplus of $4.2 billion.

The International Monetary Fund (IMF) reports that in 2001 South Africa had exports of goods totaling $31 million and imports totaling $26 million. The services credit totaled $4.66 billion and debit $5.21 billion. The following table summarizes South Africa's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-166**
Balance on goods	4,966
Balance on services	-546
Balance on income	-3,846
Current transfers	-739
Capital Account	**-32**
Financial Account	**501**
Direct investment abroad	-3,686
Direct investment in South Africa	7,162
Portfolio investment assets	-5,331
Portfolio investment liabilities	-2,971
Other investment assets	-1,432
Other investment liabilities	-614
Net Errors and Omissions	**1,855**
Reserves and Related Items	**-2,158**

[33]BANKING AND SECURITIES

The South African Reserve Bank (SARB), the central bank of issue, began operations in 1921, and in 1924 assumed liability for the outstanding notes of the commercial banks. It is the fourth oldest central bank to have been established outside Europe. It purchases and disposes of the entire gold output. In September 1985, because of a net outflow of capital arising from South Africa's declaration of a state of emergency, a two-tier foreign-exchange system was adopted by the bank, involving a commercial rand for current transactions and a financial rand for investments or disinvestments by nonresidents. At the same time, certain debt payments, mainly to foreign banks, were frozen. Limited payments were resumed in April 1986, and the two-tier foreign-exchange system was discarded.

The top four banks-Standard Bank Investment Corp. (Stanbic), Amalgamated Banks of South Africa (ABSA), First National Bank (FNB), and Nedcor-accounted for at least 80% of total bank assets in the country in 2002. Foreign interest grew with groups such as Citibank, Morgan Guaranty, and Standard Chartered, setting up and targeting the business end of the market. Although foreign banks are not allowed to accept deposits, over 41 fully licensed institutions, 15 local branches of foreign banks, and 61 representative offices of foreign banks were operating in South Africa in 2002. Offshore lending is popular.

Each bank is required to maintain a reserve balance with the South African Reserve Bank equal to 8% of its short-term liabilities. Since the commercial banks have restricted themselves to traditional functions, many other institutions have been established to make loans or investments to stimulate economic growth and development. The government has sponsored financial institutions such as the Development Bank of South Africa, the Corporation for Public Deposits, the Industrial Development Corp. (IDC), the Fisheries Development Corp., and the Corporation for Economic Development.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $36.3 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $67.6 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 8.84%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 9.5%.

The Johannesburg Stock Exchange (JSE) ranks 10th in the world in market capitalization. At the end of 2001, its total capitalization was $140 billion. The JSE dwarfs all sub-Saharan Africa's other active stock exchanges put together, accounting for 96% of their total market capitalization at the end of 1995. On 8 November 1995, the JSE underwent its "Big Bang" when the Stock Exchange Control Act came into effect, changing the system under which the market had operated for years. New capital adequacy requirements placed major financial obligations on broking firms, and the easy fixed-commission system for brokers disappeared. Most visibly, the traditional trading floor-the open outcry market-became a thing of the past as firms carried out all their trading by computer. Restructuring of the stock exchange also allowed banks to enter the securities markets as stockbrokers for the first time. However, market capitalization is now at about half of that peak level in 1995.

[34]INSURANCE

Automobile third-party liability is compulsory; compulsory workers' compensation insurance is virtually a government monopoly. Unemployment insurance is also compulsory. At the beginning of 1994, a consortium of black investors negotiated a deal to buy 51% of African Life, a life insurance company serving over two million customers, from majority share holders. Other insurance companies include Old Mutual and Sanlam.

Life insurance companies and pension funds are controlled by the Registrar of Financial Institutions. The main long-term capital institutions are the pension funds and life assurance companies, which invest mainly on the JSE secondary market.

[35]PUBLIC FINANCE

The fiscal year runs from 1 April to 31 March. The minister of finance presents the budget to Parliament in March for authorization of expenditures and imposition of the necessary

taxes. In 1994, the ANC inherited a government that owned about half of all capital assets, one-quarter of them parastatal corporations. Since then, privatization has moved slowly, but steadily.

The US Central Intelligence Agency (CIA) estimates that in 2002/2003 South Africa's central government took in revenues of approximately $22.6 billion and had expenditures of $24.7 billion. Overall, the government registered a deficit of approximately $2.1 billion. External debt totaled $25.5 billion.

The following table shows an itemized breakdown of government revenues. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	22,600
Tax revenue	94.5%	21,352
Non-tax revenue	5.0%	1,119
Capital revenue	0.2%	45
Grants	0.4%	85

36 TAXATION

As of 1 January 2001, South Africa's territorial system of taxation (or source-based system) was replaced with one based on worldwide incomes for resident companies, including resident branches of foreign companies. In order to preserve some of South Africa's appeal as an "off-shore" location for international headquarters, a separate regime for non-resident International Holding Companies (IHCs) is maintained which allows for income from foreign subsidiaries not to be counted in the IHC's tax liability (under Controlled Foreign Entity provisions in the tax law). South African holdings in a qualifying IHC cannot exceed 5% of total equity share capital. As non-resident entities, however, IHCs cannot avail themselves of the reductions and exemptions in withholding taxes from subsidiary companies that are available to resident companies through South Africa's network of double taxation prevention treaties. The result is a reduction in South Africa's appeal as an "off-shore" location and an increased use of holding companies in low-tax jurisdictions (tax havens) like Mauritius, the Channel Islands, the Cayman Islands and the Isle of Man) to hold portfolio investment and other assets by South African companies.

The standard corporate tax in South Africa consists of two parts: a 30% flat rate plus an additional 12.5% "secondary tax" on net dividends; that is, dividends paid out less dividends earned. The more earnings retained, the lower the effective tax rate. The maximum effective rate for companies that distribute all their after-tax profits as dividends is 37.8%. A company that distributed, for example, one-third of its after-tax profits would be subject to an effective tax rate of 33%. Double taxation is avoided by granting a credit to companies for dividends received from other South African companies that have paid the secondary tax. These are called secondary tax companies (STCs). Branches of foreign companies are taxed at 35% and are exempt from the secondary tax. A reduced tax rate of 15% on the first 100,000 Rand ($13,600) of profit for small companies was introduced in 2000, and in the 2003 budget the total revenue threshold for qualifying as a small corporation was raised from three million Rand to five million Rand ($408,200 to $690,300). The 2003 budget also introduced a double deduction for the first 20,000 Rand ($2,700) of start-up costs for a new business, an accelerated write-off of research and development capital expenses, and accelerated depreciation for manufacturing assets. Capital gains, untaxed before 2001, are taxed at 15% for companies and 10.5% for individuals. Dividends from South African sources are tax-exempt, but, as of 23 February 2000, dividends from foreign sources received by residents are taxed at 12.5%. South Africa also has a preferential "off-shore" tax regime for international holding corporations, as well as a program of tax incentives administered by the its Industrial Development Corporation designed to assist entrepreneurs in the establishing and/or expansion of economically viable manufacturing industries.

Individual income tax is assess according to a progressive scale with a top rate of in FY 2002/2003 of 40% (down from 45%) on the increment of taxable annual income over R240,000 ($32,660). The lowest rate, 18%, applies to taxable annual income up to R40,000 ($5,440), and the next rate, 25%, to the next increment up to R80,000 ($10,880). Other bands are 30%, 35% and 39%. The tax threshold for persons below 65 years old was R27,000 ($3,674) for the tax year ending February 2003. Above an exempted limit, gifts are taxed at 20%, but there is not inheritance tax (although the transfer of property is tax on a progressive scale of 0% to 11.3% depending on the value of the property.

The main indirect tax is South Africa's VAT tax, with a standard rate of 14% and reduced rates ranging from 0% (on lighting paraffin, basic foods, diesel fuel and gasoline) and 14%. The effective VAT on hotels and retirement hostels has been reduced to 8.4% from 9.2%. Other taxes include provincial and city taxes.

37 CUSTOMS AND DUTIES

Although South Africa has signed GATT and has been liberalizing import controls with the intention of eventually removing them completely, some classes of imports are still subject to licenses and control regulations. Many goods enter South Africa duty-free. Goods that are subject to a duty pay an average rate of 12%. There are six levels of tariffs: 0%, 5%, 10%, 15%, 20%, and 30%. For protected industries such as textiles and automobiles, high tariffs were supposed to be reduced from 100% to about 45–50% with 8–12 years.

South Africa maintains a common customs area with Botswana, Lesotho, Namibia, Swaziland, and the black homelands of Bophuthatswana, Ciskei, Transkei, and Venda, through the South African Customs Union. The South African Development Community intended to open a free trade area between member countries by 2000. Common customs, excise, and a value-added tax (VAT) of 14% are levied. Specific excise duties of about 10% are levied on beverages, tobacco, petroleum products, and motor vehicles. Ad valorem excise duties are levied on office machinery, film, and luxury consumer goods. Export licenses are required for a number of products.

38 FOREIGN INVESTMENT

Despite a considerable increase in recent years in domestic savings available for investment, foreign capital investment plays a significant role in South African economic development, and a number of manufacturing and industrial concerns have been established by the United Kingdom, the United States, and continental European companies since World War II. UK capital has been invested primarily in manufacturing, heavy engineering, and in the development of new gold fields in Transvaal and the Orange Free State. US investments are mainly in mining and manufacturing, and in wholesale and retail trade. Some 250 American companies accounted for about one-fifth of total foreign investment in South Africa as of 1982. However, between 1984 and 1987, the number of US companies with direct investments in South Africa dropped from 325 to 259. In 1986, the United States and the EEC banned new investment in South Africa.

The establishment of a multiracial government in 1994 and the lifting of sanctions led to an increase in foreign investment in South Africa. The number of multinationals with direct investments or employees in South Africa increased by over 20%. By 1997, total foreign direct investment (FDI) exceeded $18 billion. The inflow of FDI in 1997 was over $3.8 billion, but fell

to $561 million in 1998. Inward FDI flows increased to $1.5 billion in 1999 and to $888 million in 2000. Contrary to worldwide trends in the economic slowdown of 2001, FDI inflow in South Africa reached a record $6.65 billion.

The UK has been the largest investor with almost half of the total, followed by the US, Germany, the Netherlands, Malaysia, and Switzerland. Manufacturing and business services gained the lion's share of FDI, led by telecommunications; major investors included Petronas, SDC Communications, Dow Chemicals, Telecom Malaysia, Coca-Cola, and Lafarge.

[39]ECONOMIC DEVELOPMENT

The recession of 1989 to 1993 was provoked by a drop in investment from 24% to 15%. With the inauguration of multiracial government in 1994, this investment was restored from about $13 billion in 1994 to about $18 billion in 1998, creating new jobs and generating growth. Tremendous changes in the structure of the economy are required as well to relieve the pressures of poverty and inequality which resulted from apartheid. A realistic strategy that attends to popular expectations and aspirations as well as to sound economic principles will look to reducing tariffs and other restrictive practices, linking wages and output, ending exchange controls, reforming taxes, and optimizing welfare allocations. The government implemented a Growth, Employment, and Redistribution (GEAR) plan to cover the years 1996–2000. The plan was successful in bringing macroeconomic stability to the country, but formal employment continued to decline, and wealth remained unequally distributed along racial lines.

South Africa has what may be called a dual economy—one comparable to industrialized nations and another comparable to developing countries. Trade liberalization increased from the early 1990s to the early 2000s. The Mbeki government in 2003 maintained a cautious fiscal policy, but due to the global economic slowdown, growth remained at 2.6% (it was forecast to rise to 3.5% in 2004). The government's monetary policy was geared to bring inflation down to the Reserve Bank's target of 3–6% by the end of 2004. Unemployment in 2002 was estimated at 29%, but unofficial sources place it at around 41%. The government adopted plans to encourage development in specific regions and in small and medium enterprise development, in part to promote growth and the creation of jobs. South Africa is a member of the Southern African Customs Union (SACU) and the Southern African Development Community (SADC). South Africa has been severely hit by the HIV/AIDS pandemic, but the government has not effectively addressed the crisis, although an HIV prevention strategy was begun. Funding increases were anticipated for 2003–04. Johannesburg was the site of the 2002 World Summit on Sustainable Development, and South Africa is seen as a leader of the developing world on issues such as climate change, conservation, and biodiversity.

[40]SOCIAL DEVELOPMENT

South Africa has a comprehensive system of social legislation, which includes unemployment insurance, workers' compensation, old age pensions, disability pensions, war veterans' pensions, pensions for the blind, maternity grants, and family allowances. The cost of most of these benefits is borne by the national government, but the cost of industrial accident insurance is borne by employers, while contributions to the unemployment insurance fund are made by employers, employees, and the government. The retirement age is 65 for men and 60 for women. Sickness and maternity benefits both pay 45% of weekly earnings; maternity benefits are payable up to a total of 26 weeks.

Human-rights activists focused for many years on South Africa's perpetuation of white-minority rule, its disfranchisement of the black majority, and its restrictions on the rights of Coloureds and Asians. The government assumed broad powers under South African law to ban any organization suspected of communism or subversive activities, to prohibit its publications, to liquidate its assets, and to detain without court proceedings (for up to six months) or to strip of civil rights any of its members or known supporters. All outdoor gatherings, except sporting events or specially authorized meetings, were banned between 1976 and 1990. The state of emergency imposed regionally in 1985 and reimposed nationally in 1986 allowed any member of the police or military to arrest and detain, on his own authority, any person whom he believed to be a threat to public safety. Much of that security legislation was repealed in the final months of the de Klerk government.

The current ANC "government of national unity" has sought to provide more social services for its black constituents within the constraints of a weakened economy. Its top priorities are housing, health, education, and the creation of more jobs in the formal economic sector.

Despite legal protection, sex discrimination is still widespread, especially in connection with economic issues including wage disparity, credit access and property rights. Domestic abuse is widespread, and victims who seek redress are not treated adequately by law enforcement, medical personnel, or the judicial system. The incidence of rape is extremely high due to general lack of security and the prevailing attitude condoning violence against women. There are many governmental and nongovernmental organizations monitoring and promoting human rights for women. The government has passed various pieces of legislation to eliminate discrimination and protect the rights of all citizens. Recent laws include The Labor Relations Act, the Gender Equality Bill, The Censorship Bill, and the Abolition of the Death Penalty Bill.

Although South Africa's human rights record has improved, there are continued reports of detainees dying in custody. There is continued racially motivated violence including numerous killings of white officers by black subordinates. Criminal activity is widespread, and vigilante and mob justice is increasing. Prison conditions are harsh.

[41]HEALTH

As of 1992, the South African government increased its spending in the public and private sectors of health care. South Africa's governmental policy has been directed toward a more streamlined and equitable public health service to bridge the country's social and ideological divisions. Emphasis on better health care resulted in numerous projects to expand and modernize existing hospitals and clinics, as well as build new ones. There was also emphasis on preventive health care, as well as a greater demand for laboratory analysis and therapeutic equipment and disposables. Most electronic and high-tech equipment is imported. Provincial administrations maintain most major hospitals and receive subsidies from the national government. Hospital care is free for those unable to bear the costs, but medical treatment is generally conducted on a private basis.

About 80% of doctors take care of urban citizens. Large sectors of the population live in conditions nearer to those of a developing country. In 1990, there were 684 hospitals, with Baragwanath Hospital near Johannesburg the largest in southern Africa (nearly 3,000 beds). In 1989, there were 143,519 hospital beds (4.8 per 1,000 people). The nurse to doctor ratio in 1990–97 was 4.5, and in 1996, the population per physician was 1,673. As of 1999, there were an estimated 0.6 physicians per 1,000 people. Chains of independent hospitals have been established. As of 1999 total health care expenditure was estimated at 7.2% of GDP.

There are medical schools at the universities of Cape Town, Stellenbosch, Witwatersrand, Pretoria, Natal, and the Orange

Free State. Between 1959 and 1994, most black medical students attended the medical school at the University of Natal. In addition, the Medical University of Southern Africa (near Pretoria) was opened for black students in 1978. Following the introduction of democracy in 1994, the government sought to reverse the discrimination against blacks by building 780 community clinics by the year 2000. However, the money to fund these clinics comea from the medical school budgets funded publicly. The South African Institute for Medical Research in Johannesburg is well known for its studies of silicosis and other diseases to which mine workers are subject.

The HIV/AIDS epidemic in South Africa is among the worst in the world. At the end of 2001 the number of people living with HIV/AIDS was estimated at 5 million (including 20% of the adult population) and deaths from AIDS that year were estimated at 360,000. HIV prevalence in 1999 was 19.9 per 100 adults. An increasing percentage of those infected are infants and young children and it is estimated that nearly one-fourth of pregnant women are HIV positive, although the rate of infection varies widely among provinces. In some hospitals more than one-third of the beds are occupied by AIDS patients.

Aside from HIV/AIDS, other prevalent infectious diseases reported in South Africa include tuberculosis, measles, typhoid, malaria, and viral hepatitis. By 1990, leprosy had been reduced to less than 1 per 100,000, but malaria and tuberculosis still cause serious problems. About 52% of the male and 16% of the female populations over age 15 smoked in 1995. Between 1983 and 1992, there were about 15,000 deaths due to political and ethnic violence.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 20.6 and 18.9 per 1,000 people. Average life expectancy was 48 years in 2000. Infant mortality in 2000 was 63 per 1,000 live births and the maternal mortality rate in 1995 was estimated at 340 per 100,000 live births. Children up to one year of age were immunized in 1997 against tuberculosis, 95%; diphtheria, pertussis, and tetanus, 73%; polio, 73%; and measles, 76%.

42 HOUSING

In 1994 the housing backlog was estimated to be 1.2 million homes for the black population, while there is a surplus of white housing units of 83,000. In the late 1990s, there was an explosive growth of shacks and shantytowns surrounding South Africa's major urban areas. This backlog and demand translated into the need to build 250,000 dwelling units a year in the last years of the 20th century, or roughly 1,000 units per working day; however, only about one-tenth of that number—25,000 dwelling units—were built each year, leaving the country with a serious housing shortage.

Most of the black townships and squatter settlements lack the basic infrastructure and services of water, sewage, and electricity. Efforts to solve South Africa's housing problem must focus not only on construction, but on servicing current and prospective sites by building roads and providing electricity, sanitation, and water. For example, an estimated 66% of the country's population have no access to electricity, and in most black townships there is only one water tap per several thousand people.

43 EDUCATION

The challenge facing the post-apartheid government is to create an educational system that provides quality education to all citizens of South Africa. The educational legacy left by the apartheid government has not been easy to dismantle. Literacy rates among blacks remain low, and educational facilities in the townships and rural areas need to be upgraded. During the apartheid government, education for whites was free and compulsory between the ages of 7 and 16 while attendance was not generally compulsory for blacks. Adult literacy was close to 100% for whites and about 50% for blacks in the mid-1980s.

After the Soweto riots of 1976, the national government increased expenditures for black education, and black student enrollment did rise sharply. The government reported by the early 1990s that primary and secondary schools enrolled about one million white students; 5.8 million blacks; 900,000 colored; and 300,000 Asians.

The Government of National Unity established a National Ministry of Education in 1994 and an educational system comprised of nine provincial subsystems was developed. National policies set clear educational guidelines, and the Provincial Legislatures have been accorded significant authority in setting specific priorities and policies for that province.

In 1995, President Mandela launched the Presidential Lead Project on Developing the Culture of Learning and Teaching. The program revised school governance structures, increasing school attendance and renovating hundreds of schools around the country.

Schooling is comprised of seven years of primary and five years of secondary education (three years of lower secondary, followed by two years of upper secondary). Primary school children begin at the age of five. The initial three years are devoted to reading, writing, basic math, and language proficiency. The senior primary phase incorporates geography, science, history, a second language, math, and a practical skill. In 1995, 20,863 primary schools had a total student enrollment of 8,159,430, with 224,896 teachers. At the secondary level, 3,749,449 students and 128,611 teachers were in general education in 1995. The pupil-teacher ratio at the primary level was 35 to 1 in 1999. In the same year, an estimated 95% of primary-school-age children were enrolled in school, while 56% of those eligible attended secondary school.

South Africa has 21 universities and 15 technikons that provide tertiary level vocational training. In 1994, a total of 617,897 students were enrolled in institutions of higher education, with 27,099 teachers.

44 LIBRARIES AND MUSEUMS

The National Library of South Africa is made up of the State Library in Pretoria (787,000 volumes) and the South African Library in Cape Town (750,000 volumes). The State Library is the official repository for UN publications, World Bank publications, GATT (General Agreement of Tariffs and Trade) publications, and International Labor Organization publications dealing with South Africa. The University of Witwatersrand's main collection holds over one million volumes. Major public libraries are located in Johannesburg (850,000 volumes) and Cape Town (1.4 million volumes). There is an extensive public library system holding more than 16 million volumes in total.

The Kaffrarian Museum in King William's Town has imposing collections of indigenous animals. The National Museum in Bloemfontein contains an ictidosaur skeleton and the Florisbad human fossil skull. The East London Museum houses the first coelacanth to be caught (the entire family had previously been thought to be extinct). The South African National Gallery is in Cape Town. Founded in 1871, it houses an extensive European collection and well as one of Africa's finest collections of contemporary African art. The South African Cultural History Museum is also in Cape Town, as is the Castle Military Museum, which opened in 1995. Robben Island, 12 kilometers from Cape Town, is a former prison and is now a museum. Johannesburg has several archaeological museums as well as the University Art Galleries of the University of Witwatersrand. Pretoria houses the Kruger Museum, chronicling the life of Paul Kruger; the Natural Cultural History Museum; and the Museum of Anthropology and Archaeology.

45 MEDIA

The government operates the postal, telegraph, and telephone services through the Department of Posts and Telecommunications. In 2001 there were over five million mainline telephones in use and over seven million cellular phone subscribers. The South African Broadcasting Corp. (SABC), a semigovernmental organization, offers transmissions in English, Afrikaans, and nine Bantu languages. It derives its income from listeners' licenses and from its commercial services. External broadcasting services are operated by the Voice of South Africa. The country's first television service was begun in January 1976 under government auspices. In 1981 a separate channel began broadcasting in native languages. As of 1999, there were 15 AM and 164 FM radio stations and 556 television broadcast stations, with transmissions in English, Afrikaans, and four Bantu languages. In 2000 there were 338 radios and 127 television sets for every 1,000 people. While most major broadcast media are still state-owned, media in South Africa are in the midst of a historic reorganization and change of direction toward privatization and independence.

The English and Afrikaans populations have their own newspapers, distinguished not only by language but also by the variety and slant of news. Nearly all newspapers in South Africa are published by members of the Newspaper Press Union (NPU). Its main function is to hear and decide complaints against the press in cases where the complaints do not fall under the jurisdiction of the courts. The Media Council, established by the NPU, seeks to maintain editorial standards and to deal with infringements of the NPU press code. In 1974, the press code was amended to compel newspapers to exercise "due care and responsibility" in matters relating to racial, ethnic, religious, and cultural groups in South Africa. The largest daily newspapers (with 2002 circulations) are:

	Language	Circulation
The Sowetan	English	225,000
The Star	English	162,316
Beeld	Afrikaans	111,958
Die Burger	Afrikaans	105,841
Cape Argus	English	85,000
The Daily News	English	71,600

The three largest-circulation Sunday newspapers are the English-language *Sunday Times* (458,000) and *Sunday Tribune* (113,000) and the Afrikaans-language *Rapport* (353,000). *Ilanga* and *Umafrika* are Zulu-language weeklies. About 150 local newspapers appear weekly or biweekly. Magazines and general periodicals are divided equally between Afrikaans and English.

The constitution provides for free speech and a free press, and the government now is said to respect these rights. News coverage and editorial opinion is vigorous and unfettered.

46 ORGANIZATIONS

The cooperative movement began before the consummation of the Union, concentrating then as now on marketing agricultural produce. The movement's rapid advance, however, dates from 1922, when the first Cooperative Societies Act was passed. Every branch of farming has its own associations, to which about 75% of all farmers belong; these groups are affiliated with provincial organizations, which, in turn, are members of the South African Agricultural Union.

The South African Federated Chamber of Industries is the chief employers' organization. The Association of Chambers of Commerce (ASSOCOM) was formed in 1892 to promote commerce and industry in South Africa. In 1990 the South African Chamber of Business (SACOB) was formed by the merger of the Association of Commerce and Industry and the South African Federated Chamber of Industries. One hundred and two chambers of commerce and industry are members of SACOB.

To provide special aid to Afrikaans-speaking businesspeople, the Afrikaanse Handelsinstituut was established in Pretoria in 1942. It now assists all Afrikaner businesses involved in commerce, finance, and mining. Membership is offered if at least half the capital of a firm is owned by Afrikaners.

The Royal Society of South Africa, founded in 1877, is the leading scholarly organization. The Geological Society of South Africa (founded in 1895) has published important research in its Transactions, and its influence extends beyond South Africa. The African Music Society, an international organization that specializes in the recording of music of all parts of Africa, has its headquarters near Johannesburg. Other organizations have been established for studies in Afrikaans, archaeology, economics, medicine, technology, and other fields.

There are a number of sports associations throughout the country. National youth organizations include the ANC Youth League, Girl Guides Association of South Africa, National Catholic Federation of Students, YMCA/YWCA, South African Scout Association, South African Student Congress, South African Young Christian Workers, and Youth for Christ. Women's organizations include the ANC Women's League, National Council of Women of South Africa, and programs through the Office on the Status of Women. The Red Cross is active.

47 TOURISM, TRAVEL, AND RECREATION

The tourism industry is based on private enterprise, but the government oversees tourist facilities through the South African Tourist Corporation, which also promotes tourism abroad. In addition to the principal cities and many ocean beaches, popular attractions include the Kruger National Park, situated in the northeast, on the Mozambique and Zimbabwe borders, and several game reserves; the Castle of Good Hope fortress at Cape Town (built during 1666–82); and the Kimberley Mine Museum at the site of the famous Big Hole diamond mine. Entertainment facilities include symphony halls, theaters, movies, nightclubs, and discos. Among popular pastimes are golf, tennis, bowls, hunting, horse racing, rugby, soccer, cricket, and water sports.

In 2000 there were 6,000,538 tourist arrivals in South Africa. There were 51,913 hotel rooms with 108,027 beds.

In 2003, the US government estimated the cost of staying in Johannesburg at $98 per day and Cape Town at $151 per day.

48 FAMOUS SOUTH AFRICANS

Among the most famous tribal leaders in what is now South Africa were Shaka (1773–1828), who built the Zulu into a powerful nation, and Cetewayo (d.1884), who led the Zulu in an unsuccessful war against the British in 1879. Other outstanding figures of 19th-century South Africa were Stephanus Johannus Paulus (Oom Paul) Kruger (1825–1904), president of the Transvaal and leader of the Boers, and British-born Cecil John Rhodes (1853–1902), entrepreneur and empire builder, after whom the Rhodesias (now Zambia and Zimbabwe) were named. Jan Christiaan Smuts (1870–1950), statesman and military leader, was one of the great men of the first half of the 20th century. He and two other prime ministers of Boer descent—Louis Botha (1862–1919) and James Barry Munnik Hertzog (1866–1942)—attempted to merge the two white nationality groups in a common loyalty to the British Commonwealth. Daniel François Malan (1874–1959), an Afrikaner Nationalist leader, led his party to victory in 1948 and served as prime minister (1948–54) when South Africa's racial separation policies were codified. Hendrik Frensch Verwoerd (1901–66), Nationalist prime minister from 1958 until his assassination, vigorously enforced separate development of the races and created the black homelands. His successor, Balthazar Johannes Vorster (1915–83), served as prime minister from 1966 until his elevation to the presidency in 1978; he resigned in the following year because of a political scandal. Pieter Willem Botha (b. 1916) became prime minister in 1978 and president in 1984.

Among the best-known South African writers in the English language was Olive (Emily Albertina) Schreiner (1855–1920), whose *Story of an African Farm* has become a classic. A collection of short stories about Afrikaner farmers, *The Little Karoo,* by Pauline Smith (1882–1957), is regarded as a masterpiece. South African authors of novels and short stories such as Sarah Gertrude Millin (Liebson, b. Russia, 1889–1968), Alan Stewart Paton (1903–88), Sir Laurens Van der Post (1906–96), Peter Abrahams (b. 1919), Ezekiel Mphahlele (b.1919), Nadine Gordimer (b. 1923), Dan Jacobson (b. 1929), and John M. Coetzee (b. 1940) have won considerable attention in the United Kingdom and the United States. Ignatius Roy Dunnachie Campbell (1901–57) was an eminent South African poet, and his friend William Charles Franklyn Plomer (1903–73) was a highly regarded novelist, poet, essayist, and critic. Athol Fugard (b. 1932) has written internationally acclaimed plays about South African race relations.

Well-known authors and poets in the Afrikaans language are Cornelis Jacob Langenhoven (1873–1932), author of the national anthem; Christian Frederick Louis Leipoldt (1880–1947); N.P. van Wyk Louw (1906–70); the poet, playwright, and critic Uys Krige (1910–87), who also wrote in English; and André Brink (b. 1935). Eugène Nielsen Marais (1871–1936), a journalist, lawyer, poet, and natural historian, was an outstanding student of animal and insect behavior. Breyten Breytenbach (b. 1939) has earned international recognition as an important Afrikaans poet; he served seven years in prison (1975–82) after pleading guilty to a passport violation and to illegal contacts with an African political group.

V. (J.E.A.) Volschenck (1853–1935) is sometimes called the "father of South African art," and Anton Van Wouw (b.Netherlands, 1862–1945) is called the "doyen" of South African sculpture. Other artists include the painters Robert Gwelo Goodman (b.England, 1871–1939), Jacob Hendrik Pierneef (1886–1957), and Walter W. Battiss (b.England, 1906–82), also an authority on Bushman art; and sculptor Coert Laurens Steynberg (1905–82).

Other noted South Africans are historian George McCall Theal (b.Canada, 1837–1919); the physical anthropologist Raymond Arthur Dart (b.Australia, 1893–1988); Clement Martyn Doke (b.England, 1893–1983), an authority on Bantu philology; the social anthropologist Isaac Schapera (1905–86); Louis Franklin Freed (b.Lithuania, 1903–81), a specialist on tropical diseases; and pioneer open-heart surgeon, Christiaan Neething Barnard (1922–2001). Lord Henry de Villiers of Wynberg (1842–1914) was chief justice of Cape Colony and of the Union of South Africa.

South Africa's first Nobel Prize winner (for peace in 1961) was Chief Albert John Luthuli (1898–1967), a former president of the ANC, who maintained a policy of nonviolence and of cooperation between whites and blacks. Desmond Mpilo Tutu (b. 1931), the secretary general of the South African Council of Churches during 1979–84 and an outspoken foe of apartheid, received the 1984 Nobel Prize for peace. As archbishop of Cape Town, he became the Anglican primate for southern Africa in 1986. Nelson R. Mandela (b. 1918), a prominent leader of the ANC, was sentenced to life imprisonment in 1964; his release was a principal demand of antigovernment activists. Oliver Tambo (1919–93), the president of the ANC since 1977, directed the group from exile. Another outspoken critic of the government was the Rev. Allan Boesak (b. 1947), a UDC founder and the president of the World Alliance of Reformed Churches since 1982. More conciliatory toward the regime was Gatsha Buthelezi (b. 1928), the chief of the Zulu people, who heads the Inkatha movement; he favors a gradualist approach to black power sharing.

[49] DEPENDENCIES

South Africa has no territories or colonies. South Africa once maintained a civil administration and a military presence in Namibia (South West Africa). Namibia, a sovereign state, is discussed under its own heading elsewhere in this volume.

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SUDAN

Republic of the Sudan
Jumhuriyat as-Sudan

CAPITAL: Khartoum

FLAG: The national flag consists of a tricolor of red, white, and black horizontal stripes, with a green triangle at the hoist.

ANTHEM: *Jundi al-Allah (Soldiers of God)*.

MONETARY UNIT: The Sudanese dinar (SD) is a paper currency of 100 piasters (qurush) or 1,000 milliemes. SD1 = $0.0038 (or $1 = SD260.39) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard, but a highly diverse system based on Egyptian and British standards is in local use.

HOLIDAYS: Independence Day, 1 January; Unity Day, 3 March; Uprising Day, 6 April; Decentralization Day, 1 July; Christmas, 25 December. Movable Muslim religious holidays include the 1st of Muharram (Muslim New Year), 'Id al-Fitr, 'Id al-'Adha', and Milad an-Nabi.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated in northeast Africa, Sudan is the largest country on the continent, covering an area of 2,505,810 sq km (967,499 sq mi), with a length of 2,192 km (1,362 mi) SSE–NNW and a width of 1,880 km (1,168 mi) ENE–WSW. Comparatively, the area occupied by Sudan is slightly more than one-quarter the size of the US. It is bounded on the N by Egypt, on the NE by the Red Sea, on the E by Eritrea and Ethiopia, on the S by Kenya, Uganda, and the Democratic Republic of the Congo (DROC), on the W by the Central African Republic and Chad, and on the NW by Libya.

The Anglo-Egyptian Agreement of 19 January 1899 established the parallel of 22°N as the international boundary between Egypt and Sudan. In 1902, however, a special administrative boundary was delineated between the Nile and the Red Sea, in order to facilitate the administration of nomadic tribes and to maintain the continuity of certain tribal areas in the border region. In 2001, the countries agreed to discuss the creation of an "area of integration" for this overlapping territory and both governments agreed to withdraw military forces from the region. The Egypt-Sudan boundary west of the Nile runs 892 km (554 mi); east of the Nile, the international boundary is 383 km (238 mi), and the administrative boundary is 357 km (222 mi). Including this administrative line, Sudan's total boundary length is 8,550 km (5,313 mi).

Sudan's capital city, Khartoum, is located in the northeast central part of the country.

[2]TOPOGRAPHY

The greatest part of Sudan is a vast plain traversed by the northward-flowing Nile River and its tributaries. Widely separated mountain chains and many hilly areas often reach altitudes of more than 2,000 m (6,500 ft). The northern area is mainly desert, with rock at or near the surface covered by thin soils of low fertility. The western undulating sandy wastes merge into the Red Sea Hills to the east.

The dominating geographic feature is the Nile River, formed near Khartoum by the confluence of the Blue Nile and White Nile rivers. There are natural harbors at Port Sudan (Bur Sudan) and Suakin on the Red Sea.

The highest elevation is at Mount Kinyeti 3187 m (10,456 ft) along the southern border with Uganda.

[3]CLIMATE

In the northern plains and desert region, average temperatures range from 32°C (90°F) in winter (November to February) to 42°C (108°F) in summer (March to June); the hottest months are May and June. In the central and southern regions, average temperatures are 27° to 29°C (80° to 85°F). Rainfall decreases from south to north, the annual average varying from 120 cm (47 in) in the south to less than 10 cm (4 in) in the north; the rainy season is from July to September. Climatic hazards—sandstorms in the northern deserts and flooding rains in the central belt—often interfere with railroad traffic. The most temperate climate occurs in the Red Sea Hills.

[4]FLORA AND FAUNA

Acacia, desert shrub, and acacia short-grass shrub grow in the northern desert and the grasslands of the west. The broad-leafed tropical woodland and forest region is for the most part in the southwest, where areas of luxuriant growth and closed forests are found; grass covers much of the steppe area of the southeast. Date palms line the banks of the Nile. Wildlife includes most of the mammals, birds, and reptiles common to central Africa. Many varieties of fish are found in the rivers and in the coastal waters of the Red Sea.

[5]ENVIRONMENT

A shortage of potable water inhibits agriculture, animal husbandry, and human settlement in much of Sudan. Sudan has 35 cu km of renewable water resources, of which 94% is used for farming and 1% is used for domestic purposes. Serious health problems are caused by diseases carried in the water supply; Only about 69% of the nation's rural dwellers and 86% of its city dwellers have pure drinking water. The water on the nation's coasts is also polluted by industrial by-products, oil, and sewage.

Sudan's cities produce about 1.1 million tons of solid waste per year. The nation's agricultural land is threatened by the advance of the desert. Government agencies vested with environmental responsibilities include the National Committee for Environment (within the National Council for Research) and the ministries of Agriculture, Natural Resources, Irrigation, Energy, and Health. Due to uncontrolled hunting, the nation's wildlife is threatened. As of 2001, 21 mammal species and 9 bird species are endangered, as well as 2 types of plants. Endangered species include the waldrapp, northern white rhinoceros, Tora hartebeest, slender-horned gazelle, and hawksbill turtle. The Sahara oryx has become extinct in the wild.

[6]POPULATION

The population of Sudan in 2003 was estimated by the United Nations at 33,610,000, which placed it as number 33 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 40% under 15 years of age. There were 101 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.17%, with the projected population for the year 2015 at 41,430,000. The population density in 2002 was 13 per sq km (34 per sq mi).

It was estimated by the Population Reference Bureau that 36% of the population lived in urban areas in 2001. The capital city, Khartoum, had a population of 2,628,000 in that year. Other major cities include Port Sudan, the only modern seaport, Wad Madani, Al Ubayyid, the principal city of central Sudan, and 'Atbarah. According to the United Nations, the urban population growth rate for 2000–2005 was 4.5%.

[7]MIGRATION

Many Sudanese were working abroad in the mid-1990s, chiefly in Sa'udi Arabia and other Persian Gulf countries but also in Libya. Although their remittances were significant for the Sudanese economy, the absence of these workers, many of them skilled, constituted a "brain drain" of serious proportions. Perhaps 200,000 were expelled from Persian Gulf countries in 1991 because Sudan supported Iraq in the Gulf war.

As a result of the Sudanese government fighting the Sudanese People's Liberation Army in the south, there were still 209,000 Sudanese refugees in Uganda, 110,000 in the DROC, 78,000 in Ethiopia, 28,000 in Kenya, and 27,000 in the Central African Republic in June 1997.

Since the 1970s, the Sudanese government has welcomed refugees as a result of war or famine. As a result of UNHCR repatriation programs, 25,000 Eritreans and 62,000 Ethiopians were sent home in 1994 and 1995. At the end of 1998, Sudan was hosting an estimated 392,000 refugees, mainly from Eritrea, Ethiopia, Chad, Uganda, DROC, and Somalia. Of these, 162,000 were accommodated in camps, and 232,000 resided in urban areas. In 2000, the net migration rate was -2.6 migrants per 1,000 population. The total number of migrants in that year was 780,000, including 415,000 refugees. Worker remittances amounted to $638 million, or 5.8% GDP.

[8]ETHNIC GROUPS

Indigenous Sudanese include Nilotic or Negroid peoples, of whom the Dinka form the largest portion, and constitute about 52% of the national population; Arabs (an estimated 39% of the population); and Beja (6%). In all, there are nearly 600 ethnic groups. Foreigners constitute 2% of the total populace; other groups another 1%.

[9]LANGUAGES

Arabic, the official language, is the mother tongue of about half the population. Besides standard Arabic, Nubian and Ta Bedawie are also commonly spoken. English is used widely, in many cases serving as a lingua franca among the southern tribes. In all, more than 400 diverse dialects of Nilotic, Nilo-Hamitic, and Sudanic languages are spoken.

[10]RELIGIONS

The state religion is Islam, whose adherents, primarily Sunni, are estimated to constitute from 65% to 75% of the population; most of them live in the north. As an important transit station for Mecca-bound African pilgrims, Sudan remains intimately linked with the Islamic world. There are sizable minorities of Christians and practitioners of traditional indigenous religions, particularly in the south, where Christianity is reported to be growing rapidly. Most of the Christian community are professed Roman Catholics. Greek Orthodox, Coptic, and Anglican Christians are found in small numbers in towns. There is reported evidence, however, that many Christians continue to practice elements of traditional indigenous religions.

Among the Muslims, religious brotherhoods (tarigat) play an important role in sectarian and communal life. The two most popular brotherhoods are the Ansar, which is closely associated with the Umma Party, and the Khatimia, which is associated with the Democratic Unionist Party.

The 1973 constitution guaranteed unrestricted freedom of religion, but Islam was cited as the official religion. Christian mission schools in the south were nationalized in 1957, and foreign missionaries were expelled from the south in 1963–64. At present, religious organizations are subject to the 1994 Societies Registration Act, which replaced the controversial 1962 Missionary Societies Act. Theoretically, it allows churches to engage in a wider range of activities; however, churches are subject to the same restrictions placed on nonreligious corporations. Religious groups must be registered and approved in order to be recognized or gather legally. In recent years, the Roman Catholic Church has not been given permission to build any new churches; however, other Christian groups have been granted such permission.

The civil war that resumed in 1983 is largely religious. The government is dominated by northern Muslims while southern rebel groups are mostly Christians and traditionalists. The government, which claims Islam as the state religion, supports adherence to Shari'ah (Islamic) law and has declared a jihad, or holy war, against the rebel factions. The primarily Christian rebel group, the Sudan People's Liberation Movement (SPLM) supports a secular government, but seems willing to allow Shari'ah law in the northern states.

The government and Muslim majority continue to discriminate against and persecute non-Muslims. Many non-Muslims have been fired from jobs in civil service and non-Muslim business owners are often harassed and discriminated against in matters of government contracts and trade licenses. Students of Christian schools are often kept from completing their compulsory military service, which is required in order to move on the University. Many Muslim employers do not allow Christian employees time off to attend Sunday worship services. Throughout the civil war, several non-Muslim women and children have been captured by Muslims, sold into slavery and forced to convert to Islam. Conversion from Islam to any other religion is punishable by death.

[11]TRANSPORTATION

With the exception of a few interurban bus lines and taxi systems, all land, sea, river, and air transportation facilities are owned by the state. The 5,995 km (3,725 mi) of railroad track links most of the main towns of Sudan. The principal terminals are Khartoum and Port Sudan in the east; Wadi Halfa' in the north (on the Egyptian border); Al Ubayyid in the center of the country; Nyala in the west; and Waw in the south. 'Atbarah on the Nile River (north of Khartoum) is an important junction and seat of the

LOCATION: 23° to 3°N; 22° to 38° E. BOUNDARY LENGTHS: Egypt 1,273 kilometers (789 miles); Red Sea coastline, 853 kilometers (529 miles); Eritrea, 605 kilometers (376 miles); Ethiopia, 1,606 kilometers (998 miles); Kenya, 232 kilometers (144 miles); Uganda, 435 kilometers (270 miles); Democratic Republic of the Congo (DROC), 628 kilometers (390 miles); Central African Republic, 1,165 kilometers (724 miles); Chad, 1,360 kilometers (845 miles); Libya, 383 kilometers (238 miles). TERRITORIAL SEA LIMIT: 12 miles.

central administration, repair shops, and equipment-manufacturing plants of the Sudan Railways Corp.

In 1966, a bridge linking Khartoum North and Omdurman, and the enlargement of the bridge on the White Nile between Khartoum and Omdurman were completed, facilitating the circulation of traffic around these three towns. A major road (1,197 km/744 mi) linking Port Sudan with Khartoum was completed in 1980. In 2002, the overall road system totaled 11,900 km (7,395 mi), of which 4,320 km (2,684 mi) were paved.

Sudan has 5,310 km (3,297 mi) of waterways. River transport services link many communities. The White Nile route between Kusti and Juba (1,436 km/892 mi) is of crucial importance. Port Sudan, on the Red Sea, is primarily a cargo port, handling all of Sudan's cotton exports as well as most food imports. Passenger traffic is insignificant except for Mecca-bound pilgrims. A small

Sudanese merchant marine was founded with assistance from the former Yugoslavia. As of 2002, it had 4 vessels, with a gross tonnage of 39,545.

There were an estimated 65 airports in 2001, 12 of which had paved runways. The international airport is at Khartoum. The state-owned Sudan Airways Corp., founded in 1947, links the main cities and provides extensive international service. Flights to the south were suspended in the mid-1980s because of the civil war. In 2001, 415,000 passengers were carried on scheduled domestic and international flights.

12 HISTORY

The salient events in recorded Sudanese history occurred in the northern half of the country. The kingdom of Kush (or Cush), rich in gold and iron and sustained by irrigation from the Nile floodwaters, broke away from Egyptian rule about 1000 BC, becoming a separate kingdom, with its capital at Napatan, and developing under the pervasive influence of Egyptian culture. It conquered Egypt for a time (736–657 BC), moved its capital to Meroe (now Merowe) in 538 BC, and was destroyed about AD 350 by the Aksumite (or Axumite) Empire in Ethiopia.

Following the fall of Kush, two successor kingdoms arose: Maqurra, in northern Sudan, with its capital at Old Dongola; and Alwa, in central Sudan, with its capital at Soba. Maqurra fell in the 15th century to an alliance of Arabs and Mamlukes from Egypt. Around the beginning of the 17th century, Alwa was conquered by an alliance of Arabs and a loose confederation of tribes ruled by the "Black Sultans" of the Funj dynasty, with their capital at Sennar. The inhabitants of the south, until the 20th century, lived in primitive tribal isolation, interrupted only by explorers and perennial slave raiding.

In the 1820s, the autonomous Ottoman viceroy of Egypt, Muhammad 'Ali, defeated the Funj sultan and brought Sudan under Turco-Egyptian rule, which lasted until 1885. By then, most of the Sudanese tribes had revolted against the harshness and corruption of the regime and rallied under the leadership of a northern shipwright, Muhammad Ahmad bin 'Abdallah. He proclaimed himself the Mahdi (Rightly Guided One), whose coming to achieve the complete victory of Islam had been prophesied in Muslim tradition. After decisively defeating a series of punitive expeditions, the Mahdi took possession of Khartoum in 1885, whereupon his troops captured and beheaded the governor, Gen. Charles Gordon, one of the British officers in the employ of Egypt. The Mahdi installed himself as head of a theocratic state, which survived until 1898, when an Anglo-Egyptian invasion force under Gen. Horatio Herbert Kitchener defeated the Mahdi's successor, the Khalifa ('Abdallah bin Muhammad), in the battle of Omdurman. British rule was set up under a nominal Anglo-Egyptian "condominium" following a French attempt to seize parts of Sudan, an effort thwarted by Kitchener at Fashoda (now Kodok) in an incident that almost provoked a war between France and Great Britain. British administration did much to restore law and order, repress slave trading, and bring modern government and economic stability to Anglo-Egyptian Sudan, as it was then called.

Sudanese nationalism erupted after World War I with Egyptian support and received its decisive impetus during World War II, when British-led Sudanese troops distinguished themselves in repelling a vastly superior Italian force. An Egyptian scheme to join Egypt and Sudan in a dual monarchy under King Faruk miscarried, as did other proposals for the "unity of the Nile Valley." Prolonged Anglo-Egyptian negotiations for agreement on a mutually acceptable form of Sudanese independence reached fruition in 1953, after Faruk was deposed.

The new Republic of the Sudan, under a parliamentary government, was proclaimed on 1 January 1956. On 17 November 1958, a military dictatorship was installed, headed by Lt. Gen. Ibrahim Abboud, commander-in-chief of the armed forces, after a bloodless coup that had the support of some party leaders. President Abboud's military regime was overthrown on 26 October 1964, and civilian politicians ruled for the next five years.

A revolutionary council led by Col. Gaafar Mohammed Nimeiri (Ja'far Muhammad Numayri) overthrew the government in a bloodless coup on 25 May 1969 and established the Democratic Republic of the Sudan. The new government suspended the constitution, the Supreme Council of State, the National Assembly, and all political parties; the ex-president and former ministers were arrested. Nimeiri became prime minister in October 1969. On 25 May 1971, he proclaimed that Sudan would become a one-party state, with the Sudanese Socialist Union the sole political organization. A provisional constitution was promulgated on 13 August 1971, and Nimeiri, running unopposed, was elected president in September, receiving 98.6% of the votes cast. One of Nimeiri's most significant acts was to bring an end to the sporadic civil war that had plagued Sudan since independence. A settlement with autonomist forces in the south was reached in February 1972, when negotiators for the Sudanese government and the South Sudan Liberation Front, the Anyanya rebels, agreed on a cease-fire and on autonomy for the southern provinces.

Nimeiri was reelected without opposition in 1977 and 1983, but his regime had to weather considerable turmoil both domestically and in relations with neighboring countries, especially Libya. An abortive left-wing coup attempt in July 1971 led to the execution of leading Sudanese Communists; the banning of the Trade Union Federation, the Public Servants Union, and the Teachers Union (all formerly Communist-dominated); and the expulsion of East German security advisers. Another alleged coup was foiled in January 1973, and an abortive, Libyan-inspired attempt on Nimeiri's life was disclosed by the Sudanese government in April 1974. Student riots and disclosure of yet another abortive coup came in October 1974, and during the following year the Nimeiri government faced and successfully suppressed at least two military rebellions.

In July 1976, an attempted coup by the Ansar brotherhood, allegedly with Libyan support, was crushed. In subsequent years, Nimeiri charged repeatedly that Libya was aiding Muslim dissidents in Sudan. On 16 March 1984, Omdurman was bombed by what Sudan, Egypt, and the United States claimed (but Libya denied) was a Libyan air force TU-22. Nimeiri declared a state of emergency in April 1984 to cope with protests over rising prices and a new government Islamization program (in July of that year, the National People's Assembly rejected his attempt to make Sudan an official Islamic state). The state of emergency ended in September 1984, but by then a new rebellion was under way in the south, which had become alienated by Nimeiri's efforts to restrict its autonomy and apply Shari'ah (Muslim law). Many Sudanese were shocked by the execution of Mahmoud Mohammed Taha, a popular Muslim political and religious leader, for heresy (in criticizing the application of Shari'ah) in January 1985.

Riots broke out in the spring of 1985, when, in order to gain new loans from international creditors, Nimeiri removed subsidies on basic commodities, causing prices to rise. On 7 April 1985, Nimeiri was replaced by a military council headed by Gen. Abdel-Rahman Swar ad-Dhahab. The country was renamed the Republic of Sudan, the ruling Sudanese Socialist Union was abolished, political and press freedom was restored, and food prices were lowered. Sudan reverted to a policy of nonalignment in foreign policy, backing away from its close ties with Egypt and the US.

Unrest in the South

General elections held in April 1986 resulted in a moderate civilian coalition government headed by Prime Minister Sadiq al-

Mahdi. The government's chief problem was the continuing rebellion by the Sudanese People's Liberation Army (SPLA), which controlled much of the south and prevented voting there. The SPLA halted air traffic (including food relief) to the south and opposed two major projects vital to the economy—oil exploration and a canal that would provide water to the parched north. The coalition government was headed by the northern-based Ummah. It began searching for a formula to unite the country with the SPLA which, unlike the earlier Anyanya, was also committed to unity. Divisions with government over meeting key SPLA demands, most especially the repeal of Islamic law, prolonged the civil war. In March 1989, a new government composed of Ummah Party and Democratic Unionist Party (DUP) ministers agreed to accommodate the SPLA.

However, on 30 June 1989, a group of army officers led by Brig. Omar Hassam al-Bashir overthrew the civilian government. Mahdi was arrested and fighting in the south escalated. The coup makers created a National Salvation Revolutionary Command Council (RCC), a junta composed of 15 military officers assisted by a civilian cabinet, suspending the 1985 transitional constitution, abrogating press freedoms, and dissolving all parties and trade unions. In September 1989 the government sponsored a "National Dialogue Conference on the Political System" which produced a proposal for a new federal system of government. On 23 April 1990, Bashir declared a state of emergency and dissolved parliament. An alleged coup attempt prompted that move. The following day, 28 officers were court martialed and executed.

Despite these measures and the efforts of by third parties including ex-US president Jimmy Carter and Nigeria to further the peace process, few positive results were obtained. With the fall of Ethiopia's Marxist government in 1991, the SPLA rebel faction lost its chief patron. A 1992 government offensive, coupled with a major political split in the SPLA, reduced rebel-held territory while increasing casualties and displaced persons with the latter numbering, at times, over two million.

Civilian rule returned nominally to Sudan in 1993, when the RCC was formally dissolved and Bashir declared president. However, Bashir retained control of the military, and the government was dominated by the fundamentalist National Islamic Front (NIF), under the leadership of Hassan al-Turabi. Bashir was elected president with a reported 75% of the vote in the 1996 national elections, which were boycotted by major opposition groups; following the elections, al-Turabi was elected speaker of parliament.

Because of its militant Islamic policies, Sudan has become increasingly isolated internationally. Sudan has given sanctuary to Muslim rebels from Tunisia and Algeria, to the Hezbollah (Party of God), and to Abu Nidal's Palestinian rebels. Iran and Libya assist Sudan militarily. The regime has purged the civil service, the armed forces, the judiciary and the educational system of non-Muslims. It has also promulgated a Penal Code based on Islamic Law. The UN General Assembly condemned Sudan's human rights violations in March 1993. The United States added Sudan to its list of countries spawning international terrorism in August 1993, and tensions with Egypt have grown as well. Under international pressure, Sudan adopted a new constitution in 1998 providing for a multi-party government, and registration of new parties began in 1999.

In the same year, fighting in the oil-rich southern part of the country escalated into wholesale destruction. Human rights abuses multiplied as factional rivalries intensified between rebels loyal to SPLA leader John Garang and militants of the Nasir faction of the SPLA. The latter reject all cooperation with the Islamic north. Famine relief efforts in the region had to be suspended owing to rebel attacks. In March 2000, a number of NGOs left the country after refusing to comply with restrictions imposed by rebel authorities.

In the meantime, a power struggle between President Bashir and Hassan Turabi, party leader, parliamentary speaker, and architect of the nation's Islamist policies, ended with Turabi's forced removal and the dismissal of the National Assembly in a military raid ordered by Bashir in December 1999. In widely boycotted and discredited elections held December 2000, Bachir was reelected and the NCP gained 355 seats to five for non-partisans in the National Assembly.

In early 2003, conflict broke out in the west of Sudan led by the Sudan Liberation Movement/Army (SLM/A), which captured the capital of Dafur's Jebel Marrah province in February 2003. The rebels accused the government of ignoring the development of the West. The government also had yet to mend diplomatic relations with Uganda, which for some time had accused Sudan of providing safe haven for the Lord's Resistance Army (LRA). The LRA has been conducting attacks into northern Uganda for more than a decade. Sudan has also accused Uganda of harboring the SPLA.

By mid-2003 prospects for peace within Sudan had improved. The government and the SPLA agreed to renew their cease-fire for six months in the central Nuba Mountains, extending a truce that has held since January 2002. In July 2003, a new round of peace talks between the government and the SPLA aimed at tackling power-sharing and distribution of the country's oil resources was set to begin in Nakuru, Kenya. These talks were to follow on previous rounds of discussion in Machakos, Kenya in 2002 at which both parties agreed that the south would be given a vote on secession after a six-year interim period. According to the agreement, elections would be held in the first year after the signing of a peace treaty. Meanwhile, in July 2003 the SPLA enacted 26 laws that will govern the south until the treaty is established.

13 GOVERNMENT

The government is led by President Lt. Gen. Umar Hasan Ahmad al-Bashir, who assumed supreme executive power in 1989 and retained it through several transitional governments in the early and mid-90s before being popularly elected for the first time in March 1996. The First Vice President is Ali Uthman Muhammad Taha since 17 February 1998, and the Second Vice President is Moses Machar, who assumed duties on 12 February 2001. The president is both the chief of state and head of government, and he appoints the Council of Ministers—currently dominated by The National Congress Party (NCP)—formerly the National Islamic Front (NIF). The president serves a five-year term.

The last election was held 13-23 December 2000, but was widely dismissed as rigged, and was boycotted by all opposition parties. The next election was scheduled for 2005. The unicameral National Assembly consists of 360 seats—270 popularly elected and 90 elected by supra assembly of interest groups known as the National Congress. Members serve four-year terms. Elections were held 13-22 December 2000 with the next elections scheduled for December 2004.

Historically, the government has experienced several coups and reconfigurations. A constitution took effect only on 8 May 1973—Sudan's first permanent governing document since independence in 1956. It established a presidential system and a one-party state, with the Sudanese Socialist Union (SSU) as the only political party. Nominated by the SSU for a six-year renewable term, the president (after confirmation by national plebiscite) appointed vice presidents, a prime minister, and cabinet ministers, who were answerable to him. The president was also supreme commander of the armed forces. Legislative power was vested in the 151-seat National People's Assembly.

This constitution was suspended on 6 April 1985. A temporary constitution was established on 10 October 1985, pending a permanent one to be drawn up by the National Assembly elected

in 1986. A six-member civilian Supreme Council, including a president, was established as the nation's executive body in 1986, replacing the military council that had seized power in 1985. A Council of Ministers, led by a prime minister and responsible to the National Assembly, was also established to carry out executive powers.

After the 1989 military coup, the 1985 transitional constitution was suspended. In January 1991, the RCC imposed Islamic law in the six northern provinces. Executive and legislative authority was vested in a 15-member Revolutionary Command Council (RCC). Its chairman, acting as prime minister, appointed a 300-member transitional National Assembly. In mid-October 1993, Bashir dissolved the RCC and officially declared himself president. On 30 October 1993, President Bashir announced a new, predominantly civilian cabinet that consisted of 20 federal ministers, most of whom retained their previous cabinet positions. On 9 February 1995 Bashir abolished three ministries and divided their portfolios to create several new ministries. These changes had the effect of increasing the National Islamic Front's presence at the ministerial level and consolidating its control over the Ministry of Foreign Affairs. Bashir was elected to a five-year term in March 1996. In 1998, a new constitution was promulgated that nominally provided for a multi-party political system. Registration of new parties took place in 1999.

14 POLITICAL PARTIES

The political groupings that emerged in Sudan's struggle for independence focused on personalities or specific interest groups rather than ideology or party machinery. The most powerful force before 1958 was the Ansar sect and the Ansar-sponsored Ummah Party. Other parties were closely affiliated with the Khatmiyah sect, led by Sayyid 'Ali al-Mirghani; the leftist-dominated labor unions; the Graduates Congress, an organization of college graduates; and leaders of the black tribes of the south. For the first three years of the country's independence, these parties were strongly divided on such issues as union with Egypt (opposed by the Ummah Party); alignment with the West in economic and foreign affairs (opposed by the Khatmiyah, the labor unions, and the Graduates); Communism (courted by elements in most parties and labor unions); political secularization (sought by leaders not aligned with the religious sects); federalism (demanded by southern spokesmen); and fear of the royal aspirations of the Mahdi family. These divisions helped bring about the downfall of several coalition cabinets and finally weakened the parliamentary system to the point where the army could successfully carry out a coup without encountering resistance. Political activity was banned in 1958 and was not resumed until the overthrow of the Abboud government in October 1964.

In 1966, the Ummah Party split into two groups, one conservative, the other progressive. The following year, the Democratic Unionist Party (DUP) was formed from the amalgamation of the National Unionist Party and the People's Democratic Party. In the May 1968 elections, the DUP won 101 of 218 parliamentary seats, while no other party captured more than 36.

After the 1969 military takeover, existing political parties were banned, and a special attempt was made, beginning in 1971, to suppress the powerful Communist Party. The 1973 constitution provided for a one-party state, with the Sudanese Socialist Union (SSU), established by Nimeiri in 1971, as the sole legal political organization. In elections for the National People's Assembly, only candidates approved by the SSU were allowed to run.

In April 1986, in the first free elections held since 1968, the Ummah Party won 99 of 301 parliamentary seats, the DUP won 63, and the fundamentalist National Islamic Front (NIF) won 51. The remaining seats went mainly to regional parties, but 37 seats from the south were unfilled because of the civil war and the boycott of the elections by the Sudanese People's Liberation Front. The Ummah Party, the DUP, and four southern parties formed a coalition government, with the NIF in opposition. In August 1987, the coalition fell apart when the DUP broke away from the Ummah Party after an election in which it lost one of its two seats on the Supreme Council to an Ummah candidate, reportedly because the DUP candidate had been a close aide of Nimeiri. Prime Minister Sadiq al-Mahdi, aligned with the Ummah Party, retained his position until his overthrow in June, 1989.

In the elections for the National Assembly, held (except in the south) from 21 April to 8 May 1965, the Ummah again emerged as the most important party, gaining 76 of the 173 contested seats. The National Unionist Party, a right-wing party favoring close relations with Egypt, won 53 seats and formed a coalition government with the Ummah Party. During the mid-1960s, two regional parties—the Southern Front, formed in 1964 by Southerners living in the north, and the Sudan African National Union (SANU), formed in 1966 by Sudanese exiles in Uganda—advocated self-determination and independence for the south.

The RCC banned all parties in 1989 except for the NIF, whose members and supporters held most key positions. After the dissolution of the RCC in October 1993, the NIF further tightened its grip on the state. The RCC's executive and legislative powers were transferred to the president and the Transitional National Assembly (TNA), Sudan's appointed legislative body, which was replaced by the National Assembly elected in March 1996.

The main opposition to the central government became the Sudan's People's Liberation Army (SPLA) which joined forces in 1997 with a new alliance of northern rebels known as the National Democratic Alliance. This opposition has been sponsored by Ethiopia and Eritrea, and encouraged by the United States, which holds the government of Sudan responsible for sponsoring international terrorism, and for committing atrocities against its Christian population in the south.

A new constitution adopted in 1998 and revised in 2000 recognized political parties other than the NIF for the first time since 1989. However, parties had to accept the constitution and refrain from advocating or using violence against the regime. Approved parties include the ruling National Congress Party (NCP) led by Ibrahim Ahmed Umar, Popular National Congress (PNC) led by Hassan al-Turabi, and over 20 minor pro-government parties. As of early 2000, the leaders of two other major parties, the Ummah Party and the Democratic Unionist Party (DUP), who had cooperated with the SPLA rebels to form the National Democratic Alliance, were still in exile. In the fall of 1998, the National Islamic Front (NIF) changed its name to the National Congress party.

In elections held in December 2000, al-Bashir was reelected president with 86.5%, followed by Ja'afar Muhammed Numayri with 9.6%. Three other candidates received less than a combined 4% of the vote. In the boycotted parliamentary elections of 13-22 December 2000 the NCP took 355 of 400 seats.

15 LOCAL GOVERNMENT

Local government experienced reorganizations in 1983, 1989, and 1994. The constitutional decree of 2 February 1994 created 26 states, each subdivided into 66 provinces and 218 districts. President Bashir has stated his intention to devolve executive and legislative powers "never experienced in remote areas" to state governments. In theory, states are to be led by elected governors, deputy governors, and a cabinet of ministers.

[16]JUDICIAL SYSTEM

The court system includes regular courts (both criminal and civil), special security courts, military courts, and tribal courts. The chief justice of the Supreme Court, as the senior judge, presides over the judiciary and according to the 1973 constitution, is directly responsible to the president through a council headed by the president. Civil justice is administered by the Supreme Court, courts of appeal, and lower courts, while criminal justice is administered by major courts, magistrates' courts, and local people's courts.

As of 20 January 1991, the now defunct Revolutionary Command Council imposed Islamic law in the northern states. For Muslims, justice in personal matters such as domestic relations and probate, is administered by Muslim law courts, which form the Shari'ah Division of the Sudan judiciary. The Shari'ah Division includes a court of appeal, high courts, and qadis' courts. The president of the Shari'ah judiciary is the grand qadi.

The judiciary remains largely subservient to the government. In 1989 the National Salvation Revolution Command Council (RCC) placed responsibility for supervision of the judiciary with the Ministry of Justice. The 1989 Special Courts Act created three-person security courts to handle offenses involving violations of constitutional decrees, emergency regulations and some sections of the Penal Code. A 1993 decree dissolving the RCC gave the NIF-dominated transitional National Assembly the power to issue constitutional decrees.

[17]ARMED FORCES

Sudanese armed forces totaled approximately 117,000 in 2002. The army had an estimated strength of 112,500, armed with 200 main battle tanks. The navy had 1,500 personnel and 6 patrol craft. The air force numbered 3,000 and was equipped with some 42 combat aircraft and 10 armed helicopters, plus air defense missile units. Paramilitary forces numbered 7,000 active members and 85,000 reserves. Defense expenditures in 2001 were estimated at $581 million.The Sudanese armed forces, largely Moslem, face the estimated 25,000 rebels of the *Sudanese People's Liberation Army* and another 3,000 in other opposition groups.

[18]INTERNATIONAL COOPERATION

Sudan, having joined the UN on 12 November 1956, participates in ECA and all the non-regional specialized agencies. The nation belongs to the African Development Bank, G-77, the Arab League, and AU. Sudan is a signatory to the Law of the Sea and has signed an agreement with Egypt, Uganda, and Ethiopia concerning the use and control of Nile waters. The headquarters of the Arab Bank for African Development are in Khartoum.

Under the provisions of the Egyptian-Sudanese Charter of Integration, signed by Nimeiri and Egyptian President Hosni (Husni) Mubarak in October 1982, the Nile Valley Parliament held its first meeting in May 1983 in Khartoum; the 60-member body was drawn equally from the two nations. In February 1983, the Higher Council for Integration, headed by Nimeiri and Mubarak, agreed to eliminate customs duties on most trade between the two countries. Sudan dissolved the institutions established under the charter of integration in 1986, although it claimed that the process would be revived.

[19]ECONOMY

Sudan has an agricultural economy, employing 80% of the workforce, holding considerable potential for irrigated production. Cotton and sesame account for almost a quarter each of export earnings. The livestock sector is sizable as well. However, droughts have led to recent famines, and civil war has led to the virtual collapse of the economy. The slave trade is alive and prospering in Sudan, operating at about $50 a head in 1999. It is estimated that in the south as many as one million civilians have died and more than five million have been uprooted because of civil war. Economic development is also hindered by a poor transportation system that increases the cost of transporting goods over long distances; Sudan is the largest country in Africa.

Sudan's failure to service its international debt, together with a poor human rights record, led, in 1993, to the World Bank suspending financing of 15 development projects, and to the IMF suspending Sudan's voting rights in the organization (they were restored in 2000). Sudan was the world's largest debtor to the IMF in 2003, with arrears of over $1 billion. Total foreign debt exceeds $24 billion, and high inflation has put consumer goods beyond the reach of most. In 2003, the civil war and Sudan's international isolation continued to inhibit growth in the nonagricultural sectors, although progress on the peace process was being made with strong backing from the international community. Petroleum discoveries in the south-central region of Sudan and their export in 1999 raised hopes of economic salvation; but until the political situation stabilizes, prospects are dim for significant improvement in the economy. Real economic growth was expected to reach 5.6% in 2003 and 5.4% in 2004, largely due to increased oil production, enhanced light industry, and an expansion of export processing zones.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Sudan's gross domestic product (GDP) was estimated at $49.3 billion. The per capita GDP was estimated at $1,360. The annual growth rate of GDP was estimated at 5.5%. The average inflation rate in 2001 was 10%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 43% of GDP, industry 17%, and services 40%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $638 million or about $21 per capita and accounted for approximately 5.8% of GDP. Worker remittances in 2001 totaled $730.4 million. Foreign aid receipts amounted to about $5 per capita and accounted for approximately 2% of the gross national income (GNI).

[21]LABOR

An estimated 86% of the population relies on subsistence agriculture or on the nominal informal economy. There were approximately 11 million people in the total labor force. Industry engages less than 10% of the labor force. Unemployment was officially estimated at 19% in 2002.

The trade union movement was reconstituted after the 1971 coup attempt. Strikes, banned by the government in May 1969, were legalized in 1985. The 1989 coup, however, brought a swift end to the strong labor movement which had been growing under the Sadiq al-Mahdi administration. The National Salvation Revolution Command Council (RCC) abolished labor unions and prohibited strikes by decree on 30 June 1989. The right to organize and join a union has since been restored, but the government dominates the leadership of all unions and tightly controls their activities. The largest union is the Sudan Workers Trade Union Federation with some 800,000 members in 2002.

The presence of slavery and forced labor continue to persist in Sudan and have increased in recent years. Slaves are generally taken in one of the southern war zones and then sent north to work as domestic servants, agricultural workers, or to be sent abroad. The minimum wage is about $11 per month and is insufficient to support the average family. Although the minimum

age for employment is legally set at 18 years, this is not enforced and children as young as 11 years old work full-time in all areas including industry. The legal workweek is set at six eight-hour days, with Friday designated as a day of rest.

[22]AGRICULTURE

About one-third of the total area of Africa's largest country is suitable for agricultural development. Abundant rainfall in the south permits both agriculture and grazing grounds for the large herds owned by nomadic tribes. In the north, along the banks of the Nile and other rivers, irrigation farming prevails. Of an estimated 16.9 million hectares (41.8 million acres) of arable landing 1998, about 1.9 million hectares (4.7 million acres) were irrigated. Principal cash crops are cotton, sesame, peanuts, sugarcane, dates, citrus fruits, mangoes, coffee, and tobacco; the principal subsistence crops are sorghum, millet, wheat, beans, cowpeas, pulses, corn, and barley. Cotton is the principal export crop and an integral part of the country's economy. In 2001, agricultural products accounted for 21.9% of imports and 19.2% of exports; there was an agricultural trade deficit of $24.5 million.

Government regional development schemes have played a decisive part in the economy since the 1920s. The Gezirah Scheme, located between the Blue and White Niles near their confluence at Khartoum, is the world's largest under a single management and provides a substantial portion of foreign exchange and government revenue. This storage irrigation project, which covers 840,000 hectares (more than two million acres) but has an additional potential of two million hectares (5 million acres), dates back to 1911 and was put into operation by a British firm. After the expiration of the firm's contract with the Sudanese government in 1950, the land was leased to tenant farmers, who numbered over 100,000 in 1987. They manage the scheme jointly with the government through the Gezirah Board. In July 1980, construction began on the 354-km (220-mi) Jonglei Canal, intended to drain the Sudd swamp and channel water from the White Nile to the arid northern Sudan and to Egypt. Built by a French consortium at a projected cost of $260 million and scheduled for completion in 1985, the canal could irrigate up to 243,000 ha (600,000 acres) of Sudanese land. By 1984, however, the project had been halted by SPLA opposition, with less than 100 km (62 mi) to be excavated. In 1992, the public and private agricultural sectors invested heavily in land preparations, pesticides, and related inputs. Agricultural funding for such projects comes from the World Bank, the African Development Bank, and the International Fund for Agricultural Development. However, completion of these projects has been complicated by debt-repayment problems. In spite of efforts to improve Sudan's agricultural resources, famine conditions have existed in southern Sudan since 1986. Inadequate rains, a poor distribution infrastructure, and civil war have hampered relief efforts.

Among agricultural products in 1999 were sorghum, 3,045,000 tons; peanuts, 980,000 tons; sesame, 220,000 tons, (the third highest in the world after India and China); and wheat, 168,000 tons. Cotton fiber production in 1999 was 172,000 tons. Production in 1999 also included sugarcane, 5,950,000 tons; millet, 1,499,000 tons; cottonseed, 131,000 tons; tomatoes, 240,000 tons; dates, 176,000 tons; yams, 136,000 tons; and corn, 65,000 tons.

[23]ANIMAL HUSBANDRY

In 2001, the livestock population was estimated at 47 million sheep, 38.3 million head of cattle, 40 million goats, 3.2 million camels, and 37.5 million chickens. The national livestock herd was second only to that of Ethiopia in Africa. Cattle, found mostly in the southern rainfall area, are of two types: the shorthorn zebu of Asian origin and the longhorn sanga. Nomadic or seminomadic pastoral tribes own the bulk of the cattle. Sudanese sheep have hairy coats and are grown for meat rather than wool. They are owned almost exclusively by nomadic or seminomadic tribes. The tsetse fly prevents livestock raising in an area of approximately 200,000 sq km (77,000 sq mi) in the south. Livestock products in 2001 included an estimated 3,168,000 tons of cow's milk, 693,000 tons of meat, and 46,000 tons of eggs. Widespread smuggling also reduces income available to the government from livestock exports.

[24]FISHING

In the southern provinces and towns, fish, particularly the Nile perch, is a diet staple. The river yields some 110 varieties of fish, and the Red Sea is another valuable fishing ground. In 2000, the total catch was 50,000 tons, 88% from freshwater sources.

[25]FORESTRY

About 26% of Sudan is covered by forests. About 61.6 million ha (152.2 million acres) of Sudan are covered by forests, half of which are dense stands of trees, mostly in the south. Sudan supplies over 80% of the world's needs of gum arabic, extracted from the acacia. Production of roundwood was estimated at 18.8 million cu m (663.6 million cu ft) in 2000, with 88% used as fuel. Timber production, apart from cutting for local village needs, is confined to forests lying within reach of navigable rivers or areas served by roads and railways. The Ministry of Agriculture and Natural Resources maintains forests, administers public preserves, and operates sawmills. Around 11% of Sudan's forests are in protected areas.

[26]MINING

Sudan was not rich in mineral resources, and the mineral sector has traditionally made a negligible contribution to the economy, although rising production of gold and crude petroleum in recent years has substantially increased the sector's influence. In 1999, manufacturing and mining accounted for 10% of GDP, which grew by 5.3% in 2001, 9.7% in 2000, 7.7% in 1999, and 6% in 1998. Gold accounted for 7% of the value of exports in 1999, and less than 3% in 2001. Mineral production in 2001 included salt, 120,000 tons (72,211 in 1998); mine chromite, 20,500 tons (gross weight), down from 48,000 in 1999; gold, from the Red Sea Hills, 5,800 kg, up from 4,554 in 1997 (excluding artisanal output); gypsum, 4,000 tons; and cement, 146,0000 (230,600 in 1999, and 380,000 in 1996, a decline resulting from a lack of spare parts). In addition, Sudan presumably produced clay and/or shale for cement, limestone for cement, lime, construction aggregate and fill, other construction materials (clays, sand and gravel, and stone), and marble for export. Other minerals produced were asbestos, manganese, and mica, the latter two in the Red Sea Hills. Sudan was also known to have deposits of barite, copper, iron ore (large reserves near Port Sudan), kyanite, lead, nickel, silver, tungsten, wollastonite, and zinc; however, little change was expected, because of civil unrest.

[27]ENERGY AND POWER

In the absence of coal reserves, Sudan has come to rely mainly on waterpower to meet its commercial energy needs. In 2001, installed capacity was 578,000 kW, roughly 40% of it hydroelectric and the rest thermal (mainly oil-fired). Production of electricity in 2000 amounted to 2 billion kWh, of which 49.2% was from fossil fuels and 50.8% from hydropower. Consumption of electricity in 2000 was 1.8 billion kWh. Sudan's most important generating plant is at the Roseires Dam on the Blue Nile River. Production difficulties, drought, and maintenance problems have led to an increase in private generating capacity since 1982. The burning of wood fulfills much of the total energy requirement.

Modest petroleum reserves, estimated at 262.1 million barrels as of 2002, have been discovered. The government is strongly encouraging the development of crude oil production, which averaged 209,000 barrels per day in 2001. With the inauguration of the Khartoum Oil Refinery in 2000, Sudan became able to supply all of its own petroleum product needs for jet fuel. Iraq and Iran also have agreed to assist Sudan in the development of its petroleum sector. By 2002 a number of international human rights groups had charged that Sudan was financing widespread human rights abuses with oil revenues, and Sudan's major rebel group had declared the country's oil installations a military target.

[28]INDUSTRY

Sudan's industrial sector has been buffeted by a series of events leading to a significant contraction of output. Foreign exchange was very scarce in the 1980s and led to shortages of raw materials, skilled labor, and energy. In February 1985, the granting of import licenses and letters of credit was suspended. Over 100 manufacturing enterprises shut down as a result. By 1989, many factories were thought to be operating at 5% of capacity. Industry contributed 17% to GDP in 1999.

Prior to this difficult period, Sudan's industries supplied many items that had formerly been imported—cotton textiles, sugar, hides and skins, cement, tires, flour, soap, shoes, cigarettes, batteries, sesame oil, biscuits, confectionery, household appliances, paints and varnishes, and plastics. Textiles, the largest industry, were part of a decade-long (1985–95) rehabilitation project. There are a number of cotton ginning plants, including the large Gezira plant. Sudan has a sizeable number of spinning and weaving mills.

The country's reserves of oil and gas are vast, and Sudan is considered to be underexplored. There are three oil refineries, with a total production capacity of 122,000 barrels per day.

Other factories process cotton seed and groundnuts into oil and cake. The Kenana sugar complex, commissioned in 1980, is one of the largest sugar plantation and refining installations in the world, jointly owned by the Sudanese government, the governments of Kuwait and Saudi Arabia, and other private interests.

[29]SCIENCE AND TECHNOLOGY

The National Council for Research, founded in 1970 at Khartoum, is responsible for planning and directing national research programs in agriculture, medicine, energy, and other fields. The Agriculture Research Corporation of the Ministry of Agriculture, founded in 1904, has its headquarters in Wad Medani, and a Forestry Research Center and the Geological Research Authority operate in Khartoum. The universities of Gezirah, Juba, Khartoum, and Nilayn all have faculties or colleges in scientific and technical fields, and the Sudan University of Science and Technology, founded in 1950 at Khartoum, has colleges of agriculture, engineering, and sciences. In 1987–97, science and engineering students accounted for 16% of college and university enrollments.

[30]DOMESTIC TRADE

Sudan's mercantile community is well organized through the Sudan Chamber of Commerce, which supplies information and facilitates negotiations with the authorities. The major foreign-owned trading companies, which had controlled all Sudanese trade, were nationalized in 1970.

Omdurman is a commercial center for livestock and handicrafts. The cities of El Fasher, El Gedaref, Juba, Kassala, and Wau serve as regional trade and market centers, primarily for agricultural goods. The few modern shops feature imported products. Most retail trade is conducted in open-air markets or in stalls in buildings near market centers. Because of the low literacy rate, newspaper advertising is of limited significance. Window and sidewalk displays and outdoor advertising are the principal marketing aids. An international trade fair is held annually at Khartoum.

Markets usually function from 7 AM to 2 PM, in order to escape the afternoon heat. Business hours are from 8:00 AM to 2:00 PM and 6 to 8 PM, Saturday through Thursday, with Friday as the day of rest. Normal banking hours are 8:30 to noon, Saturday through Thursday. Government hours are 8 AM to 2:30 PM.

[31]FOREIGN TRADE

Sudan relies on agriculture and animal husbandry for its export commodities. The most important exports are oil seeds, especially sesame (22%), cotton (17%), and sheep (12%). Other exports include gold (7.6%), vegetable oil (6.4%), crude vegetable materials (5.3%), and sugar (3.7%). As of 2000 it was expected that the development of oil reserves estimated at over 211 billion barrels might change Sudan's foreign trade situation. In 2000, Sudan imported about $17 million worth of irrigation materials from China.

In 1998 Sudan's imports were distributed among the following categories:

Consumer goods	8.1%
Food	12.3%
Fuels	10.3%
Industrial supplies	36.7%
Machinery	16.8%
Transportation	15.3%
Other	0.5%

Principal trading partners in 1998 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Saudi Arabia	129	222	-93
United Kingdom	80	330	-250
Egypt	40	54	-14
Italy	39	54	-15
India	23	107	-84
France	21	94	-73
Netherlands	19	52	-33
China (inc. Hong Kong)	19	268	-249
Korea	17	45	-28
Japan	14	146	-132

[32]BALANCE OF PAYMENTS

There is a habitual payments deficit and Sudan continues to suffer from a severe shortage of foreign exchange. Remittances from Sudanese working abroad are discouraged by inequitable exchange rate policies. The 1997 trade embargo with the United States added to stresses on the balance of payments. However, Sudan began implementing IMF macroeconomic reforms in 1997. Sudan began exporting crude oil in 1999, and in the fourth quarter of that year, the country realized its first trade surplus. Approximately 70% of Sudan's crude oil production is exported. The country's external debt stood at $24.9 billion in 2000, most of which was in arrears, and international credit is generally not available to Sudan.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Sudan's exports was $2.1 billion while imports totaled $1.6 billion resulting in a trade surplus of $500 million.

The International Monetary Fund (IMF) reports that in 2001 Sudan had exports of goods totaling $1.7 billion and imports totaling $1.4 billion. The services credit totaled $15 million and debit $660 million. The following table summarizes Sudan's

balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-618**
Balance on goods	304
Balance on services	-646
Balance on income	-554
Current transfers	278
Capital Account	**-93**
Financial Account	**561**
Direct investment abroad	…
Direct investment in Sudan	574
Portfolio investment assets	1
Portfolio investment liabilities	…
Other investment assets	-55
Other investment liabilities	42
Net Errors and Omissions	**-1**
Reserves and Related Items	**-151**

33 BANKING AND SECURITIES

The traditional banking system was inherited from the Anglo-Egyptian condominium (1899-1955). When the National Bank of Egypt opened in Khartoum in 1901, it obtained a privileged position as banker to and for the government, a "semi-official" central bank. Other banks followed, but the National Bank of Egypt and Barclays Bank dominated and stabilized banking in Sudan until after World War II. Post-World War II prosperity created a demand for an increasing number of commercial banks.

Before Sudanese independence, there had been no restrictions on the movement of funds between Egypt and Sudan, and the value of the currency used in Sudan was tied to that of Egypt. This situation was unsatisfactory to an independent Sudan, which established the Sudan Currency Board to replace Egyptian and British money. It was not a central bank because it did not accept deposits, lend money, or provide commercial banks with cash and liquidity. In 1959, the Bank of Sudan was established to succeed the Sudan Currency Board and to take over the Sudanese assets of the National Bank of Egypt. In February 1960, the Bank of Sudan began acting as the central bank of Sudan, issuing currency, assisting the development of banks, providing loans, maintaining financial equilibrium, and advising the government.

In 1996, there were 27 banks in Sudan, of which one, El Nilein Industrial Development Bank, was state-owned. The Bank of Khartoum was privatized at the end of 1995. Banks were nationalized in 1970 but in 1974, foreign banks were allowed to open branches in Sudan.

In December 1990 the government decided to adopt Islamic banking principles. Seven banks in Sudan are based on the principles of Islamic banking that were introduced in September 1984, namely Faisal Islamic Bank of Sudan (FIBS), Islamic Cooperative Development Bank, Tadamun Islamic Bank of Sudan, Sudanese Islamic Bank, Al-Baraka Bank, Islamic Bank of Western Sudan, and Bank of Northern Sudan. In 1999, there were 14 commercial banks in Sudan.

Banks are required to maintain 20% of total deposits as a statutory reserve with the central bank. They must also direct to the agricultural sector 40% of the funds that they have for lending under the new credit ceilings.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $1.0 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $1.7 billion.

No stock exchange exists in the Sudan.

34 INSURANCE

All foreign insurance companies were nationalized in 1970; there were at least 20 Sudanese insurance companies in 1997 and a National Reinsurance Co.

35 PUBLIC FINANCE

Sudan's budgets were in deficit from the 1960s through the 1990s. The budget deficit soared to 22% of GDP in 1991/92, which aggravated inflation. As of 2000, neither the budget deficit nor inflation showed signs of shrinking as civil war disturbs commerce, trade, and aid.

The US Central Intelligence Agency (CIA) estimates that in 2001 Sudan's central government took in revenues of approximately $1.6 billion and had expenditures of $1.9 billion. Overall, the government registered a deficit of approximately $300 million. External debt totaled $24.9 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**1,600**
Tax revenue	79.5%	1,272
Non-tax revenue	20.0%	319
Grants	0.6%	9
EXPENDITURES	**100.0%**	**1,900**
General public services	3.3%	62
Defense	27.5%	523
Public order and safety	7.8%	148
Education	7.6%	145
Health	1.0%	18
Social security	<0.1%	1
Housing and community amenities	<0.1%	1
Recreation, cultural, and religious affairs	0.1%	3
Economic affairs and services	1.1%	21
Other expenditures	42.5%	808
Interest payments	9.0%	170

36 TAXATION

Direct taxes constituted about 14% of current receipts in 1985/86, and indirect taxes accounted for about 67%. Types of levies include a business profits tax, income tax on salaries, various consumption and production taxes, stamp duties, and miscellaneous fees and charges, including a development tax. The personal income tax was first imposed in July 1964, and an income tax on Sudanese working abroad was added later. Remittances from Sudanese working abroad doubled to US$106 million in 1991/92, but were still significantly down from the US$445 million figure of 1987/88, before the Gulf War. Income from property, hitherto exempt from any tax, became subject to the business profits tax on 1 January 1964. A VAT of 10% was added in 2000.

37 CUSTOMS AND DUTIES

The Sudan has a liberal trade policy, although it restricts imports of some goods considered competitive with those produced locally. The customs tariff applies to goods from all countries except Egypt and Jordan, which receive preferential treatment.

Most tariff rates are ad valorem and range from zero to 1,100%. Export duty is 10% on cotton and gum arabic and 5% for all other items. Specific rates are applied mostly to alcoholic beverages and tobacco. Commodities not included in the tariff schedule are dutiable at 40% ad valorem. Also levied are guay dues, royalties, a consumption tax of 10%, and a 10% defense tax. An additional tax of 5% to 150% is imposed on a list of 122 items. The average tariff rate in 1999, as determined by the IMF,

was 19.3%. The customs service is known to be extremely corrupt. In 1997, the United States implemented a trade embargo on Sudan because of terrorist activities.

[38]FOREIGN INVESTMENT

In 1971, Sudan nationalized the holdings of foreign investors, mostly British. A privatization effort and a move toward a mixed economy began slowly in the early 1980s and picked up momentum via negotiations with the IMF in 1985. The 1980 Encouragement of Investment Act provided for repatriation of profits, tax incentives, customs relief, industrial rates for transport and electricity. However, the introduction of Shari 'a law in 1983 (unenforced since 1985), along with foreign exchange shortages, discouraged investors through 1986. In 1990, the government invited foreign investors to purchase companies in the parastatal sector. Key properties in the agricultural, tourist, transportation and communications sectors were identified as candidates for privatization under the National Economic Salvation Program. In 1992, the creation of four free-trade zones was announced in an attempt to encourage additional foreign investment.

In 1999, a new investment act guaranteed the equal status of foreign and national projects; and encouraged investment in the sectors of agriculture, industry, and tourism, amongst others. It gave total tax exemptions for business profits and customs duties for 10 years on capital projects, and 5 years for nonstrategic industries. Foreign investment in 2000 included inflows from Canadian and Araki oil interests, as well as European investment.

Annual foreign direct investment (FDI) inflows were $98 billion in 1997, but rose to an average of $378 million 1998 to 2000. In 2001, FDI inflow increased to a record $574 million.

[39]ECONOMIC DEVELOPMENT

The suspension of foreign aid and balance-of-payment support by a growing list of countries has all but stopped economic development. In spite of this, Sudan's government retains food self-sufficiency as a priority goal and seeks to reallocate investment toward agriculture and other productive sectors. Private investment is welcome as the parastatal sector is privatized. Oil exploitation may eventually boost economic development (oil began to be exported in October 2000).

In 2000, the International Monetary Fund (IMF) lifted its suspension on Sudan's voting rights, after the country made payments to the Fund and improved its economic performance as of 1997. (Sudan's voting and other rights in the IMF had been suspended since 1993.) The country's foreign debt exceeds $13 billion, more than its annual gross domestic product (GDP).

[40]SOCIAL DEVELOPMENT

The social insurance system provides benefits for employees of firms with more than five workers. This program excludes domestic workers, home workers, self-employed, and family laborers. A separated program is in place for the armed forces and all public employees. The social insurance system is funded by employee contributions of 8% of wages, with employer contributions of 17% of payroll. The program includes old-age and disability pensions, workers' compensation, and survivor benefits. Retirement is set at age 60 for men and age 55 for women.

The fundamentalist Islamic government has redefined the place of women in society. Prior to that, the state sought to guarantee basic rights and freedoms to all women, both Muslim and non-Muslim. They were afforded opportunities in trade, the professions, and higher education. These freedoms are currently curtailed. Women have been removed from the civil service and have limited educational opportunities. They are no longer free to travel abroad without the permission of a male family member. Women who walk in public with an uncovered head or wearing slacks are often stopped and taken to police stations. Female university students in Khartoum were sentenced to be flogged, reportedly for wearing pants. Female circumcision (also referred to as female genital mutilation), although illegal, is prevalent, especially in the most drastic form. The city of Khartoum ordered the separation of the sexes in public to conform with strict Muslim law. This separation requires barriers between men and women at social events and bans them from sitting facing each other; the law dictates that the barriers be used at weddings, parties, and picnics and prohibits certain other practices perceived as inappropriate in an Islamic society. The government does not address the problem of violence against women.

Sudan's human rights situation remains dismal. Government and SPLA continue to regularly commit abuses, including massacres, kidnapping, enslavement, forced conscription, and rape. According to human rights groups, the practice of slavery has grown as a result of the civil war that has intermittently raged in the Sudan since its independence in 1956. Freedom of speech, press, assembly, association, and political choice are repressed throughout the Sudan. The government's Arabization and Islamization policies are coercive.

[41]HEALTH

Between 1984 and 1992, there were about 506,000 civil war-related deaths. The government of Sudan announced a ceasefire in the 12-year-old civil war in the southern part of the country in 1995, permitting health organizations to accelerate efforts to administer vaccinations and distribute vitamin A. As of 13 June 1995, 30,865 children had received oral polio vaccines and 35,996 had been vaccinated against measles. Despite the extension of medical services and supervision, such diseases as malaria, schistosomiasis, sleeping sickness, tuberculosis (about 180 cases per 100,000 people in 1997), and various forms of dysentery persist. Guinea worm disease was reported in 64,608 cases during 1995. As of 1999 total health care expenditure was estimated at 3.3% of GDP. In 2000, 75% of the population had access to safe drinking water and 62% had adequate sanitation.

The central government operates most research laboratories and dispensaries. Hospital facilities and medical and public health services are free. In 1992, there was a nurse to doctor ratio of 2.7. As of 1999, there were an estimated 0.1 physicians and 1.1 hospital beds per 1,000 people. There are very few private practitioners.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 37.2 and 9.8 per 1,000 people. About 10% of married women (ages 15 to 49) were using contraception in 2000. An estimated 9.7 million (89%) Sudanese women underwent female circumcision (female genital mutilation) in 1994.

In 2000, average life expectancy was estimated at 56 years and the infant mortality rate was 81 per 1,000 live births. In 1998, maternal mortality was 500 per 100,000 live births. Immunization rates in 1995 for children up to one year old were quite high: tuberculosis, 88%; diphtheria, pertussis, and tetanus, 76%; polio, 77%; and measles, 74%. In 1990–95, 34% of children under five years old were considered malnourished.

In 1996, there were 1,341 AIDS cases reported in Sudan.As of 1999 the number of people living with HIV/AIDS was estimated at 186,000. HIV prevalence was 1 per 100 adults.

[42]HOUSING

Most Sudanese live in simple houses of their own or rent from landlords or agricultural-scheme authorities. At last report, over half of all housing units were *gottias*—single rooms with round mud walls and a conical straw roof; about one-third were *menzils*—multi-room houses with toilet facilities. Of all dwellings, over 80% were owned. Almost every house, even in the cities, has a walled courtyard or garden. In the big cities,

bungalows are provided for important government officials and high-level foreign employees. A national housing authority provides low-cost housing to government employees, rural schoolteachers, and persons in low-income groups. A town-planning ordinance provides for slum clearance and replanning of towns. Khartoum has a number of modern apartment buildings.

[43]EDUCATION

Projected adult illiteracy rates for the year 2000 stand at 42.9% (males, 31.7%; females, 54.0%). Most schools are operated or subsidized by the central government through 3.3 % of GDP.

In 1997, 11,158 primary schools had 3,000,048 students and 102,987 teachers. Also in 1997, secondary schools had 405,583 students and 15,504 teachers. Of the total number of secondary students, 26,421 were in vocational training schools. The pupil-teacher ratio at the primary level was 27 to 1 in 1999. In the same year, 45% of primary-school-age children were enrolled in school. The University of Khartoum was established in 1956; in 1986, its 10 faculties had about 14,000 students. A branch of Cairo University was opened at Khartoum in 1955; by 1986, it had about 20,000 students. Other institutions include the Islamic University of Omdurman and the universities of El-Gezirah (at Wad Madani) and Juba. In 1990, universities had 2,043 teachers and a total enrollment of 59,824 students. Approximately 48% of these students were female, up from 27% in 1980.

[44]LIBRARIES AND MUSEUMS

The principal library is at the University of Khartoum, with 350,000 volumes. The library at the Institute of Education in Bakhter Ruda has 28,000 volumes; the Khartoum Polytechnic collection has 30,000; and the Educational Documentation Center, also in Khartoum, has 20,000 volumes. Minor library facilities are maintained by secondary schools, houses of worship, government agencies, and foreign community centers. The National Records Office, in Khartoum, serves as the national archives and contains over 20 million documents, including 13,000 bound volumes covering Sudanese history since 1870.

There are antiquities museums in Khartoum and Merowe, which is also the site of excavations of buildings from the kingdom of Kush. The Khalifa's tomb in Omdurman contains relics of Mahdist and other recent history. The National Botanic Garden in Khartoum contains rare specimens of Sudanese flora. Khartoum also has an ethnographic museum, a natural history museum, and the Sudan National Museum. There are also museums at Al Ubayyid, Port Sudan, Wadi Halfa', Wad Madani, Merowe, Omdurman, and other locations. A long and difficult civil war has put many of these institutions in danger.

[45]MEDIA

Postal, telegraph, and broadcasting services are state owned; as of 2000 there were at least 400,000 main telephone lines and 20,000 cellular phone subscribers. The Sudan Broadcasting Service, the government-controlled radio network, transmits daily in Arabic, English, French, Amharic, Somali, and other languages; in 1999 there were 11 AM and 1 FM radio stations and 3 television stations. Television service was inaugurated in 1963; an earth satellite station was completed in November 1974. In 2000 there were 464 radios and 273 televisions for every 1,000 people. In 2002, two Internet service providers were served about 50,000 subscribers.

In 2001, there were 14 daily Arabic newspapers and 2 English papers. The largest dailies (with 2002 circulation rates) were *Al Sudani* (305,000), *Al Ayam* (200,000), *Al Siasa* (60,000), *Al Khartoum* (25,000), and the English-language *Sudan Standard*.

The government is said to severely limit free speech and the press through intimidation, surveillance, and economic control. Sudan television has a permanent military censor to ensure that all broadcasts reflect government views.

[46]ORGANIZATIONS

The cooperative movement, which began in the 1930s, has achieved some importance, especially in the irrigation schemes. In the Gezirah Scheme, tenant farmers have formed many cultural, educational, and recreational groupings.

The Sudan Chamber of Commerce (Khartoum), comprising both local and foreign business interests, performs various functions for the government. There are several smaller chambers, most of them organized by resident European and Egyptian traders. More than 30 clubs serve foreign and minority groups and business firms. Clubs are the principal centers of social activity in Sudanese towns.

The National Center for Research, established in 1991, promotes study and research in various branches of science. The multinational African Laser, Atomic and Molecular Sciences Network is based in Khartoum.

National youth organizations include the General Sudanese Students Union, Girl Guides Association of The Sudan, YMCA/YWCA, Sudan Boy Scouts Association, and Sudan International Youth and Student Movement for the United Nations. Other youth programs and organizations are sponsored through the Supreme Council of Youth and Sports. The Babiker Badri Scientific Association for Women's Studies serves as a social action group for the rights and education of women. The Red Crescent Society is active in the country.

[47]TOURISM, TRAVEL, AND RECREATION

The main tourist attractions are big-game hunting in the forests of the south, boat excursions down the Nile through the forest and desert, deep-sea fishing, the Red Sea Hills, the underwater gardens at Port Sudan, and archaeological sites in the north. Horse racing has been popular in the Sudan since its introduction in 1929. However, since the civil war and the advent of Islamic rule, tourism in the Sudan is virtually nonexistent. There were 38,000 tourist arrivals in 2000, generating receipts of $5 million. In 1999, there were 4,545 hotel rooms with 7,907 beds. Visitors to the Sudan require a passport and a visa. Precautions against cholera, typhoid, tetanus, meningitis, yellow fever, and malaria are recommended. According to 1999 UN estimates, the cost of staying in Khartoum ranges from $101–208 per day depending on the choice of hotel.

[48]FAMOUS SUDANESE

The one Sudanese to achieve world renown in modern history was the Mahdi (Muhammad Ahmad bin 'Abdallah, 1843–85), who set out on a self-appointed mission to purify Islam, a mission he hoped would carry him ultimately to Istanbul and to the apex of the Muslim world. Under his banner, the people of Sudan rose against their Egyptian overlords and for over a decade kept most of their country free from foreign rule. The Mahdi died shortly after the seizure of Khartoum. His able but harsh successor, the Khalifa ('Abdallah bin Muhammad at-Ta'a'ishi, d.1899), organized an independent government, which lasted until 1898, when an Anglo-Egyptian expeditionary corps reconquered Sudan.

The Mahdist wars provided the background for the exploits of famous British soldiers and administrators, among them generals Charles George Gordon (1833–85), Horatio Herbert Kitchener (1850–1916), and Sir Francis Reginald Wingate (1861–1953), the first governor-general of the condominium, as well as other foreign officers and explorers in the service of Egypt, such as the Italian Romolo Gessi (1831–81), the German Emin Pasha (Eduard Carl Oscar Theodor Schnitzer, 1840–92), the American Charles Chaillé-Long (1842–1917), and the Austrian Sir Rudolf Carl von Slatin (1857–1932).

Osman Digna ('Uthnab Abu Bakr Digna, c. 1840–1926), an organizer and leader of the Mahdist armies, and Sayyid 'Abd ar-

Rahman al-Mahdi (1885–1959), posthumous son of the Mahdi, are revered by Sudanese. The most influential figure in recent years was Gaafar Mohammed Nimeiri (Ja'far Muhammad Numayri, b.1930), leader of Sudan from the 1969 coup until 1985. Sadiq al-Mahdi (b. 1936) was prime minister during 1966–67 and 1985–87.

49 DEPENDENCIES

Sudan has no territories or colonies.

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SWAZILAND

Kingdom of Swaziland

CAPITAL: Mbabane (administrative and judicial); Lobamba (royal and parliamentary)

FLAG: Blue, yellow, crimson, yellow, and blue stripes with the shield and spears of the Emasotsha regiment superimposed on the crimson stripe.

ANTHEM: National Anthem, beginning "O God, bestower of the blessings of the Swazi."

MONETARY UNIT: The lilangeni (pl. emalangeni; E) of 100 cents is a paper currency equal in value to the South African rand, which also is legal tender. There are coins of 1, 2, 5, 10, 20, and 50 cents, 1 lilangeni, and notes of 2, 5, 10, 20, and 50 emalangeni. E1 = $0.1329(or $1 = E7.52) as of May 2003.

WEIGHTS AND MEASURES: The metric system replaced imperial weights and measures in September 1969.

HOLIDAYS: New Year's Day, 1 January; Commonwealth Day, 2nd Monday in March; National Flag Day, 25 April; Birthday of King Sobhuza II, 22 July; Umhlanga (Reed Dance) Day, last Monday in August; Somhlolo (Independence) Day, 6 September; UN Day, 24 October; Christmas Day, 25 December; Boxing Day, 26 December. Movable religious holidays include Good Friday, Holy Saturday, Easter Monday, Ascension, and the Incwala Ceremony.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

A landlocked country in southern Africa, Swaziland has an area of 17,363 sq km (6,704 sq mi), extending 176 km (109 mi) N–S and 135 km (84 mi) E–W. Comparatively, the area occupied by Swaziland is slightly smaller than the state of New Jersey. It is bounded by Mozambique on the NE and by the Republic of South Africa (including the homelands) on the SE, S, W, and N, with a total boundary length of 535 km (332 mi).

Swaziland's capital city, Mbabane, is located in the northwest part of the country.

[2]TOPOGRAPHY

The country is divided west-to-east into four well defined regions, the first three being of roughly equal breadth. The four regions extend north and south and are known as the high, middle, and low veld, and the Lebombo plain and escarpment. The high veld on the west has an average altitude of 1,050 m to 1,200 m (3445 to 3,937 ft). The middle veld averages about 450 to 600 m (1,476 to 1,969 ft), and the low or bush veld less than 300 m (984 ft). The Lebombo plain, at an average height of 610 m (2,000 ft), extends to the Lebombo escarpment, which is part of the Lebombo Mountains in the east. The entire country is traversed by rivers or streams, making it one of the best watered areas in southern Africa.

[3]CLIMATE

The high veld has a humid near-temperate climate with about 140 cm (55 in) of mean annual rainfall. The middle veld is subtropical and somewhat drier, with about 85 cm (33 in) of annual rainfall; the low veld, almost tropical, is subhumid, receiving about 60 cm (24 in) of rain in an average year. Rainfall tends to be concentrated in a few violent storms in the summer (October–March). Temperatures range from as low as -3°C (27°F) in winter in the highlands to as high as 42°C (108°F) in summer in the lowlands. At Mbabane, temperatures average 20°C (68°F) in January and 12°C (54°F) in July.

[4]FLORA AND FAUNA

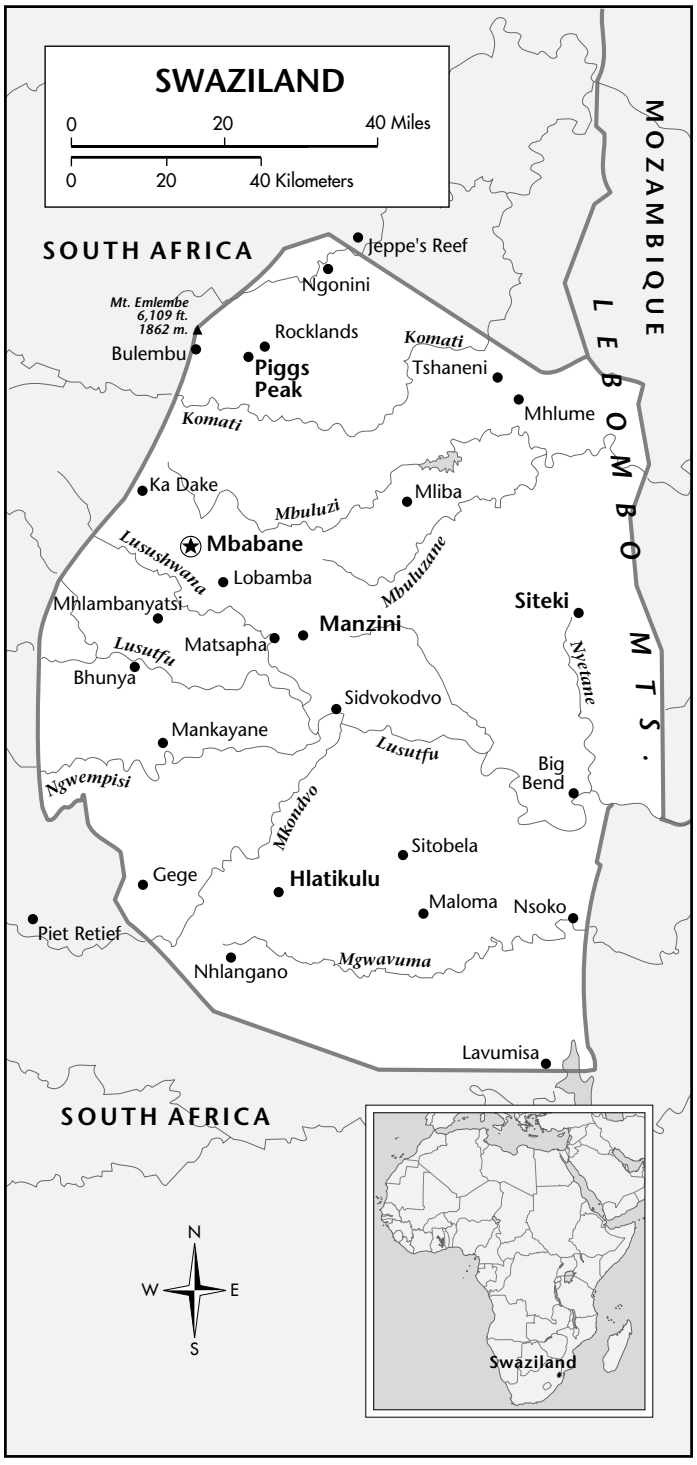
Grassland, savanna, mixed bush, and scrub cover most of Swaziland. There is some forest in the highlands. Flora include aloes, orchids, and begonias. Large indigenous mammals include the blue wildebeest, kudu, impala, zebra, waterbuck, and hippopotamus; however, wildlife has become very scarce outside the protected areas. Crocodiles live in the lowland rivers. Bird life is plentiful and includes the European stork, sacred ibis, and gray heron.

[5]ENVIRONMENT

The chief environmental problem is soil erosion and degradation, particularly because of overgrazing. Population growth and the increased demand for fuel has threatened the country's forests, and the resulting deforestation has contributed to the loss of valuable soil. Swaziland has 4 protected areas for wildlife—2 wildlife sanctuaries and 2 nature reserves—totaling 40,045 ha (98,953 acres), all in the northern half of the country. As of 1994, 2.3% of the nation's total land area was protected. Another significant environmental problem in Swaziland is air pollution from transportation vehicles and emissions from other countries in the area. Water pollution from industrial and agricultural sources is also a problem, as well as contamination by untreated sewage, which contributes to the spread of life-threatening diseases. Swaziland has about 1.7 cu mi of water, of which about 93% is used for farming and 2% for industrial activity. Access to safe drinking water is available to only 41% of urban dwellers and 44% of the population. As of 1994, none of Swaziland's 46 animal species were endangered, but 5 of the nation's bird species and 25 types of plants were threatened with extinction. Burchell's zebra has become extinct. Threatened marine species include the Baltic sturgeon, Danube salmon, and marsh snail.

[6]POPULATION

The population of Swaziland in 2003 was estimated by the United Nations at 1,077,000, which placed it as number 150 in population among the 193 nations of the world. In that year



LOCATION: 25°43′ to 27°20′ S; 30°48′ to 32°8′ E BOUNDARY LENGTHS: Mozambique, 108 kilometers (67 miles); South Africa, 446 kilometers (277 miles).

approximately 3% of the population was over 65 years of age, with another 43% of the population under 15 years of age. There were 91 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 0.80%, with the projected population for the year 2015 at 1,075,000. The population density in 2002 was 65 per sq km (168 per sq mi).

It was estimated by the Population Reference Bureau that 26% of the population lived in urban areas in 2001. The capital city, Mbabane, had a population of 73,000 in that year. According to the United Nations, the urban population growth rate for 2000–2005 was 4.0%.

The prevalence of AIDS/HIV has had a significant impact on the population of Swaziland. The United Nations estimated that 33.7% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Over the years, there has been a noticeable drift of educated Africans, many of whom have acquired British citizenship, from South Africa to Swaziland. Conversely, many itinerant asylum-seekers were making a practice of using Swaziland as a stepping stone to gain access to South Africa in 1999. As of 1999, Swaziland harbored some 630 refugees and asylum-seekers, mainly from the Great Lakes region. In 2000, the net migration rate was -1.2 per 1,000 population, a significant drop from -10.8 per 1,000 in 1990. The total number of migrants in 2000 was 42,000. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The indigenous African population in Swaziland constitutes 97% of the total populace and comprises more than 70 clans, of which the Nkosi Dlamini, the royal clan, is dominant. Europeans make up the remaining 3%.

[9]LANGUAGES

English and Siswati, which is spoken by almost all Swazi, are the official languages. Government business is conducted in English.

[10]RELIGIONS

Most of the population is Christian, with about 40% of the population affiliated with the Zionist Church, professing a blend of Christianity and indigenous ancestral worship. About 20% of the population are Roman Catholic. Other Christian denominations include Anglicans, Methodists, and Mormons (the Church of Jesus Christ of Latter-Day Saints). About 10% of the population are Muslims and there are small groups of Jews and Baha'is. Muslims and Baha'is are generally located in urban areas. The constitution does not specifically guarantee religious freedom, but that right is generally respected by the government and relations between religious groups are amicable.

[11]TRANSPORTATION

The country had 3,800 km (2,361 mi) of roads in 2002; at least 1,064 km (661 mi) were tarred. A highway runs between the southern boundary with South Africa and the eastern boundary with Mozambique. There were 30,000 passenger cars and 9,000 commercial vehicles in use in 1995. The 297-km (184-mi) Swaziland Railway (71 km/44 mi of which were not in use as of 2001) links iron mines at Ngwenya with the Mozambique Railway and the port of Maputo in Mozambique. In the 1970s, a 94-km (58-mi) southern spur was constructed to the South African border. A 115-km (71-mi) northern spur to the South African border was completed in 1986. Airports numbered 18 in 2001, only 1 of which had a paved runway. Matsapa Airport, near Manzini, provides service—via Royal Swazi National Airways—to South Africa, Mozambique, Zambia, Malawi, Zimbabwe, Botswana, Kenya, and Tanzania. In all, 89,500 passengers were carried on scheduled international and domestic flights in 2001.

[12]HISTORY

Like other parts of southern Africa, Swaziland was originally occupied by hunting and gathering peoples known as Bushmen. In the 16th century, according to tradition, Bantu-speaking peoples advanced southwest to what is now Mozambique.

During the migration, these groups disintegrated to form the various ethnic groups of southern Africa. In fact, however, the Swazi do not appear to have broken away from the main body of the Bantu until the middle of the 18th century. The Swazi emerged as a distinct ethnic group at the beginning of the 19th century and were in constant conflict with the Zulu; they moved gradually northward and made their first formal contact with the British in the 1840s, when their ruler, Mswati II, applied to the British for help against the Zulu. The British succeeded in improving relations between the two ethnic groups.

About this time, the first Europeans came to Swaziland to settle. The independence of Swaziland was guaranteed by the British and Transvaal governments in 1881 and 1884, but owing to the excessive number of concessions (including land, grazing, and mineral rights) granted to European entrepreneurs by Mbandzeni (the king) during the 1880s, the UK decided some form of control was necessary. In 1890, a provisional government was established, representing the Swazi, the British, and the Transvaal. From 1894 to 1899, the Transvaal government undertook the protection and administration of Swaziland. After the South African (Boer) War of 1899–1902, the administration of Swaziland was transferred to the British governor of the Transvaal. An order in council established the relationship between the Swazi and the UK in 1903, providing the basic authority under which British administration was conducted for 60 years.

Independence

Responsibility for Swaziland was transferred in 1907 to the high commissioner for South Africa. An elected European Advisory Council was constituted in 1921. By the provisions of the Native Administration Proclamation of 1941, the position of the ngwenyama (paramount chief) as native authority was recognized. In 1963, constitutional discussions looking toward independence were opened in London. The following year, elections for a legislative council were held under the country's first constitution. After further constitutional talks, held in London in 1965, Swaziland became an independent nation within the Commonwealth on 6 September 1968.

On 12 April 1973, King Sobhuza II, who had been head of the Swazi nation since 1921, announced that the constitution had been repealed and that he had assumed supreme executive, legislative, and judicial powers. In 1979, a new parliament was chosen, partly through indirect elections and partly through royal appointment.

After Sobhuza died in 1982, a prolonged power struggle took place. At first his senior wife, Queen Mother Dzeliwe, became head of state and regent. Members of the Liqoqo, the king's advisory council, seized effective power and appointed a new "Queen Regent" in August 1983 (Ntombi, one of Sobhuza's other wives). At that time it was announced that Makhosetive, the 15-year-old son of Ntombi and one of Sobhuza's 67 sons, would ascend the throne upon reaching adulthood. He was crowned King Mswati III on 25 April 1986. The intrigues continued until the new king approved the demotion of the Liqoqo back to its advisory status. He has ruled through his prime minister and cabinet.

In 1982, South Africa and Swaziland secretly signed a security agreement. Under pressure from South Africa, Swaziland arrested and deported members of the African National Congress, the leading black nationalist group in South Africa. On three different occasions in late 1985 and 1986, South African commando squads conducted raids in Swaziland, killing a number of ANC members and supporters. In November 1987, a new parliament was elected and a new cabinet appointed. Obed Dlamini was the prime minister from 1989 until 1993. In September and October, 1993, popular elections were held for parliament and a new prime minister, Prince Mbilini, took office, replacing Dlamini, who was defeated in the second round of voting. Barnabas Sibusiso Dlamini was appointed prime minister in July 1996.

The Swaziland Federation of Trade Unions and the National Association of Civil Servants have organized strikes as a means to pressure the government for greater democratic control by the people of Swaziland. The strikes led the government to ban trade unions in 1995. The ban was later lifted but the country was again disrupted in 1996 by a general strike supported by the SFTU, which resulted in three leaders being detained, and the formation of a Constitutional Review Commission charged with the task of soliciting views from the Swazi nation as to the type of constitution preferred. The commission must meet with all the country's constituencies and submit a report to government officials.

By December 2000, 4 years after its commissioning, the Constitutional Review Commission had not completed its task of drafting a new constitution. The commission will now take six years to complete a two-year task assigned by King Mswati in 1996. Presently, the commission has collected views from more than 18,000 people in 18 Tinkhundla centers since this phase began in June, 1996. An additional 155,000 people are still expected to make submissions to the commission from the remaining 37 constituency centers. Once all the submissions are collected the next stage would be to analyze the submissions and prepare the draft constitution to be submitted to the king in August 2001. The government's explanation for such a prolonged delay in drafting a new constitution is disruptions caused by excessive rains, funerals and other occasions like public holidays and national assignments like the sacred "Incwala", the Swazi Thanksgiving Ceremony.

[13] GOVERNMENT

Swaziland was a constitutional monarchy until King Sobhuza II repealed the constitution in 1973 and assumed absolute power. The king then ruled the country as king-in-council, on the advice of his former cabinet and two traditional Swazi councils, one consisting of all the chiefs and other notables, the other of the king, the queen mother, and (in theory) all adult males.

A new constitution was promulgated in 1978. In 1979, a new parliament was created with a House of Assembly consisting of 50 members, 40 of whom were chosen by indirect election and 10 appointed by the crown; the 20-member Senate had 10 members chosen by indirect election and 10 appointed by the crown. To become law, legislation passed by parliament must be approved by the crown. The cabinet is presided over by a prime minister appointed by the crown from among the members of parliament.

In response to popular moves calling for reform, King Mswati III appointed several commissions to review the tinkhundla (local government) system. In July 1992, the second Tinkhundla Review Commission (popularly called Vusela II) reported to the king. Government accepted its main recommendations—increase tinkhundla centers, allow direct representation in parliament, and institute a secret ballot. Opposition parties complained that Vusela II did not consult a broad range of Swazis and that the reforms did not address the issue of the legality of political parties. The king followed the Vusela II recommendations, rejected the creation of a multiparty system and, on 21 August 1993, the electoral process got started with nomination of candidates. On 25 September primary elections selected three candidates for each district. In October, in runoff elections, voters chose 55 members for the House of Assembly. The king appointed 10 more. A 30-member Senate was chosen, with 10 members elected by the House of Assembly and 20 appointed by the king.

After many postponements, new elections were held in 1998, with the next elections scheduled for 2003. Amidst tight military and police security Swazis went to the polls on 24 October 1998

in parliamentary elections. Over 85,000 people voted, which is an estimated 40% of the voting population. During the voting, harassment by the authorities of anti-electoral groups like the Peoples United Democratic Movement (Pudemo) and the Swaziland Youth Congress (Swayoco), which were encouraging a boycott because they believed the elections would be rigged, was widespread. Apart from the 53 elected MPs, the king selects 10 MPs for the House of Assembly and 20 Senators for the House of Senate, and 10 cabinet ministers. The King also reappointed Prime Minister Sibusiso Dlamini to head the new government following the 1998 general elections.

[14]POLITICAL PARTIES

All parties are banned under the 1978 constitution, but this ban is defied by the People's United Democratic Movement (Pudemo), the Swaziland Liberation Front, the Swaziland Youth Congress, the Swaziland Communist Party, the Ngwane Socialist Revolutionary Party, the Swaziland National Front, and the Convention for Full Democracy in Swaziland, which operate openly. Pudemo went so far as to declare itself legal in February 1992, and to demand a national convention of all political factions and a referendum on the constitution.

[15]LOCAL GOVERNMENT

Swaziland is divided into four districts: Hhohho, Manzini, Shiselweni, and the largest, Lubombo. District commissioners are appointed by the central government. Mbabane, Manzini, and two other towns have municipal governments. Paralleling statutory government structure is a traditional system consisting of the king and his traditional advisors, traditional courts, and 55 tinkhundla subregional districts in which traditional chiefs are grouped.

[16]JUDICIAL SYSTEM

The dual judicial system consists of a set of courts based on a western model and western law and a set of national courts which follows Swazi law and custom. The former consists of a Court of Appeals and a High Court, plus magistrate's courts in each of the four districts. The traditional courts deal with minor offenses and violations of traditional Swazi law and custom. Sentences in traditional courts are subject to appeal and review to the Court of Appeals and High Court. The king has authority to appoint a special tribunal with its own procedural rules in treason and sedition cases.

The courts are independent of executive and military control or influence.

The judges of the Courts of Appeals are expatriates, usually from South Africa, and serve on a two-year renewable contract basis. Local judges serve indefinitely on good behavior.

[17]ARMED FORCES

The Umbutfo Swaziland Defense Force has fewer than 3,000 personnel and functions as a border patrol and an internal security force. A royal guard battalion was formed in 1982. Military expenditures for 2001–02 were $20 million or 4.8% of GDP.

[18]INTERNATIONAL COOPERATION

Swaziland joined the UN on 24 September 1968 and participates in ECA and all the nonregional specialized agencies except IAEA, IMO, WIPO, and UNIDO. The country also belongs to the African Development Bank, Commonwealth of Nations, G-77, and OAU. Swaziland is a signatory to the Lomé Convention and the Law of the Sea and is a member of the WTO.

[19]ECONOMY

Swaziland's economy is based firmly on free market principles. The benefits of a modern economy are primarily enjoyed by the growing urban population. The majority supports itself through subsistence agriculture on rural homesteads. A relatively diversified industrial sector accounts for the largest component of the formal economy at 43% of GDP in 1999. Because of its small size, Swaziland relies heavily on the export sector, composed primarily of large firms with predominantly foreign ownership.

Surrounded almost entirely by South Africa, Swaziland's economy is heavily influenced by its dominant neighbor. The economy benefited considerably from investments that might otherwise have gone to South Africa during period when there were international sanctions imposed on that country. On the other hand, the Swazi economy will likely suffer as a reformed South Africa attracts investment that had been going to Swaziland. In 1996, South Africa accounted for an estimated 96% of Swaziland's imports, 60% of its exports, and 50% of its foreign direct investment. In addition, remittances from Swaziland nationals working in South African mines substantially add to domestically earned income. This overwhelming presence has led some analysts to view the Swazi economy as a small, developing part of the much larger South African economy. The economy grew by 3.6% between 1988 and 1998, and by 2.5% in 2001. Projected growth in the South African economy is expected to boost Swazi exports and in turn stimulate growth.

In 2002, the budget deficit was estimated at 4.8% of GDP. The government had taken few steps to restructure the public sector and privatize state-owned enterprises. As of 2003, the government had plans to build a new international airport, convention center, hotel, and theme park. Swaziland's membership in the Southern African Customs Union (SACU) with South Africa, Botswana, Lesotho, and Namibia, allows for the virtually unimpeded exchange of goods between the countries, subject to South Africa's import control requirements.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Swaziland's gross domestic product (GDP) was estimated at $4.6 billion. The per capita GDP was estimated at $4,200. The annual growth rate of GDP was estimated at 2.5%. The average inflation rate in 2001 was 7.5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 10% of GDP, industry 43%, and services 47%. Foreign aid receipts amounted to about $27 per capita and accounted for approximately 2% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $1,133. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 2%. Approximately 25% of household consumption was spent on food, 9% on fuel, 6% on health care, and 13% on education. The richest 10% of the population accounted for approximately 50.2% of household consumption and the poorest 10% approximately 1.0%.

[21]LABOR

Agriculture employs about 26% of the wage labor force although the percentage of the population engaged in subsistence agriculture is much higher. The public sector employs approximately 30% of the workforce. Unemployment in 2000 officially stood at 34%.

The law allows unions to organize and bargain collectively. About 80% of the formal private sector was organized as of 2001. The Swaziland Federation of Trade Unions is the major labor organization. There is also an employers' federation, as well

as a second, breakaway labor group, the Swaziland Federation of Labor Officially. The right to strike is severely limited but unions have still engaged in strikes.

The minimum age of employment is 15, and children are rarely employed in the formal economy. Child labor is more common in the agricultural and informal economies. Swaziland has a legally mandated sliding scale of minimum wages depending on the type of work. The minimum monthly wage for a domestic servant was approximately $21 in 2001. For an unskilled worker it was $33 and for a skilled worker, $52. The government protects workers with health and safety regulations. The maximum workweek is set at 48 hours, with one day of rest.

22 AGRICULTURE

Swazi nation land, which comprises over 60% of the total land area, is held in trust by the crown for the Swazi people and supports about 70% of the population. Nearly half of the remaining land, which is freehold title, is owned by Europeans; the rest is owned by government or parastatal bodies. Under the traditional land tenure system, farmers till small plots, averaging less than three ha (7.4 acres), but have no title or right to sell this land. The average freehold title farm, by contrast, is about 800 ha (2,000 acres), and over 60% of freehold title cropland is irrigated. In this modern sector, agriculture expanded considerably in the early 1970s, mainly because of improved irrigation, better strains, and widespread introduction and use of fertilizers. Sugar is the most important cash crop, and corn is the staple crop. Most of the sugar produced is exported to Western Europe and North America. Output in 1999 included sugarcane, 3.7 million tons, and corn, 113,000 tons. Much of the sugar is exported to the EU, in accordance with the Sugar Protocol of the Lomé Convention; increasing amounts, however, are sold and refined domestically. Production of grapefruit in 1999 was about 25,000 tons; oranges, 31,000 tons; and pineapple, 8,000 tons. Cotton fiber production in that year was 6,000 tons. Between 1970 and 1982, 17 Rural Development Areas were established to assist traditional farmers; the program was planned to extend eventually to all Swazi nation land. The 1991/92 drought caused corn and cotton production to seriously decline; as a result the government sought emergency food assistance. By 1999, crop production was 90% of what it had been during 1989–91.

23 ANIMAL HUSBANDRY

Livestock raising, like agriculture, is divided into two sectors: a traditional system of grazing on communal lands for subsistence needs, and modern, commercial ranches on freehold title land. Livestock numbers recovered in 1991 from a previous drought-related selloff. In 2001, Swaziland had about 615,000 head of cattle, 422,000 goats, 27,000 sheep, 30,000 hogs, 16,000 equines, and 3.2 million chickens. The country produced 14,000 tons of beef in 2001. However, the meat processing industry has been unstable since 1988.

24 FISHING

By 1982, several commercial fish farms had been established and some Rural Development Areas had fish ponds. Annual production was estimated at 70 tons in 2000.

25 FORESTRY

Swaziland's forests (pine and eucalyptus) are among the world's largest planted forests, covering 161,000 ha (398,000 acres), or about 9% of the land area. The total forest area in 2000 was 522,000 ha (1,290,000 acres), or 30% of the land area. Roundwood output totaled 1,890,000 cu m (66.7 million cu ft) in 2000, about 70% coniferous. Sawn wood production was 102,000 cu m (3.6 million cu ft). Of Swaziland's planted forests, half supply the Usutu pulp mill, a large export earner producing unbleached wood pulp. About 3% of Swaziland's forests are in protected nature reserves and game sanctuaries.

26 MINING

The historic mineral sector of Swaziland has essentially collapsed. The kingdom contained the world's oldest known mine site, the Lion Cavern, at the Ngwenya iron mine, on Bomvu Ridge, northwest of Mbabane. Carbon-14 dating estimated that mining—of hematite (libomvu) and specularite ochres, for cosmetic and ritual uses—took place at the site from 43,000–41,000 BC until at least 23,000 BC; the mine was closed in 1977. Mining's role in Swaziland's economy has been declining in recent years, and mining and quarrying accounted for 1.4% of GDP in FY 2000/01. A methane gas explosion caused Swaziland's only coal producer to close in 2001, asbestos mining ceased in 2000, diamond mining ceased in 1996, and mining of the once-major export iron ore stopped in the late 1970s (it reached 2.24 million tons in 1975).

In 2001, Swaziland produced 350,000 cu m of quarry stone products, and also produced brick clay, anthracite coal, pyrophyllite, and sand and gravel. Small-scale, unreported gold mining has taken place. The mining of chrysolite fiber asbestos, once the dominant source of mining revenue—employing 1,000 workers at Bulumbe, one of the world's largest asbestos mines—ceased because of declining reserves, environmental concerns, and weak markets. Mined since 1939, 27,693 tons of asbestos was produced in 1998. Mining of mainly industrial-quality diamonds was from a single kimberlite pipe at Dvokolwako, and was jointly operated by the Swazi Nation (distinct from the government) and a South African company; production was 70,000 carats in 1996. Although fewer than 1,000 Swazis were directly employed in the mining sector, 1,000 people processed timber from the country's extensive pine populations for mines in South Africa, and 10,000–15,000 Swazis were employed in South African mines. Their contributions to Swaziland's economy through wage repatriation have been diminished, though, by the collapse of the international gold market and layoffs in South Africa.

27 ENERGY AND POWER

In 2001, Swaziland had a total installed capacity of 131,000 kW, one-third by hydroelectric stations. In 2000, a total of 362 million kWh was generated, 44.2% from hydropower and 55.8% from fossil fuels. Consumption of electricity in 2000 was 900.7 billion kWh. The largest energy-generating facility in Swaziland is the 50 MW Luphohlo-Ezulwini hydroelectric station. About $10–13 million of electricity is imported annually from South Africa (690 million kWh in 1998). All petroleum products come from South Africa.

28 INDUSTRY

Manufacturing consists primarily of the following export-oriented industries: wood pulp production, drink processing, fruit canning (Swazican), and sugar processing. Manufacturing growth in the mid-1990s was mostly attributable to increased production of drink processing at Bromor Foods and the sugar-based production activities of the Royal Swaziland Sugar Corportation and Cadbury Confectioneries. Swaziland's three sugar mills have an annual production capacity of 500,000 tons. Usutu Pulp, Swaziland's largest employer, is the leading wood pulp processing company, with an annual capacity to produce 220,000 tons of bleached kraft pulp. Sappi, a London-based company, manages the Usutu Pulp Company. Cement, agricultural machinery, electronic equipment, and refrigerator production are also important parts of Swaziland's manufacturing sector. Textiles, footwear, gloves, office equipment, confectionery, furniture, glass, and bricks are also manufactured. Industry accounts for over 40% of GDP.

Sanctions against South Africa in the late 1980s and internal unrest inspired interest in the relocation of South African-based industry, such as Coca-Cola, in Swaziland. Reexports of South African manufactures with "Made in Swaziland" labels also appeared at that time. The industrial sector growth of the 1980s slowed in the early 1990s as stability returned to South Africa and sanctions were eliminated. Textile manufacturing, which flourished when South African tariffs were high, began to wither when they were equalized.

Creation of the South African Development Community further marginalized the previous industry benefits to operating in Swaziland. The privatization of state-owned industry in 2000 increased foreign interest in Swaziland's industrial sector. There are no known oil or natural gas reserves in Swaziland.

[29]SCIENCE AND TECHNOLOGY

The University of Swaziland, founded originally as part of the University of Botswana, Lesotho, and Swaziland in 1964, has faculties of agriculture and science. The Swaziland College of Technology, founded originally in 1946 as a trade school, offers courses in various fields of engineering. The Geological Survey and Mines Department, founded in 1946 at Mbabane, conducts mining research, and three other institutes conduct agricultural research.

[30]DOMESTIC TRADE

South Africa's substantial presence in Swaziland's domestic economy essentially means that South African business is the driving force in Swaziland's domestic commerce. South African employers and investors dominate certain sectors of local trade. Recently, however, the government has been working on programs to encourage local ownership and operation of small to medium-sized establishments. A few franchises have been established. Bargaining is an accepted practice in many Swazi business deals. The most developed distribution routes are those connecting to South Africa. Mbabane and Manzini are the principal commercial centers. Manufactured articles are generally available in all urban centers and are marketed mostly by South Africans.

Business hours are from 8:15 or 8:30 AM to 1 PM and from 2 to 5 PM, Monday–Friday, and from 8:15 or 8:30 AM to 1 PM, Saturday. Banks are open weekdays from 8:30 AM to 1 PM and Saturdays from 8:30 to 11 AM.

[31]FOREIGN TRADE

Swaziland's exports have traditionally equaled a significant portion of GDP. As a result, the country's entire economy tends to mirror world commodity prices, and especially the state of the South African economy.

The value of exports has risen steadily during the 1990s; while the value of imports rose until 1997, when purchases suddenly dropped by 27%. This was probably due to the creation of the South African free trade area. Principal exports in 2000 included sugar, soft drink concentrates (a large US investment), wood pulp and lumber, cotton yarn, and fruit. Principal imports were motor vehicles, machinery, transport equipment, food, petroleum products, and chemicals.

Almost 96% of imports either originate in or transit through South Africa, and direct sales to and transshipments through South Africa account for about 72% of Swaziland's exports. About 12% of exports go to the European Union.

[32]BALANCE OF PAYMENTS

A decline in long-term capital inflows, increasing government deficits, and a drop in donor assistance plagued Swaziland with a current account deficit for much of the 1990s. The goods and services account has been negative since the 1980s. Payments made by the Southern African Customs Union (SACU) to Swaziland, along with donor assistance, have offset this deficit, but these sources of revenue are threatened. Increased government deficits have also weakened the position of the current account.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Swaziland's exports was $702 million while imports totaled $850 million resulting in a trade deficit of $148 million.

The International Monetary Fund (IMF) reports that in 2001 Swaziland had exports of goods totaling $809 million and imports totaling $882 million. The services credit totaled $85 million and debit $179 million. The following table summarizes Swaziland's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-53**
Balance on goods	-73
Balance on services	-94
Balance on income	35
Current transfers	80
Capital Account	**1**
Financial Account	**-43**
Direct investment abroad	6
Direct investment in Swaziland	21
Portfolio investment assets	-0
Portfolio investment liabilities	…
Other investment assets	-40
Other investment liabilities	-30
Net Errors and Omissions	**12**
Reserves and Related Items	**83**

[33]BANKING AND SECURITIES

The Central Bank of Swaziland is the nation's central bank. Swaziland has been experiencing excess liquidity for some time. The nation's commercial banks were Standard Bank, First National and the Nedbank as of 1998. The Swaziland Development and Savings Bank was undergoing reconstruction in that year after a 1995 bankruptcy. The Swaziland Building Society provided mortgages for housing.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $62.2 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $189.7 million. The money market rate, the rate at which financial institutions lend to one another in the short term, was 5.06%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 9.5%.

The Swaziland Stock Market was established in 1990, and has only five company listings.

[34]INSURANCE

The Swaziland Royal Insurance Corp., 41% state owned, began operating in 1974. It is majority-owned by South African insurance and reinsurance companies. The Swaziland National Provident Fund is a mandatory savings institution for employees.

[35]PUBLIC FINANCE

In the past, the government maintained a prudent fiscal policy by avoiding large deficits and restricting public sector growth. From 1987 to 1991, large budgetary surpluses were registered, and the government began making repayments on the external debt as a net creditor to the bank. Budgetary deficits during the 1990s reflected extravagant government spending on the monarchy and his family. The civil service was overstaffed as well, prompting a reduction of 5,000 employees in 2000. South African Customs Union receipts accounted for 54% of government revenue in

1999, while income tax contributed about 25% (half corporate, half personal).

The US Central Intelligence Agency (CIA) estimates that Swaziland's central government took in revenues of approximately $448 million in 2001/2002 and had expenditures of $506.9 million including capital expenditures of $147 million. Overall, the government registered a deficit of approximately $58.9 million. External debt totaled $336 million.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	448
Tax revenue	91.3%	409
Non-tax revenue	4.8%	22
Grants	3.9%	17
EXPENDITURES	100.0%	507
General public services	28.8%	146
Defense	7.6%	39
Public order and safety	8.1%	41
Education	19.8%	101
Health	8.0%	41
Social security	0.4%	2
Housing and community amenities	3.6%	18
Recreation, cultural, and religious affairs	0.6%	3
Economic affairs and services	21.1%	107
Other expenditures	1.9%	10

[36]TAXATION

Swaziland has a progressive personal income tax system with rates ranging from 0% to 30%. There are no local taxes. Corporate income tax is levied at a flat rate of 37.5%, up from 30% in 1990's. There are no capital gains tax, tax on dividends from companies paid to residents, or estate taxes. Swaziland has double taxation treaties with several countries including South Africa. The standard rate for the sales tax was increased from 12% to 14% in 2003, with higher rates for items like alcohol and tobacco. Exempted from sales tax are fresh foodstuffs, drugs, medicines, furniture and building supplies. In 2003, the government was considering replacing the sales tax with a value-added tax (VAT) system.

[37]CUSTOMS AND DUTIES

Swaziland belongs to the Southern African Customs Union (SACU) with South Africa, Lesotho, Botswana, and Namibia. South Africa levies and collects most of the customs, sales, and excise duties for the five member states, paying a share of the revenues to the other four. Local import duties are applied to wines, spirits, and beer. Swaziland also signed a double taxation agreement with the United States in 2000.

[38]FOREIGN INVESTMENT

Cognizant of its subordinate relationship to South Africa, Swaziland has fostered an investment climate agreeable to foreign businesses. More than half of all enterprises are foreign owned or joint ventures. Entities from South Africa, the United Kingdom, Denmark, the Netherlands, Germany, and the United States have sizable investments. Foreign investors pay a reduced 10% corporate tax and are exempted from withholding tax on dividends for the first 10 years.

In 1997, Swaziland experienced divestment of foreign direct investment (FDI) amounting to -$15.1 million, but in 1998 annual FDI inflow rose to $151 million. Inflow was $100 million in 1999, but there was a reverse flow of -$18.5 million in 2000. FDI inflow in 2001 was $68 million.

[39]ECONOMIC DEVELOPMENT

The growth that was experienced in past years left unaffected the 60% of Swazis who live on small family farms. While manufacturing employment has risen, about half of Swazis are unemployed and actively seeking work. It is hoped that the existence of a multiracial government will prove beneficial to ongoing Swaziland-South African economic development. Economic activity weakened in the early 2000s, however, in part due to drought and closures by foreign firms. Food shortages and the spread of HIV/AIDS have exacerbated the dire conditions of high unemployment, income inequality, and poverty. A National Emergency Response Committee (NERCHA) was established in 2001 to combat HIV/AIDS.

[40]SOCIAL DEVELOPMENT

Social services have developed slowly. The government subsidizes workers whose wages fall below specified minimums, and workers' compensation is also provided. A system of pensions exists for formally employed persons. Old-age, disability, and survivorship is covered. The program is funded by 5% contribution by both employees and employers. Retirement is allowed between ages 45 and 50 and pensions are paid as a one-time lump sum equal to contributions plus at least 3% interest. Private work injury insurance is mandatory for all employers.

Women do not have full legal equality with men, and a married woman is virtually a legal minor. Women may not open a bank account, buy land, or leave the country without her husband's permission. In addition, women do not automatically transmit citizenship to their children, and cannot transfer property to them either. Slow and small gains are being made by women in the workforce. Domestic violence is commonplace, and rape is viewed as a minor offense by most men. Child abuse is also a widespread social problem despite legislation protecting the rights of children.

There are continued reports of the use of excessive force by police, and torture during interrogation. The law does not provide for freedom of speech and of the press, and the government restricts these activities. However, human rights organizations are permitted to operate.

[41]HEALTH

Major health problems include bilharzia, typhoid, tapeworm, gastroenteritis, malaria, kwashiorkor, and pellagra. In 1999, there were an estimated 564 cases of tuberculosis per 100,000 people. In

In 1990, there were 83 doctors, 7 dentists, 13 pharmacists, and 1,264 nurses. As of 1999, there were an estimated 0.2 physicians per 1,000 people. Traditional healers are still consulted by over 80% of the population. 1990 only about 43% of the population had access to safe water, and 36% had adequate sanitation in 1993. About 56% of the population had access to health care services in 1990.

About 27% of married women used contraceptives in 1989–90. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 39.6 and 23.2 per 1,000 people. In 2000, average life expectancy was 46 years. The infant mortality rate was 89 per 1,000 live births. The immunization rates for children under one year of age were as follows in 1995: diphtheria and pertussis, 96%; polio, 96%; measles, 94%; tuberculosis, 100%; and tetanus, 75%. As of 1999, rates for DPT and measles were, respectively, 99% and 82%.

At the end of 2001, the number of people living with HIV/AIDS was estimated at 170,000 (including 33.4% of the adult population, the highest rate in the world except for Zimbabwe) and deaths from AIDS that year were estimated at 12,000. HIV prevalence in 1999 was 25.3 per 100 adults.

[42]HOUSING

The search for jobs in urban settings has caused a housing shortage in these areas. Several squatter settlements have developed, accounting for as much as half of annual shelter production in cities. It has been estimated that about 60% of the urban population resides in temporary shelters. In response, the government has been working with international programs, such as the World Bank, to create and improve urban housing. In 2001, the Swaziland National Housing Board provided for over 1,000 rental units and 500 units for ownership to low- and middle-income families.

[43]EDUCATION

Projected rates of adult illiteracy for the year 2000 stand at 20.2% (males, 19.1%; females, 21.3%). There are government, mission, and private schools. The majority of primary and secondary schools are run by missions with grants from the government. In 1997 there were 529 primary schools with 205,829 pupils and 6,094 teachers. In 1996 secondary schools had 57,330 students and 2,954 teachers. The pupil-teacher ratio at the primary level was 33 to 1 in 1999. In the same year, 93% of primary-school-age children were enrolled in school, while 37% of those eligible attended secondary school. Children go through seven years of primary and five years of secondary schooling. Schooling is not compulsory, and nominal fees are charged to parents. Higher education is provided by the University of Swaziland and the Swaziland College of Technology. In all higher-level institutions there were 467 teaching staff and 5,658 students in 1996/1997. As of 1999, public expenditure on education was estimated at 6.1% of GDP.

[44]LIBRARIES AND MUSEUMS

The Swaziland National Library Service was founded in 1971; with 250,000 volumes, it has 13 branches throughout the country and operates school libraries at secondary levels. There is also a mobile library service. The University of Swaziland in Kwaluseni has 95,000 volumes. The Swaziland National Museum, in Lobamba, founded in 1972, with collections primarily of ethnographic material and cultural objects of South Africa Bantu groups.

[45]MEDIA

In 2001 there were 38,500 main telephone lines in service with an additional 45,000 cellular phones in use. The government-operated Swaziland Broadcasting Service broadcasts radio programs in English and Siswati and television programs in English. As of 2001, there were 3 AM and 2 FM radio stations and 5 television stations. In 2000 there were 162 radios and 119 television sets for every 1,000 people. Internet access is limited, with six service providers serving about 6,000 users in 2001.

There are two major daily English language newspapers, the *Times of Swaziland* and the *Swaziland Observer,* with circulations in 2002 of 18,000 and 11,000, respectively.

Freedom of speech and of the press are said to be limited, especially on political matters.

[46]ORGANIZATIONS

There are more than 123 cooperative societies, including the Swaziland Central Cooperatives Union. The national chamber of commerce and industry is in Mbabane. The National Consumer's of Swaziland was established in 1994.

Educational organizations include the Swaziland Educational Research Association and Fundza, which works to establish school libraries throughout the country. Social action and development groups include the Human Rights Association of Swaziland and Emanti Esive (Water for Community Development), a health and wellness organization. The Red Cross is also active.

National youth organizations include the Swaziland Boy Scouts Association, Swaziland Workcamp Association, and the Swaziland Youth Forum.

[47]TOURISM, TRAVEL, AND RECREATION

Swaziland offers the tourist a magnificent variety of scenery and casinos at Mbabane, Nhlangano, and Pigg's Peak. In 2000 there were 280,870 tourists spending an estimated $34 million. There were 1,162 hotel rooms and 2,193 beds with an occupancy rate of 47%. Tourists came primarily from other African nations.

According to 2003 US government estimates, the daily cost of staying in Mbabane is about $155.

[48]FAMOUS SWAZI

Sobhuza II (1899–1982) was king, or ngwenyama, of the Swazi nation from 1921 until his death. Mswati III (b.1968) became king in 1986.

[49]DEPENDENCIES

Swaziland has no territories or colonies.

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TANZANIA

United Republic of Tanzania
Jamhuri Ya Muungano Wa Tanzania

CAPITAL: Dodoma

FLAG: The flag consists of a black diagonal stripe running from the lower left corner to the upper right corner, flanked by yellow stripes. The diagonal stripes separate two triangular areas: green at the upper left and blue at the lower right.

ANTHEM: The Tanzanian National Anthem is a setting to new words of the widely known hymn *Mungu Ibariki Afrika (God Bless Africa)*.

MONETARY UNIT: The Tanzanian shilling (SH) of 100 cents is a paper currency. There are coins of 5, 10, 20, and 50 cents and 1, 5, 10, and 20 shillings, and notes of 10, 20, 50, 100, 200, 500, and 1,000 shillings. SH1 = $0.000951 (or $1 = SH1,051) as of May 2003.

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: Zanzibar Revolution Day, 12 January; Chama Cha Mapinduzi Day, 5 February; Union Day, 26 April; International Workers' Day, 1 May; Farmers' Day, 7 July; Independence Day, 9 December; Christmas, 25 December. Movable religious holidays include 'Id al-Fitr, 'Id al-'Adha', Milad an-Nabi, Good Friday, and Easter Monday.

TIME: 3 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated in East Africa just south of the equator, mainland Tanzania lies between the area of the great lakes—Victoria, Tanganyika, and Malawi (Niassa)—and the Indian Ocean. It contains a total area of 945,087 sq km (364,900 sq mi), including 59,050 sq km (22,799 sq mi) of inland water. Comparatively, the area occupied by Tanzania is slightly larger than twice the size of the state of California. It is bounded on the N by Uganda and Kenya, on the E by the Indian Ocean, on the S by Mozambique and Malawi, on the SW by Zambia, and on the W by Zaire, Burundi, and Rwanda, with a total boundary length of 4,826 km (2,999 mi), of which 1,424 km (885 mi) is coastline. Tanzania claims part of Lake Malawi, although its internationally recognized boundary is the eastern shore.

The section of the United Republic known as Zanzibar comprises the islands of Zanzibar and Pemba and all islets within 19 km (12 mi) of their coasts, as well as uninhabited Latham Island, 58 km (36 mi) south of Zanzibar Island. Zanzibar Island lies 35 km (22 mi) off the coast, and Pemba Island is about 40 km (25 mi) to the NE. The former has an area of 1,657 sq km (640 sq mi), and the latter 984 sq km (380 sq mi).

Tanzania's capital city, Dar es Salaam, is located on the Indian Ocean coast.

[2]TOPOGRAPHY

Except for the islands and a coastal strip varying in width from 16 to 64 km (10–40 mi), Tanzania lies at an altitude of over 200 m (660 ft). A plateau averaging 900–1,800 m (3,000–6,000 ft) in height makes up the greater part of the country. Mountains are grouped in various sections. The Pare range is in the northeast, and the Kipengere Range is in the southwest. Kilimanjaro (5,895 m/19,340 ft), in the north, is the highest mountain in Africa.

On the borders are three large lakes: Victoria, the second largest freshwater lake in the world, exceeded only by Lake Superior; Tanganyika, second only to Lake Baykal as the deepest in the world; and Lake Malawi. Lakes within Tanzania include Natron, Eyasi, Manyara, and Rukwa.

Tanzania has few permanent rivers. During half the year, the central plateau has no running water, but in the rainy season, flooding presents a problem.

Two-thirds of Zanzibar Island, to the center and the east, consists of low-lying coral country covered by bush and grass plains and is largely uninhabited except for fishing settlements on the east coast. The western side of the island is fertile and has several ridges rising above 60 m (200 ft). Masingini Ridge, at 119 m (390 ft), is the highest point on the island. The west and center of Pemba Island consists of a flat-topped ridge about 9.5 km (6 mi) wide, deeply bisected by streams. Pemba is hilly, but its highest point is only 95 m (311 ft). Apart from the narrow belt of coral country in the east, the island is fertile and densely populated.

[3]CLIMATE

There are four main climatic zones: (1) the coastal area and immediate hinterland, where conditions are tropical, with temperatures averaging about 27°C (81°F), rainfall varying from 100 to 193 cm (40 to 76 in), and high humidity; (2) the central plateau, which is hot and dry, with rainfall from 50 to 76 cm (20 to 30 in), although with considerable daily and seasonal temperature variations; (3) the semitemperate highland areas, where the climate is healthy and bracing; and (4) the high, moist lake regions. There is little seasonal variation in the Lake Victoria area, but the eastern sections average only 75–100 cm (30–40 in) of rain, while the western parts receive 200–230 cm (80–90 in). A small area north of Lake Niassa receives 250 cm (100 in) of rain. There are two rainy seasons in the north, from November to December and from March through May. In the south there is one rainy season, from November to March.

The climate on the islands is tropical, but the heat is tempered by sea breezes that are constant throughout the year, except during the rainy seasons. The seasons are well defined. From December to March, when the northeast monsoon blows, it is hot and comparatively dry. The heavy rains fall in April and May,

LOCATION: 1° to 11°45′ S; 29°21′ to 40°25′ E. BOUNDARY LENGTHS: Uganda, 418 kilometers (260 miles); Kenya, 769 kilometers (478 miles); total coastline (including coasts of Zanzibar and Pemba islands), 1,271 kilometers (790 miles); Mozambique, 756 kilometers (470 miles); Malawi, 451 kilometers (280 miles); Zambia, 322 kilometers (200 miles); Democratic Republic of the Congo, 459 kilometers (285 miles); Burundi, 451 kilometers (280 miles); Rwanda, 217 kilometers (135 miles). TERRITORIAL SEA LIMIT: 50 miles.

and the lesser in November and December. It is coldest and driest from June to October, during the southwest monsoon.

4FLORA AND FAUNA

Common savanna species cover most of the drier inland areas—amounting to about one-third of the country—between altitudes of 300 and 1,200 m (1,000 and 4,000 ft). Two main types of closed-forest trees—low-level hardwoods and mountain softwoods—are found in high-rainfall areas on the main mountain masses and in parts of the Lake Victoria Basin. Wooded grasslands are widely scattered throughout the country. The drier central areas include bushlands and thickets. Grasslands and heath are common in the highlands, while the coast has mangrove forest.

The 4 million wild mammals include representatives of 316 species and subspecies, notably antelope, zebra, elephant, hippopotamus, rhinoceros, giraffe, and lion. Various types of monkeys are plentiful.

There are about 827 species of breeding birds, ranging in size from ostrich to warbler. Insect life, consisting of more than 60,000 species, includes injurious species and disease carriers. There are at least 25 species of reptiles and amphibians and 25

poisonous varieties among the 100 species of snakes. Fish are plentiful.

The flora and fauna of Zanzibar and Pemba are varied. Mammals common to both are galagos, fruit-eating and insectivorous bats, genets, mongooses, small shrews, rats, and mice. Zanzibar has the leopard, Syke's monkey, civet, and giant rat. Unique species of tree coney are found on Pemba and Tumbatu Islands. There are also five unique mammals—Kirk's colobus (monkey), two elephant shrews, duiker antelope, and squirrel.

[5]ENVIRONMENT

The Ministry of Natural Resources and Tourism, the Tanzania National Parks Department, and the Ministry of Lands, Housing, and Urban Development are the government agencies entrusted with environmental responsibilities in Tanzania. One of the nation's major concerns is soil degradation as a result of recent droughts. The nation's land is also affected by the related problem of desertification. Tanzania lost 14.4% of its forest and woodland area between 1983 and 1993. Tanzania has 80 cu km of renewable water resources with 89% used for farming and 2% for industrial activity. About 99% of urban dwellers and 66% of the people living in rural areas have pure drinking water. The nation's cities produce about 1.8 million tons of solid waste per year. As of 2001, 33 of Tanzania's mammal species were in danger of extinction, 30 bird species and 326 plant species are also endangered. The nation's marine habitats are also threatened by damage to its coral reefs caused by the fishing industry's use of dynamite. Endangered species include the Uluguru bush-shrike, green sea turtle, hawksbill turtle, olive ridley turtle, and Zanzibar suni are. Sixteen species of fish have become extinct.

[6]POPULATION

The population of Tanzania in 2003 was estimated by the United Nations at 36,977,000, which placed it as number 32 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 45% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.4%, with the projected population for the year 2015 at 57,800,000. The population density in 2002 was 39 per sq km (102 per sq mi). The most densely populated regions are the well-watered or elevated areas, particularly in the Usambara Mountains, around Kilimanjaro and Meru, on the shores of Lake Victoria, in the Southern Highlands, and in the coastal areas around Tanga and Dar es Salaam.

It was estimated by the Population Reference Bureau that 33% of the population lived in urban areas in 2001. The capital city and largest urban area, Dar es Salaam, had a 2002 population of 264,000. Other large cities include Dodoma, Zanzibar, Mwanza, and Tanga. According to the United Nations, the urban population growth rate for 2000–2005 was 5.4%.

The prevalence of AIDS/HIV has had a significant impact on the population of Tanzania. The United Nations estimated that 7.8% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Out of an estimated Asian population of 100,000 in 1967, almost half, most of them with British passports, had left the country by 1980. Arabs, who were the dominant group on Zanzibar before the 1964 revolution in spite of forming less than 20% of the population, fled after the event to the mainland or the Middle East. There is some emigration of laborers seeking work in neighboring countries, but Tanzanians who leave the country without authorization are subject to prosecution on return. During the clove harvest, labor moves from the towns to the clove plantations, from Zanzibar to Pemba, and from the mainland territories to Pemba. As a result of migration from rural areas to the cities, the urban population is estimated to be growing by 6.5% per year. Urban authorities are empowered to return the unemployed to their villages.

In October 1993, around 250,000 Burundi refugees fled to Tanzania to escape from a military coup in Burundi. Most of these refugees returned within three months. Following the genocide in Rwanda, 500,000 Rwandan refugees arrived in April 1994. In 1996, 220,000 Rwandan refugees in Burundi fled to Tanzania to escape from the fighting in northern Burundi; they were allowed to enter based on humanitarian grounds. By December 1995, around 500,000 were repatriated following an agreement between Tanzania, Rwanda, and the UNHCR. In 1995, 18,000 Mozambicans entered Tanzania. Since 1997, 33,000 Zaireans and 59,000 Burundis have entered Tanzania. As of 1999, there were 415,000 refugees in Tanzania, including 285,000 from Burundi, 118,000 from DROC, 7,600 from Rwanda, and 4,200 from Somalia. In 2001, the net migration rate was -1.4 per 1,000 population. The total number of migrants living in Tanzania that year was 893,000. The government viewed the migration levels as satisfactory.

[8]ETHNIC GROUPS

Mainland-native Africans constitute 99% of the total population. About 120 peoples have been categorized into 5 ethnic groups distinguishable by their physical characteristics and languages. Approximately 95% of Tanzanians may be roughly classified as Bantu, a comparatively recent blend mainly of Hamitic and Negroid stocks. Tribes range in membership from only a few thousand to the Sukuma tribe, which numbers more than 2 million. Other major tribes include the Nyamwezi, Makonde, Haya, and Chagga. The Luo, east of Lake Victoria, are the only people of Nilotic origin; the Masai of the northern highlands are Nilo-Hamites. A very small number of Bushmen-like people are scattered throughout northern Tanzania, where small tribes of Cushitic origin also live. The inhabitants of Zanzibar and Pemba are chiefly descendants of mainland Africans or are of mixed African and Arab extraction. The remaining 1% of the populace is made up of non-Africans, including Arabs, Asians, and Europeans.

[9]LANGUAGES

Most Tanzanians speak variations of Bantu languages and dialects. Various languages also have Hamitic or Nilotic origins. Swahili (or Kiswahili) is the official language, as well as the lingua franca, and is understood in most parts of the country, although its usefulness declines toward the west. English, also an official language, is the primary language of commerce, administration, and higher education. Kiunguja, the form of Swahili, and Arabic are widely spoken in Zanzibar. The first language of most people is one of the local languages.

[10]RELIGIONS

Since religious demography has been removed from government censuses as of 1967, reliable statistics on religious affiliation are difficult to obtain. Sociologists and religious leaders estimate that between 30% and 40% of the total population are Christian and that about an equal percentage are Muslim. The Christian churches represented include Roman Catholic; Pentecostal, Protestant, Seventh-Day Adventist, the Church of Jesus Christ of Latter-Day Saints, and Jehovah's Witnesses. A majority of the Muslims are Sunni, while others belong to one of several Shi'a groups. On the island of Zanzibar, about 98% of the inhabitants are Muslim.

Though the constitution forbids religious discrimination, many Muslims believe that they are disadvantaged with less

representation in civil service, government, and other public institutions. Some Muslims also believe that Christian students are favored over Muslims in the government-run schools. A number of fundamental Muslims argue that the government is attempting to institute a Christian state. Fundamental Muslim groups on Zanzibar have initiated highly confrontational, anti-Christian proselytizing campaigns, and Christian fundamentalists have responded by calling Muslims "servants of Satan." Tension also exists between fundamental and moderate Muslim groups, as the fundamentalists criticize secular Muslims who drink alcohol and marry Christian women. The growing tensions have not been addressed by the government.

11 TRANSPORTATION

The Tanzanian Railways Corporation operates domestic railway services on 3,569 km (2,218 mi) of track. The Central Line extends 1,255 km (780 mi) from Dar es Salaam to Kigoma; its main branch lines are Tabora to Mwanza (381 km/237 mi) and Kaliua to Mpanda (211 km/131 mi). The Northern Line, extending from Dar es Salaam and Tanga to Moshi and Arusha, is linked to the railway systems of Kenya and Uganda. The 1,857-km (1,154-mi) Tazara railway, operated by the Tanzania-Zambia Railway Authority, links Dar es Salaam in Tanzania with Kpiri Mposhi in Zambia; 962 km (598 mi) of the line are in Tanzania. The Tazara railway is used mainly to transport goods for Zambia and Malawi. In 2002, Tanzania had 85,000 km (52,819 mi) of roads,4,250 km (2641 mi) of which were paved. In 2000, there were 134,400 motor vehicles, including 35,600 passenger cars.

Tanzania has a small national merchant shipping line of three freighters and one tanker. The principal ports on the mainland are Dar es Salaam, Mtwara, Tanga, and Lindi, all of which are managed by the Tanzanian Harbours Authority. Tanzanian ports handle cargo for landlocked Zambia, Zaire, Uganda, Rwanda, and Burundi. Freight and passenger vessels serve Mwanza and other Lake Victoria ports, among them Bukoba and Musoma. A joint Burundian-Tanzanian shipping company operates on Lake Tanganyika, and the Tanzanian Railways Corporation operates vessels on lakes Tanganyika, Victoria, and Niassa. In 2002, Tanzania's merchant fleet comprised 8 ships totaling 21,987 GRT.

Airports in 2001 totaled 125, only 11 of which had paved runways. Most internal air services are operated by Air Tanzania, which also flies internationally. Charter companies operate flights to government-maintained airports, landing fields, and privately owned airstrips. Foreign airlines provide service from international airports at Dar es Salaam and in the vicinity of Mt. Kilimanjaro (opened in 1971). There is also an international airport on Zanzibar, which maintains its own airline, Zanair. In 2001, scheduled airline traffic carried 171,300 passengers.

12 HISTORY

Paleontologists Louis and Mary Leakey, working at Olduvai Gorge and elsewhere in northern Tanzania, uncovered fossil evidence that humanlike creatures inhabited the area at least as early as 3.7 million years ago. Excavations of Stone Age sites have revealed that the hunter-gatherers of the late Stone Age, known as Bushmen, were gradually displaced by successive waves of Cushitic, Bantu, and Nilotic peoples. By the 1st millennium AD, the Iron Age Urewe culture had developed along the western shore of Lake Victoria.

Arabs from the Persian Gulf area were engaged in trade along the Indian Ocean coast by the 9th century AD and by the 12th century had established trading posts on the mainland and the offshore islands. Intermarriage between the Arabs and coastal Bantu-speaking peoples resulted in the creation of the Swahili people and language. (Swahili literally means "of the coast.")

The first contacts of European nations with the East African coast were incidental to their quest for spices. In 1498, Vasco da Gama rounded the Cape of Good Hope, and thereafter the Portuguese established trading and supply posts on the East African coast for their ships on the way to India. Eventually, the Portuguese lost control of the sea routes, and in 1698, the Ya'aruba imam of the Ibahdi Arabs of Oman, Sa'if bin Sultan, expelled the Portuguese from every position that they held north of Mozambique. The Ibahdis of Oman long remained in at least nominal control of East Africa, and there was a lucrative trade in slaves and ivory.

Sayyid Sa'id bin Sultan (the ruler of Oman during 1806–56), above all others, must be regarded as the founder of modern Zanzibar. Sa'id first visited Zanzibar in 1828, and in 1840, he made the island his capital. A believer in free trade, he encouraged foreign merchants, including Indians, broke up Arab monopolies, and made commercial treaties with the United States and UK. Zanzibar is indebted to him most for his establishment of the clove tree. By the time he died in 1856, he had established a large, loosely held empire that included Oman and Zanzibar and the East African coast inland to the Great Lakes and the Congo. Zanzibar produced three-quarters of the world's clove supply on plantations worked by slaves from the mainland. British pressure forced the closing of the slave trade in 1876, although slavery itself was not abolished until 1897.

The rise of Zanzibar as a commercial center was largely do to its trading links to the interior. Many of the caravan routes that stretched across East Africa were pioneered by African mainland societies. For example, the Yao living around Lake Malawi supplied the southern Tanzania trading town of Kilwa with slaves and ivory. African societies that gained control over the trade routes enhanced their power and wealth. In northeast Tanzania, a powerful trading and military state emerged in the 1860s in Urambo. Its leader, Mirambo was an excellent military and commercial strategist. He challenged the position of coastal traders in the area as well as the leading states that were closely aligned to Zanzibar.

The first Europeans to explore the interior were the British Sir Richard Francis Burton and John Hanning Speke, who crossed the country in 1857 to search for the source of the Nile, which Speke discovered in 1858. In 1866, Sultan Majid of Zanzibar began building the coastal town of Dar es Salaam ("Haven of Peace"). In 1871, Scottish missionary and explorer David Livingstone had reached Ujiji when his whereabouts became unknown to the outside world; the Anglo-American explorer Henry Morton Stanley, commissioned by a US newspaper, located him there later in that year. Tanganyika (the name for the mainland prior to the 1964 union with Zanzibar) came under German influence in 1884–85, when Karl Peters concluded treaties with chiefs of the interior in order to secure a charter for his German East Africa Company.

In 1890, two treaties between Germany and Great Britain were signed: the first partitioned the territories on the mainland hitherto controlled by the sultan of Zanzibar; the second officially recognized Anglo-German spheres of influence, excluded Germany from the Upper Nile, and established a British protectorate over Zanzibar and Pemba. Tanganyika and Ruanda-Urundi (now Rwanda and Burundi) became recognized as German East Africa in 1891. As they occupied the interior, the German-led troops put down African opposition and uprisings. Intense military opposition to the European imperialism was led by Mirambo of the Nyamwezi in northwest Tanzania, by Mkwawa of the Hehe in southern highlands and by Meli of the Chagga around Kilimanjaro. However, the most bloody and intense opposition to German rule was the Maji-Maji war from 1905–1907. This war was inspired by Kinjekitile, a charismatic spiritual leader from southern Tanzania, succeeded in uniting a large number of African societies to fight the Germans. People who took Kinjekitile's medicine were told that the "white man's' bullets" could not harm them. After initial battlefield successes,

the Germans initiated a scorched earth policy that eventually starved southern Tanzania into submission. During World War I, a small German force led by General Paul von Lettow-Vorbeck fought a long defensive guerrilla war against British armies, and much of Tanganyika was laid waste.

Moving Toward Independence

Beginning in 1920, the United Kingdom administered Tanganyika as a mandate of the League of Nations. A customs union was established with Kenya and Uganda, the cultivation of export crops was encouraged, and a system of indirect rule was instituted. A Legislative Council for Tanganyika was created in 1926, but not until 1945 were seats reserved for Africans. In 1946, Tanganyika became a UN trust territory. After 1954, the Tanganyika African National Union (TANU) petitioned the UN Trusteeship Council to put pressure on the UK administration to establish a timetable for independence. TANU-supported candidates won the elections of 1958–60 for the Legislative Council, and Julius Nyerere became chief minister in September 1960. On 9 December 1961, Tanganyika became an independent nation. On 9 December 1962, it was established as a republic, headed by Nyerere as president.

In Zanzibar, a Legislative Council with an elected element had been established in 1957. On 24 June 1963, a deeply divided Zanzibar attained internal self-government; it became completely independent on 10 December 1963 under the (ZNP) Zanzibar Nationalist Party. On 12 January 1964, however, the ZNP government was overthrown by African nationalists allowing ZNP's bitter rivals the ASP (Afro-Shirazi Party) to take power. The sultan, who had fled, was deposed, and Abeid Karume was installed as president. On 26 April 1964, Tanganyika merged with Zanzibar and became the United Republic of Tanganyika and Zanzibar, with Nyerere as president; in October, the name was changed to Tanzania. Karume, still president of Zanzibar and a vice president of Tanzania, was assassinated on 7 April 1972; his successor as head of the Zanzibar Revolutionary Council was Aboud Jumbe.

Under Nyerere, Tanzania became steadily more socialist. In international affairs, Tanzania became one of the strongest supporters of majority rule in southern Africa, backing liberation movements in Mozambique, Southern Rhodesia (now Zimbabwe) and South Africa. Growing differences between the East African Community's three members (Kenya, Tanzania, and Uganda) led to the breakup in 1977 of the 10-year-old group. Tanzania's border with Kenya remained closed until 1983. On 30 October 1978, Ugandan forces invaded Tanzania; Nyerere retaliated by sending 20,000 Tanzanian troops into Uganda. Ugandan President Idi Amin's forces were routed in April 1979, and former president Milton Obote, who had been living in exile in Tanzania, was returned to power. In 1982, Tanzanian troops helped put down an army mutiny in the Seychelles.

In 1980, Nyerere was reelected without opposition to his fifth and last term as president. During the early 1980s, Tanzania was plagued by poor economic performance, and there was a small, unsuccessful army mutiny against Nyerere in January 1983. There was also rising dissatisfaction in Zanzibar over the islands' political ties to the mainland; an attempt to overthrow Jumbe in June 1980 failed. In 1984, Jumbe and his colleagues, including his Chief Minister Seif Shariff Hamad, attempted to push for more autonomy for Zanzibar. As a result, Aboud Jumbe was pressured by the union government to resign his posts as vice president of Tanzania and president of Zanzibar in January 1984. His Chief Minister, Seif Shariff Hamad was detained. Ali Hassan Mwinyi, Jumbe's successor, was elected president of Zanzibar in April 1984. He was succeeded by Idris Abdul Wakil in October 1985. Mwinyi succeeded Nyerere as president of Tanzania in November 1985, following presidential and parliamentary elections, and was reelected in 1990. Mwinyi was identified with those in the ruling party, Chama Cha Mapinduzi (CCM), seeking greater political and economic liberalization, and in 1990 Nyerere resigned as chairman of the CCM. On October 14, 1999 Julius Nyerere died of leukemia. Idris Wakil, died shortly after on March 15, 2000.

Liberalization was not easy to attain. Except for religion, the CCM controlled almost all areas of social affairs. Party cells at work and in the community shadowed Tanzanians constantly. In February 1992, at an extraordinary national conference of CCM, delegates voted unanimously to introduce a multiparty system. On 17 June 1992, Mwinyi signed into law constitutional amendments that allowed new parties (with certain exceptions) to participate in elections. The first multi-party elections since the reinstitution of multi-party politics were local government elections held in 1994. In the elections the ruling party CCM soundly defeated the opposition parties. Despite strong government and CCM support for liberalization, the state is at least rhetorically committed to socialism as the concept of "socialism and self-reliance" is retained in article nine of the union constitution.

Rifts between the mainland (Tanganyika) and Zanzibar grew in the 1990s, often linked to the ongoing Christian-Muslim division. In December 1992, in violation of the constitution, the government in heavily Muslim Zanzibar covertly joined the Organization of Islamic Countries (OIC). In August 1993, parliament debated a motion calling for constitutional revisions to create a separate government for Tanganyika, to parallel the Zanzibar government. At that point, Zanzibar agreed to withdraw from the OIC and to allow Tanzanians from the mainland to visit without passports.

In April 1993, fundamentalist Muslims were arrested for attacking owners of pork butcheries in Dar es Salaam. Demonstrations at their trials led to more arrests and a government ban on the Council for the Propagation of the Koran. Around the same time the government also arrested an evangelist pastor named Christopher Mtikila who had formed a political party not recognized by the government. Mtikila a populist preacher accused the government of selling the country off to Arabs and Zanzibaris and his actions helped to heighten Christian-Muslim tensions. Mwinyi shuffled his cabinet several times in 1993 to balance Christian and Muslim interests. Later under the Mkapa regime, religious tensions became apparent again when Muslims protested over the arrest of a religious leader from the Mwembechai Mosque in Dar es Salaam on the grounds that he was threatening peace and stability through his provocative sermons. In a demonstration that followed the arrest, two people were shot dead by the police and 135 demonstrators were arrested.

From the constitutional amendment of 1992 sprang the elections of October 1995, the first multiparty elections in Tanzania since the 1960s. However, the CCM commitment to a fair and open election was questioned. CCM candidate Benjamin Mkapa was elected union president in a vote that opposition parties and international observers considered flawed. On Zanzibar, international observers and the opposition Civic United Front (CUF) believed that CCM intimidation and vote rigging influenced the election results for the islands' government to favor CCM. The CUF claimed victory, only to have the CCM reject the results. The CCM-dominated electoral commission then declared CCM candidate Salmin Amour the winner of the presidential race, and gave the CCM the majority of seats in Zanzibar's House of Representatives. CUF boycotted sessions of the Zanzibar House and refused to recognize the Amour government until a 1999 Commonwealth brokered agreement was reached between the two rival parties. Despite the agreement, political tensions on the islands were high as the October 2000 elections approached.

Among the major problems inherited by Mkapa was the fate of the 700,000 refugees living in camps near the northern and western borders. Tanzania had taken in some 500,000 Rwandan refugees who fled the violence in their country since 1980. In one day at the height of the 1994 genocide in Rwanda, 200,000 refugees crossed over the border. Additionally, the government took in 200,000 refugees from Burundi. The strain on the country's resources, coupled with incursions into Tanzania by Tutsi dominated Burundi government forces chasing Hutu rebels, led the government to close its borders in 1995. In February 1997, Tanzania implemented its much-criticized plan to repatriate or expel its refugee population. In 1998 Tanzania severed its relations with Burundi and refused to recognize the military government of Major Pierre Buyoya. In response, Burundi closed its embassy in Dar es Salaam. Repatriation of Rwandan refugees was nearly completed by end of 2002.

On 7 August 1998, simultaneous bombings of the US embassies in Nairobi and Dar es Salaam—claiming twelve Tanzanian lives—were attributed to Osama bin Laden's al-Quaeda organization. Combined investigations and close cooperation between the Tanzanian and US governments facilitated the capture of a number of the terrorists. However, in early 2003 Western governments issued warnings to their citizens of possible terrorist threats on Zanzibar, which had a devastating impact on the economy with some hotel bookings down by 50%.

In October 2000, Tanzanians went to the polls re-electing Benjamin Mpaka and giving the ruling CCM party 244 of 272 seats in the parliament. The CUF disputed the results in Zanzibar, and in January 2001 after the government declared a protest march illegal, security forces shot and killed approximately 30 persons, seriously injured 300, and displaced some 2,000 more. On 26 February 2001, in what appeared to be a revenge murder, the CCM secretary-general for Pemba was found killed with machete slashes to his skull and body. Following year-long talks between the CCM and CUF, a constitutional amendment act was passed by the Zanzibari parliament on Pemba island towards the implementation of a reconciliation agreement signed by the two parties in October 2001. The passage of the Act meant a review of the judiciary and Zanzibar Electoral Commission (ZEC), as well as the introduction of a director of public prosecution.

In June 2003, Tanzania was set to participate in the first of two scheduled summits on peace and development in the Great Lakes region. Findings from a UN assessment team asserted that seven nations—Tanzania, Uganda, Rwanda, Burundi, DRC, Angola, and South Africa—were key to peace in the sub-region.

As of mid-2003, Tanzania faced a number of issues and challenges. According to the UNDP human development report for 2002, Tanzania ranked 151 out of 173 countries making it one of the world's poorest nations. The HIV adult prevalence rate was 11% with over two million people infected with the virus. The US State Department report on democracy and human rights observed that while Tanzania had improved its respect for human rights in recent years, the government's overall record remained poor. The report found that police were more disciplined in 2002, but members of the police and security forces committed unlawful killings and mistreated suspected criminals. The most serious violations of human rights resulted from election-related violence in Zanzibar in 2001.

13 GOVERNMENT

A new constitution, replacing the 1965 interim document, went into effect April 1977 and was substantially amended in October 1984 and in 1992. It has been amended eight times.

The president, who is both chief of state and head of government, can be elected for no more than two five-year terms by universal adult suffrage. Before the constitutional amendments in 1992, the sole legal party Chama cha Mapinduzi (CCM) nominated the president. Two vice presidents, whom he appointed, assisted him: one was the prime minister and the other was the president of Zanzibar. As of 1995, the president is assisted by a vice president, prime minister, and cabinet. If the president of Tanzania is from Zanzibar, the vice president must be from the mainland and vice-versa.

As of 1995, the 274-seat unicameral national assembly consists of 232 members elected by universal adult suffrage for five-year terms, 36 or 15% of the seats reserved for women nominated by their parties (parties nominate the women members of parliament in proportion to the number of seats they control), and five members from the Zanzibar House of Representatives and the attorney general. Presidential and legislative elections are held concurrently, and in each legislative constituency. All candidates in competing in elections must belong to political parties. The prime minister, who is chosen from the assembly members, heads the assembly. If the president withholds his assent from a bill passed by the assembly, it does not become a law unless the assembly passes it again by a two-thirds majority. The president may dissolve the assembly and call for new presidential and legislative elections if he refuses to assent to a law passed by such a majority within 32 days of its passage.

The Revolutionary Council of Zanzibar, which held power on the islands since 1964, adopted a separate constitution in October 1979, which it replaced in January 1984. The new constitution provides for a popularly elected president and a 75-member Council of Representatives, 50 of whom are popularly elected and 25 appointed. The government of Zanzibar has exclusive jurisdiction over internal matters, including immigration, finances, and economic policy. Since the 1990s, a trend toward greater autonomy for Zanzibar has been the basis of political tension with the mainland.

The Articles of Union and Acts of Union of 1964 provided for two governments: the union government, which also handled mainland issues, and the Zanzibar Government, which dealt with nonunion matters pertaining to Zanzibar. The Tanganyikan Constitution of 1962 was amended to accommodate the two government arrangement, which has remained in place ever since. However, the two-government system has been criticized as favoring Zanzibar because there is no separate government for the mainland. Moreover, Zanzibar's representation in parliament is considered to be disproportionate to its small population. In August 1993, following Zanzibar's attempt to join the OIC in violation of the constitution, the National Assembly adopted a resolution that provided for the possibility of setting up a mainland or Tanganyikan government to parallel that of Zanzibar. The issue of a federated system with three governments has remained a bone of contention between CCM and the opposition parties.

Renegotiation of the Union pact was the key issue of the 1995 elections, the first contested elections on Tanzania in 20 years. Although the former ruling party emerged from those elections with the Zanzibar presidency and a majority in the House of Representatives, the secessionist movement remained strong on the islands. The Zanzibar government established its own department of revenue and foreign affairs.

In February 2000 the Zanzibar CCM and the mainland CCM factions clashed over a constitutional amendment that would have allowed Zanzibar's President Salmin Amour to seek a third term. CCM's National Executive Committee postponed consideration of the issue until after the 2000 elections, effectively blocking Amour's bid. On 29 October 2000, Zanzibar elected Amani Abeid Karume president, and Benjamin Mpaka was returned president of the Tanzanian republic.

14 POLITICAL PARTIES

At independence in 1961, Tanganyika (Tanzania Mainland) had a multiparty political system. The Tanganyika African National Union (TANU), established in 1954, was the overwhelmingly

dominant political party in preindependence Tanganyika. Other political parties of this era included the United Tanganyika Party, the African National Congress, and the All Muslim National Unity of Tanganyika. In Zanzibar, there were three important political parties prior to independence. These were the ZNP (Zanzibar Nationalist Party, ASP (Afro-Shirazi Party), and ZPPP (Zanzibar and Pemba Peoples's Party). On February 5, 1977, ASP the ruling party of Zanzibar and TANU merged into the Chama Cha Mapinduzi (CCM) or Revolutionary Party. It became the sole legal political party in Tanzania. All candidates had to be approved by the CCM and were permitted to campaign only on the CCM platform. Elections within the single party framework were competitive, however. In the balloting on 13 and 27 October 1985, 328 candidates competed for 169 elective seats in the National Assembly. In 1987, former president Julius K. Nyerere was reelected chairman of the CCM. He stepped down in 1990, to be succeeded by Ali Hassam Mwinyi.

The CCM officially favors nonracism and African socialism. The basic aims, laid down in Nyerere's Arusha Declaration of 1967, are social equality, self-reliance, economic cooperation with other African states, and "ujamaa" (familyhood), the development of forms of economic activity, particularly in rural areas, based on collective efforts. However, since the late 1980s, CCM has slowly transformed itself into a pro-market, pro-business party. The party is divided into locally organized branches, which are grouped into districts, which in turn are grouped into regions. The 172-member National Executive Committee is the principal policymaking and directing body of the CCM. A central committee of 18 members is elected at periodic party congresses.

Although Tanzania amended its constitution in 1992 to become a multiparty state, the CCM still controls government. Other parties have tried to organize, and have complained of harassment by government and CCM activists. Before taking part in elections, the new parties undergo a six-month probation during which they can recruit and organize. Some 20 opposition groups had registered in the first four months of their legality. However, parties representing regional, racial, ethnic, or religious groups are explicitly prohibited.

Multi-party elections were held in Zanzibar on 25 October 1995 and union-wide on 29 October 1995. International observers and opposition parties accused the CCM of voter fraud and intimidation of opposition candidates in Zanzibar. While CUF claimed victory, on 26 October, the election commission declared CCM presidential candidate Salmin Amour the winner by 1,565 votes over the CUF's Seif Shariff Hamad. The CCM also won 26 of the 50 seats in the House of Representatives. Citing fraud in the election, the CUF boycotted the House and refused to recognize the Amour government. CCM-CUF tension in Zanzibar increased dramatically after the government arrested eighteen CUF members and charged them with treason, an offence punishable by death. Four of those charged with treason were CUF members of the Zanzibar House of Representatives. The Commonwealth Secretary General, Chief Emeka Anyaoku tried to reconcile the two parties. An agreement was reached between the two parties in 1999 but tensions on the island remained high as CUF charged CCM with not living up to the agreement. As the 2000 elections approached, the treason suspects were still behind bars and clamoring to run for office from prison.

The Union election held on 29 October 1995 was so disorganized that it was cancelled in Dar es Salaam and held again on 19 November. In the presidential election, CCM candidate Benjamin Mkapa won with 61.8% of the vote. Former Deputy Prime Minister Augustino Mrema of the National Convention for Constitutional Reform received 27.7%; Ibrahim Lipumba of the Civic United Front won 6.4%, and John Cheyo of the United Democratic Party captured 3.97%. Parliamentary election results saw the CCM win 59.2% of the vote and 186 seats; NCCR, 21.83% and 16 seats; CUF, 5% and 24 seats; Chadema, 6.2% and 3 seats, and UDP, 3.3% and 3 seats.

As of the October 2000 elections there were 12 permanently registered opposition parties: Civic United Front/Chama Cha Wananchi (CUF), the National Convention for Constitutional Reform (NCCR-Mageuzi), the Union for Multiparty Democracy (UMD), Chama cha Demokrasia na Maendeleo (CHADEMA), the National League for Democracy (NLD), the Tanzania Peoples Party (TPP), the Tanzania Democratic Alliance (TADEA), the National Redemption Alliance (NRA), the Popular National Party (PONA), the United Peoples Democratic Party (UPDP), the United Democratic Party (UDP), and the Tanzania Labor Party (TLP).

In the presidential elections on 29 October 2000, CCM candidate Benjamin William Mkapa was reelected president with 71.7% of the vote, defeating CUF candidate Ibrahim Haruna Lipumba who garnered 16.3%. TLP candidate Augustine Lyatonga Mreme managed to obtain 7.8%, and John Momose Cheyo of the UDP 4.2%. In the National Assembly, the CCM won 244 of 272 seats to 16 for the CUF, 4 for CHADEMA, 3 for TLP, and 2 for UDP. In the Zanzibar House of Representatives the CCM won 34 seats to 16 for CUF. However, on Zanzibar the elections and post-elections period were marred by violent civil unrest. The next elections were scheduled for October 2005.

[15]LOCAL GOVERNMENT

Mainland Tanzania is divided into 20 administrative regions, which are subdivided into 86 districts. Zanzibar and Pemba are divided into five regions. Regional commissioners are appointed by the central government, as are district commissioners and development directors for the districts.

The units of local government are district development councils. Each district development council includes elected members, but these bodies are only advisory. In Zanzibar, revolutionary committees are responsible for regional administration.

[16]JUDICIAL SYSTEM

Mainland Tanzanian law is a combination of British, East African customary law, and Islamic law. Local courts are presided over by appointed magistrates. They have limited jurisdiction, and there is a right of appeal to district courts, headed by either resident or district magistrates. Appeal can be made to the High Court, which consists of a chief justice and 17 judges appointed by the president. It has both civil and criminal jurisdiction over all persons and all matters. Appeals from the High Court can be made to the five-member Court of Appeal. Judges are appointed to the Court of Appeal and the High Court by the president on the advice of the chief justice and to courts at lower levels by the chief justice.

In 1985, the Zanzibar courts were made parallel to those of the mainland. Islamic courts handle some civil matters. Cases concerning the Zanzibar constitution are heard only in Zanzibar courts. All other cases may be appealed to the Court of Appeal of the Republic.

Although declared independent by the constitution, the judiciary is subject to executive branch influence and is criticized as inefficient and corrupt. Questions have been raised as to the availability of a fair trial in politically charged cases.

[17]ARMED FORCES

Tanzania's active armed forces totaled 27,000 in 2002, with reserves numbering 80,000. The army had 23,000 personnel in five infantry brigades, one tank brigade, and one engineering regiment. Equipment included 45 main battle tanks and 55 light tanks. The navy had 1,000 personnel and six patrol and coastal combatants. The air defense command numbered 3,000

operating 19 combat aircraft. Police field forces, which include naval and air units, numbered 1,400. Tanzania participated in two peacekeeping efforts on the continent. Defense spending was $19 million in 2001, or 0.2% of GDP.

[18]INTERNATIONAL COOPERATION

Tanganyika was admitted to UN membership on 14 December 1961, and Zanzibar on 16 December 1963; following their union into what was eventually called Tanzania, the two regions retained a single membership. Tanzania is a member of ECA and all the non-regional specialized agencies. It is also a member of the African Development Bank, Commonwealth of Nations, ACP, G-77, WTO, and AU and is a signatory to the Law of the Sea.

On 1 December 1967, the heads of state of Kenya, Uganda, and Tanzania created the East African Community (EAC), with its headquarters at Arusha. The three countries maintained a common external tariff and corporations to run their airlines, railways, harbors, postal delivery, telecommunications, and other services. However, the EAC was dissolved in 1977. Tanzania is a member of the Southern Africa Development Community (SADC) and the Preferential Trade Area for East and Southern Africa. Along with Rwanda, Burundi, and Uganda, it belongs to the Kagera Basin Organization.

[19]ECONOMY

Tanzania has an agricultural economy whose chief commercial crops are sisal, coffee, cotton, tea, tobacco, pyrethrum, spices, and cashew nuts. Agriculture accounts for 48% of GDP, provides 85% of exports, and employs 80% of the workforce. The most important minerals are gold and diamonds. Industry is mainly concerned with the processing of agricultural materials for export and local consumption. Gas production in the Rufiji Delta was scheduled for 2002. The multi-million dollar Songosongo gas pipeline project was being developed in 2003.

After 25 years of socialist experimentation achieved important advances in education and health, poor economic performance led the government, in 1986, to adopt market-style reforms in conjunction with the IMF structural adjustment program. Since then, significant progress has been made in revitalizing the economy and donors have pledged additional funds to rehabilitate Tanzania's deteriorated economic infrastructure. The high inflation rate dropped to 5% in 2001, and the economy grew by 5%.

In 2001, bilateral donor countries pledged $1 billion in aid for the country's reform programs, including education. Tanzania in 2003 was receiving $3 billion over time in debt relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative, and the net present value of Tanzania's external debt was being reduced by 54%. The economy was improving, with the mining, tourism, agriculture, construction, telecommunications, and utilities sectors all showing potential for growth. The government had sold off state-owned enterprises, was welcoming foreign investment, and had implemented strict fiscal and monetary policies. Nonetheless, Tanzania's macroeconomic progress had not translated into better lives for its rural poor.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Tanzania's gross domestic product (GDP) was estimated at $22.1 billion. The per capita GDP was estimated at $610. The annual growth rate of GDP was estimated at 5%. The average inflation rate in 2001 was 5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 48% of GDP, industry 11%, and services 49%. Foreign aid receipts amounted to about $36 per capita and accounted for approximately 13% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $147. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 2%. Approximately 67% of household consumption was spent on food, 5% on fuel, 4% on health care, and 12% on education. The richest 10% of the population accounted for approximately 30.1% of household consumption and the poorest 10% approximately 2.8%. It was estimated that in 1991 about 51% of the population had incomes below the poverty line.

[21]LABOR

Over 80% of Tanzania's working population was engaged in agriculture in 2002. The industrial sector is very small; services and government account for much of the remaining workforce. The labor force was estimated at 13.5 million in 2001.

In 1964, by legislation of the National Assembly, the existing 13 trade unions were dissolved and amalgamated into a single national institution, the National Union of Tanzanian Workers. This was reorganized in 1978 to take in Zanzibar trade union activity as the Organization of Tanzania Trade Unions (OTTU), which still is the only labor union organization. The OTTU was renamed the Tanzania Federation of Trade Unions (TFTU) in 1995. As of 2002, only approximately 5–7% of the wage-earning labor force was organized. Strikes are permitted after a lengthy and complicated arbitration procedure which delays a resolution for months. Collective bargaining does not regularly occur, and public sector employee wages and benefits are set by the government.

With the permission of a parent, a child as young as 12 years old may work on a day-to-day basis. Employment of a long-term contractual nature cannot begin until a minor is at least 15. Enforcement of these provisions is inadequate and has actually declined in recent years with increased privatization. The standard workweek is 40 hours for government workers, while most private employers retain a 44–48-hour workweek. A minimum wage is fixed by law; as of 2002, it was about $38 a month.

[22]AGRICULTURE

About 4% of the total land area is cultivated, with about two-thirds belonging to farmers owning or operating farms of five ha (12.4 acres) or less. A massive collectivization and cooperative agricultural program was begun in 1967; by the end of 1980, 8,167 self-help villages, involving more than 14 million people, had been established. The program was coupled with the takeover of large estates.

The principal food crops are corn, millet, rice, sorghum, and pulses. The chief cash crops are coffee, cotton, and cashew nuts; sisal, cloves, sugar, tea, pyrethrum, and tobacco are also important. Tanzania is one of Africa's leading producers of sisal; in 1999, production was 24,000 tons. Other estimated agricultural production in 1999 included manioc, 7,182,000 tons; corn, 2,458,000 tons; sorghum, 561,000 tons; rice, 676,000 tons; and millet, 194,000 tons. Production in 1999 also included coffee, 47,000 tons; cotton, 31,000 tons; cashew nuts, 107,000 tons; tea, 25,000 tons; tobacco, 39,000 tons; sweet potatoes, 500,000 tons; white potatoes, 255,000 tons; and 74,000 tons of peanuts. Sugarcane production in that year was an estimated 1,355,000 tons; bananas and plantains, 752,000 tons each; dry beans, 255,000 tons; seed cotton, 105,000 tons; and cottonseed, 73,000 tons.

Tanzania was once the leading producer of cloves, which are grown mostly on Pemba; it is also an important producer of coconuts (350,000 tons in 1999), mostly from the island of Zanzibar. Production of copra was around 31,000 tons in 1999.

There was a steady decline in agricultural production during the late 1970s and early 1980s because of drought and low prices paid by the state crop-marketing agencies. In addition, there was a shortage of farm implements; only 3,000 of the nation's 10,000 tractors were in working order in 1982, and even hand hoes and oxen plows were in acute shortage. By 1998, there were some 7,600 tractors in service (down from 8,000 in 1985). Beginning in 1986, reforms of the cooperative unions and crop marketing boards have aided production. The purchase of crops (especially coffee, cotton, sisal, tea, and pyrethrum) has been opened to private traders.

[23]ANIMAL HUSBANDRY

Although large areas are unsuitable for livestock because of the tsetse fly, considerable numbers of cattle, sheep, and goats are kept, and livestock raising makes a substantial contribution to the economy. The estimated livestock population in 2001 included 17,500,000 head of cattle, 11,650,000 goats, 3,550,000 sheep, 455,000 pigs, and 29 million poultry. About 342,000 tons of meat were produced in 2001. Milk production that year consisted of 724,000 tons from cows and 96,000 tons from goats.

[24]FISHING

With over 6% of Tanzania's area consisting of open lake waters, inland fishing, especially on Lake Tanganyika, occupies an important place in the economy. There is also fishing in the Indian Ocean. The total catch was 332,779 tons in 2000, about 84% from inland waters. Nile perch, dagaas, and tilapias are the main species caught.

[25]FORESTRY

Some 38,811,000 ha (95,902,000 acres), or 43.9% of Tanzania's total land area, is classified as forest. There are about 13,000,000 ha (32,000,000 acres) of permanent forest reserves. Small plantations for fast-growing trees have been established in these reserves. On the islands, remains of former forests are found only in two reserves.

Production in 2000 included about 23.1 million cu m (815 million cu ft) of roundwood, with 90% used as fuel wood. Sawn wood production was 24,000 cu m (847,000 cu ft) that year.

[26]MINING

With the rebirth of the gold industry, in 1999, gold has dominated the mineral industry in Tanzania, and was expected to grow substantially in the near future. Because of significant exploration successes and government investment incentives, Tanzania's mining sector has been playing an increasingly important role in the economy. The value of output in the mining sector grew by 13.9% in 2000, 9.1% in 1999, and 27.4% in 1998—nearly doubling from 1996 to 2000, primarily because of substantial increases in diamond and gold production. GDP grew by 4.9% in 2000, 4.7% in 1999, and 4% in 1998. Mining contributed 2.3% to GDP in 2000; in 1994, mineral production accounted for 13%. Between 1995 and 2000, expenditures on exploration and mine development in Tanzania exceeded $1 billion, most of which was directed toward gold. Gold was the top export commodity in 2002, and diamond and gold mining comprised the country's second-leading industry, followed by oil refining, and the production of cement, fertilizer, and salt. Gold exports increased from $3.34 million in 1998 to $120.53 million in 2000; diamond exports, from $12.11 million to $45.75 million; gemstone exports, from $8.13 million to $18.50 million; and tanzanite exports totaled $32 million.

Output of refined gold was 15,060 kg in 2000, up from 4,767 in 1999 and 427 in 1998; output fell to less than 10 kg in 1981. With the opening of three new mines, and planned investment of $1.5 billion, gold production was expected to reach 30,000 kg in 2001 and 57,000 kg in 2007. The Geita gold mine (owned by Anglogold and Ashanti Goldfields) started production in mid-2000, produced 5,500 kg from 1.24 million tons of ore by the end of the year, and planned to produce 15,600 kg per year; Geita's total resources amounted to 90.1 million tons (4 grams per ton of gold), and total reserves, 63.6 million tons (3.8 grams per ton of gold). Barrick's Bulyanhulu gold mine was expected to start production in 2001, and planned to produce 12,400 kg per year of gold and 20,000 tons of copper concentrate by 2004; resources were 30.75 million tons containing 454,000 kg of gold, and proven and probable reserves totaled 23.37 million tons containing 311,600 kg of gold. Other gold fields included Musoma (east of Lake Victoria), Lupa (southeast of Lake Rukwa), Mpanda (east of Lake Tanganyika), the new North Mara (northwestern Tanzania), the Golden Pride Mine, Golden Ridge, Tulawaka, Nyakafuru, Kitongo, Buckreef, Rwamagaza, Miyabi, Mwagi Magi, Buhemba, and Rukwa.

Diamond output in 2000 was 354,400 carats, up from 234,800 in 1999 and 123,100 in 1997. Diamonds—85% of which were gem-quality or semigem-quality—were mined at the Williamson field, in Mwadui. The deposits were owned jointly by the government and Willcroft, of Canada. Diamond production has declined since the 1967 peak (988,000 carats), because of depletion of higher-grade ores and equipment failure. Production hit a low in 1994, 17,177 carats. Diamond resources were 114 million tons containing 6.5 million carats. The output of other gemstones (including alexandrite, amethyst, aquamarine, cat's eye, chrysoprase, emerald, garnet, opal, peridot, rhodolite, ruby, sapphire, scapolite, spinel, tanzanite, topaz, tourmaline, and zircon) was 150,800 kg in 2000, compared to 95,200 in 1999, 48,518 in 1998, and 509,489 in 1997. African Gem Resources, the new owner of block C of the Merlani mining area, estimated that block C, with resources of 2.24 million tons of ore, grading 22 carats per ton, contained two-thirds of the world's known deposits of tanzanite.

In 2000, Tanzania produced 60,000 tons of crude gypsum and anhydrite, as well as calcite, hydraulic cement, clays (including bentonite and kaolin), crushed limestone, salt, glass sand, and soda ash, and presumably stone, and sand and gravel. Resources of limestone totaled 155 million tons; marble resources for lime production totaled 137 million tons; and calcitic marble resources amounted to 121 million tons. No iron ore or graphite was produced in 1998–2000, and no phosphate minerals in 1999 and 2000. Resources and proven reserves of iron ore—in Itewe, Liganga, and the Uluguru Mountains—totaled 103 million tons. Deposits of cobalt, copper, lead, mica, nickel, phosphates, tin, titanium, tungsten, and uranium were also known to occur, and companies were exploring for cobalt and nickel and planning to produce copper concentrate from a gold mine.

[27]ENERGY AND POWER

Tanzania imports all of its crude oil; the refinery at Dar es Salaam refined about 14,900 barrels per day in 1999 and exported petroleum products to Rwanda and Burundi. The Songo Songo gas field off Kilwa Kisiwani had proven reserves of 41 billion cu m, and a project was underway, with Canadian interests, to develop the gas field, build pipelines, and set up treatment plants. Another gas deposit of about 130 billion cu m has been found at Kimbiji, about 40 km (25 mi) south of Dar es Salaam. Tanzania has extensive low-sulfur coal reserves that are only moderately exploited; production in 1997 was an estimated 10,000 short tons.

Installed electrical capacity was 620,000 kW in 2001; of the total, over half was hydroelectric. Launched in 1991, an eight-

year program included the commissioning of the 200-MW Jihansi power station, enlargement of the Pangani Falls station, and the construction of a power line from Singida to Arusha. With the addition of the 80-MW Mtera hydroelectric station on the Great Ruaha River, the Kidatu complex now has a generating capacity of 519 MW. Electrical production in 2000 was 2.8 billion kWh, of which 18.1% was from fossil fuels and 81.9% from hydropower. Consumption of electricity in 2000 was 2.6 billion kWh. The Tanzanian Electric Supply Co., acquired by the government in 1964, provides a large proportion of the output. Public power generation on the island is the responsibility of the Zanzibar State Fuel and Power Corp.

[28]INDUSTRY

Manufacturing output increased by an average of 1.1% during the decade 1980–90, and by 1.7% between 1988 and 1998, when it accounted for 6.8% of GDP. Industry in general accounted for 17% of GDP in 2000. Along with the results of parastatal inefficiencies; fuel and import costs, lack of foreign exchange, power shortages, lack of spare parts, and unreliable local services have tested the manufacturing sector severely. By 2001, 333 of 395 state-owned companies had been privatized, including tobacco and cashew farms, mines, the brewery, and a cigarette factory.

Tanzanian industry is centered on the processing of local agricultural goods. Some products are exported to neighboring countries: textiles and clothes, shoes, tires, batteries, transformers and switchgear, electric stoves, bottles, cement, and paper. Other industries include oil refining, fertilizers, rolling and casting mills, metal working, beer and soft drinks, vehicle assembly, bicycles, canning, industrial machine goods, glass and ceramics, agricultural implements, electrical goods, wood products, bricks and tiles, oxygen and carbon dioxide, and pharmaceutical products. In the early 2000s, the industrial sector was relatively weak, but made small gains in the production of cement, soft drinks, corrugated iron sheeting, food processing, chemicals, leather products, and textiles. The construction industry was growing at a slow pace at that time, at less than 5% per year.

Oil and natural gas exploration are encouraged, and natural gas reserves were estimated at 2 trillion cubic feet (Tcf) in 2000. Tanzania has one oil refinery at Dar es Salaam with a production capacity of 15,000 barrels per day.

[29]SCIENCE AND TECHNOLOGY

The Tanzania Commission for Science and Technology, founded in 1958 at Dar es Salaam, advises the government on science and technology policy. Much of the scientific and technical research in Tanzania is directed toward agriculture. Facilities include the Livestock Production Research Institute at Dodoma (founded in 1905), the National Institute for Medical Research at Amani and Mwanza (founded in 1949), the Silviculture Research Institute at Lushoto (founded in 1951), the Agricultural Research Institute of the Ministry of Agriculture at Mlingano (founded in 1934), and the Tropical Pesticides Research Institute at Arusha (founded in 1962). The University of Dar es Salaam (founded in 1961) has faculties of science, medicine, and engineering and an institute of marine sciences; Sokoine University of Agriculture at Morogoro (founded in 1984) has faculties of agriculture, forestry, and veterinary medicine. The Open University of Tanzania (founded in 1992 at Dar es Salaam) has faculties of science, technology, and environmental studies. In 1987–97, science and engineering students accounted for 37% of college and university enrollments.

[30]DOMESTIC TRADE

Dar es Salaam is Tanzania's main distribution center. Mombasa, in Kenya, and inland Tanzanian towns also serve as trade centers. Previously, Tanzania used non-tariff trade barriers to protect local industries and domestic commerce. With trade liberalization, tariff barriers have been adjusted for this purpose. Most retail shops are small, privately owned establishments that specialize in one or two specific products.

Normal business hours are 7:30 to 2:30 PM, Monday through Friday; firms that take a lunch break at noon may stay open to 4 or 4:30 PM. Banks are open from 8:30 to noon, Monday through Friday, and 8:30 to 11 AM on Saturday.

[31]FOREIGN TRADE

The chief imports are transport equipment and intermediate and industrial goods machinery. The big export commodities for Tanzania are coffee (17.1%), fish and shellfish (11.6%), and fruits and nuts (including cashews—16.8%). Other exports include unfinished tobacco (8.6%) and cotton (7.4%).

Principal trading partners in 1999 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
India	119	89	30
United Kingdom	66	123	-57
Germany	51	78	-27
Netherlands	47	91	-44
Japan	46	131	-85
Kenya	37	106	-69
United States	15	81	-66
South Africa	11	143	-132
Italy	8	68	-60

[32]BALANCE OF PAYMENTS

Tanzania typically runs a current account deficit, although long term capital investment from abroad resulted in surpluses for several years during the 1970s. Agricultural marketing reforms and flexible exchange policies are expected to provide export growth in upcoming years, as exports move from the underground to the official market.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Tanzania's exports was $827 million while imports totaled $1.55 billion resulting in a trade deficit of $723 million.

The International Monetary Fund (IMF) reports that in 2000 Tanzania had exports of goods totaling $666 million and imports totaling $1.34 billion. The services credit totaled $615 million and debit $670 million. The following table summarizes Tanzania's balance of payments as reported by the IMF for 2000 in millions of US dollars.

Current Account	**-480**
Balance on goods	-674
Balance on services	-56
Balance on income	-80
Current transfers	329
Capital Account	**332**
Financial Account	**-124**
Direct investment abroad	…
Direct investment in Tanzania	194
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	10
Other investment liabilities	-328
Net Errors and Omissions	**138**
Reserves and Related Items	**135**

[33]BANKING AND SECURITIES

On 5 February 1967, Tanzania nationalized all banks after the adoption of the Arusha Declaration. From then until 1991, banking was a state monopoly led by the central Bank of Tanzania (BoT) and the National Bank of Commerce (NBC). In 1991, the financial services sector was opened to private and

foreign capital. In 1993, the first private banks opened their doors. These were Meridien BIAO and Standard Chartered, the latter being among the UK-owned banks that were nationalized in 1967. Meridien's Zambian-based African network collapsed in 1995, and Stanbic of South Africa took over the Tanzanian subsidiary after its seizure by the BoT. The Kenyan-owned Trust Bank opened in March 1995, to be followed by Eurafrican Bank (a Belgian-led venture). Also in early 1995, the only private bank to be majority-owned by indigenous Tanzanians, First Adili Bank, began business.

In 2002, the BoT was still the central bank and bank of issue, provided advice to the NBC. The NBC, which used to accounted for over 75% of the country's transactions, was split in 1997 into NBC-1997 and the National Microfinance Bank (NMB). Other Tanzanian banks include the People's Bank of Zanzibar, the Tanzania Investment Bank, the Tanzania Housing Bank, the Rural Cooperative and Development Bank (CRDB), and the Tanganyika Post Office Savings Bank. Foreign banks include Citibank, Stanbic Bank, Standard Charter, Bank of Great Britain, EuroAfrican Bank, Akiba Commercial Bank, and Exim Bank.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $874.0 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $1.9 billion. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 8.7%.

The establishment of a local stock market, the Dar es Salaam Stock Exchange (DSE), occurred in March 1998. By 2003 there were four companies listed on the exchange with a total maket capitalization of about $500 million: Tanzania Breweries Limited, Tanzania Tea Packers Limited, TOL Limited (producer of industrial gases), and Tanzania Cigarette Company Limited.

34 INSURANCE

All insurance companies were nationalized in 1967. There is one national insurance company, the National Insurance Corporation of Tanzania, that covers life, fire, automobile, marine, and general accident insurance.

35 PUBLIC FINANCE

The Tanzanian budget covers cash expenditures and receipts for the mainland only, and does not include Zanzibar government revenues and expenditures. Total expenditures include a development budget and revenues include profits from privatization sales. The fiscal year ends on 30 June. In the early 1980s, the annual budget deficit went over 10% of GDP, and payment arrears on external debts started to mount. Since 1986, the government has improved its fiscal and monetary policies, with mixed results. Tanzania qualified for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative.

The US Central Intelligence Agency (CIA) estimates that in 2000/2001 Tanzania's central government took in revenues of approximately $1 billion and had expenditures of $1.4 billion. Overall, the government registered a deficit of approximately $370 million. External debt totaled $6.8 billion.

36 TAXATION

The Income Tax Act of 1973 lays out the basic regime under which corporations and individuals are taxed.

The corporate income tax rate in 2002 was 30% (down from 35%) of taxable profits. Withholding taxes include 15% for dividends, 15% for interest; 20% on management and professional fees; 20% on royalties, 20% on rents, 10% on aircraft leases; 3% or 20% on technical services and management fees in the mining sector, and 20% on remittances of profits by resident branches of foreign companies. Capital gains tax is levied at rates of 0-30%, but only on gains derived from the sale of premises.

Income taxes are levied on wages and salaries, profits, and rental income; rates vary from 7.5-30%. There is a Housing Levy of 4% of payroll and a Vocational Education Training Levy of 2% of gross payroll. There is a value-added tax (VAT) introduced in July 1998 with a standard rate of 17.5%, but subsequently raised to 20%. Exemptions from VAT include computers, tour operations, hospital equipment, and investments in educational equipment. Other taxes include a stamp duty on sales of 1.2%, a transport withholding tax of 2%, local government development levies, an entertainment tax (for non-VAT-registered taxpayers) and airport and seaport departure charges.

37 CUSTOMS AND DUTIES

Tanzania has a single column tariff with many items dutiable ad valorem. Tariff rates range mostly from 30% to 60% with a number of statutory exemptions. In 1992, the government abolished duties and taxes on raw materials for industry as part of an economic reform program. In 1995, a uniform 5% tax was levied on imported capital goods. Import duties and sales tax apply according to the value of goods. There is a value-added tax of 20%. There are no export controls, except for protected wild animals, and there are no prohibited imports, except for narcotics and other internationally prohibited drugs. Import and export licenses are not needed.

38 FOREIGN INVESTMENT

From independence in 1961, Tanzania followed state-centered socialist policies. With the initiation of economic reforms in 1986, investment interest in Tanzania has grown considerably in all sectors. Under the Tanzania Investment Promotion Policy of 1990 the Investment Promotion Center was established and by 1997, it had approved about 1,025 projects worth $3.1 billion. The operations of foreign banks were authorized in 1991, and the banking industry was substantially reformed to make it more competitive. In 1992, the Zanzibar Investment Promotion Agency (ZIPA) Act established the Tanzania Investment Center (TIC) as a one-stop shop for facilitating and coordinating private-sector investment, and for issuing certificates of incentives to qualifying investors. The incentive package includes 100% capital allowances in computing gains and profits of an enterprise; 0% import duty on capital equipment in "lead" sectors (mining, oil and gas, tourism, and infrastructure development), and 5% import duty on equipment for projects in "priority" sectors (agriculture, aviation, commercial buildings, development banks, export processing, special regions, human resources development, manufacturing, natural resources, radio and TV broadcasting, and tourism); and an automatic permit to employ up to five foreign nationals. The Tanzania Investment Act of 1997 was strengthened by the Land Act of 1999 and the Village Land Act of 1999, which provide the right to acquire land in urban and rural areas, respectively. As a further impetus for reform, the Tanzanian government has taken steps to qualify under the US Africa Growth and Opportunity Act (AGOA), effective 2001, that mandates tariff-free and quota-free access to the US market for countries making market-based reforms.

From 1997 to 2001, annual foreign direct investment (FDI) inflows increased steadily from $157.8 million to an estimated $202.7 million in 2001, averaging $182 million a year, according to the Bank of Tanzania data.

The 10 leading countries that have invested in Tanzania are the United Kingdom ($401,549), the United States ($242,489), Kenya ($135,789), Canada ($108,154), South Africa ($176, 928), China ($112,131), Germany ($58,744), Italy ($47,743), the Netherlands ($53,564), and India ($39,658). Foreign investment has mainly gone into mining, manufactures, agriculture, and tourism.

[39]ECONOMIC DEVELOPMENT

The Tanzanian government has focused in recent years on reorganizing and restructuring its economic institutions. Progress has been encouraging and private sector investors are increasingly interested in mining, transport, tourist, and fishing sector opportunities.

The fourth five-year development plan (1981–86) was not fully carried out because of Tanzania's economic crisis. Among the projects implemented were an industrial complex, a pulp and paper project, a machine-tool plant, a phosphate plant, and the development of natural gas deposits. The Economic and Social Action Plan of 1990 scaled back the government's ambitions and sought to continue moderate growth in the economy, improve foreign trade, and alleviate some of the social costs of economic reform. Development planning is now conducted on an annual basis, with recent development priorities set in the areas of transport infrastructure, health, and education.

In 2000, the International Monetary Fund (IMF) approved a three-year $181.5 million Poverty Reduction and Growth Facility (PRGF) Arrangement for Tanzania (it expired in June 2003). With the inception of this program, gross domestic product (GDP) growth averaged more than 5%, while inflation declined to below 5%. The servicing of Tanzania's over $8 billion external debt absorbs around 40% of total government expenditures. In 2001, Tanzania became eligible for $3 billion in debt service relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative. The government has taken steps to attract foreign investment, including revamping tax codes, floating the exchange rate, licensing foreign banks, and creating an investment promotion center to trim bureaucratic red tape. Poverty remains pervasive, however, and is the main target for economic development.

[40]SOCIAL DEVELOPMENT

The government's Rural Development Division concentrates on community development (including health, labor, and literacy programs) rather than on welfare programs. All public and private employees except domestic workers receive lump-sum pension payments through a provident fund system, to which the employer contributes 10% of payroll and employees contribute 10% of their wages. Old age pensions are paid as a lump sum equal to contributions plus interest. Employers are required to provide workers' compensation through a private carrier and also pay severance indemnity to workers with 3 or more months of continuous employment. Free medical care is provided by public hospitals and clinics. The elderly, widows, and the physically and mentally handicapped normally are provided for by the traditional tribal system. Orphaned and abandoned children usually are cared for similarly, but missions and voluntary agencies also are active in this field.

The government advocates equal rights and employment opportunities for women. However, discrimination and violence against women are widespread. In the public sector, the largest employer in the country, women are restricted from certain positions. Women in the largely Muslim island of Zanzibar face considerable discrimination. Islamic custom dictates limited inheritance and property rights for women. Courts rulings have upheld discriminatory traditions in the area of inheritance. In Zanzibar, unmarried women under the age of 21 are subject to two years imprisonment if they become pregnant. In response to growing concern about violence toward women, the government passed a law in 1998 mandating life imprisonment for rape and child molestation.

Although Tanzania became a multi-party state in 1995, its human rights record remained poor. Police abuse of prisoners and detainees is widespread. Prison conditions are poor, and dysentery, malaria, and cholera are common. There are reports that the government has blocked the registration of local human rights organizations.

[41]HEALTH

In 1975, the government began to nationalize all hospitals, including those run by Christian missions; private medical practice was ended in 1980. Medical treatment is free or highly subsidized in company clinics as well as hospitals. The pyramid structure of Tanzania's national health care system, stressing primary care at an affordable cost, makes it a pioneer in sub-Saharan Africa. In 2000, 54% of the population had access to safe drinking water and 90% had adequate sanitation. An estimated 80% of the population had access to health care services in 1990–95 and in 1999, public health care expenditures were 3% of GDP. Life expectancy was 44 years in 2000.

In 1992, there were 3,000 rural health facilities, 17 regional hospitals, and 3 national medical centers; in the same year, the ratio of nurses to doctors was 7:3. As of 1999, it was estimated that there were fewer than 0.05 physicians per 1,000 people, and 0.9 hospital beds. Medical staff morale was low due to declining wages and management and operational difficulties in the central medical stores and domestic pharmaceuticals industries. Imports of drugs are overseen by the Pharmaceutical Board; there are four local manufacturers.

Special programs of disease control have been carried out with the assistance of the World Health Organization and UNICEF for most major diseases, including malaria, tuberculosis, sleeping sickness, schistosomiasis, poliomyelitis, and yaws. As of 2000, an estimated 44% of children under five were malnourished. In 1997, children up to one year old were immunized against tuberculosis, 82%; diphtheria, pertussis, and tetanus, 74%; polio, 73%; and measles, 69%. Tanzania's tuberculosis treatment program is less than 20 years old and consists of inexpensive drugs that cut recovery time in half.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 39.1 and 13 per 1,000 people. About 25% of married women (ages 15 to 49) used contraception in 2000. Infant mortality in 2000 was 95 per 1,000 live births and maternal mortality was an estimated 530 per 100,000 live births in 1998.

The female genital mutilation prevalence in Tanzania was lower than most African nations in 1994. An estimated 1.5 million or 10% suffered from the procedure. The government of Tanzania has not prohibited it.

At the end of 2001, the number of people living with HIV/AIDS was estimated at 1.5 million (including 7.8% of the adult population) and deaths from AIDS that year were estimated at 140,000. HIV prevalence in 1999 was 8.1 per 100 adults. The Tanzanian government is working to stop the spread of AIDS by improving the treatment of sexually transmitted diseases. Intervention on some STDs has shown a reduction in HIV prevalence.

[42]HOUSING

Tanzania has developed a serious urban housing shortage as a result of the influx of people to the towns. All development planning has included considerable financial allocations for urban housing schemes. With private enterprise unable to meet the demand, the government in 1951 launched a low-cost housing program, which has been continued since that time. A significant number of dwellings are constructed from mud and poles or from mud bricks and blocks. A smaller percentage of dwellings are made of concrete and stone, or of baked and burned bricks. Piped indoor water is available to about one-fourth of households, and over half have private toilets. In 1995, it was estimated that about 70% of the urban population was living in temporary shelters of squatter/slum areas. The housing deficit in urban areas was estimated at 1.2 million units.

[43]EDUCATION

Education is compulsory for children aged 7 to 14. In 1997, there were 4,057,965 students and 109,936 teachers in the 11,290 primary schools. In the same year, there were 234,743 students and 12,496 teachers in secondary schools. The pupil-teacher ratio at the primary level was 40 to 1 in 1999. In the same year, 47 % of primary-school-age children were enrolled in school, while 5% of those eligible attended secondary school. The University College in Dar es Salaam opened in 1961 and achieved university status in 1970. The Sokoine University of Agriculture, at Morogoro, was founded in 1984. Other educational facilities in Tanzania include trade schools, the Dar es Salaam Technical College, University College of Lands, Architecture and Survey (Formerly Ardhi Institute of Dar es Salaam), the Institute of Finance Management and a political science college (both in Dar es Salaam), the College of African Wildlife Management at Mweka, the Institute of Development Management at Morogoro, and the College of National Education in Korogwe. The School of Art at Bagamoyo, devoted to preserving traditional cultures, is one of the few national art schools in sub-Saharan Africa. In 1995, an Open University was established to offer distance learning programs to students in remote areas. The first university to be established on Zanzibar, the University of Zanzibar, opened in 1998.

Projected illiteracy rates for 2000 stand at 24.8% (males, 24.8%; females, 15.9%). In 1997/1998, all higher- level institutions had 17,812 students and 1,822 teaching staff. As of 1999, public expenditure on education was estimated at 2.1% of GDP.

[44]LIBRARIES AND MUSEUMS

The Tanzania Library Service was established in 1964. It maintains the National Central Library in Dar es Salaam (656,000 volumes), 16 public libraries, school library service, and a rural extension service. The British Council Library and the American Center Library are also in Dar es Salaam. The other major library is the University of Dar es Salaam Library (750,000 volumes). The library at Dar es Salaam Technical College circulates books by mail to all parts of the country. Also in the capital is the library of the East African Literature Bureau. Zanzibar's National Archives has a collection of Arabic manuscripts.

The National Museums of Tanzania, with branches in Dar es Salaam and Arusha, have ethnographical, archaeological, historical, geological, and natural history sections; the discoveries from Olduvai Gorge are located there. The Department of Geological Survey maintains a geological museum in Dodoma. There are also museums in Arusha, Bagamoyo, Mikumi, Mwanza, and Tabora.

In Zanzibar, the Government Museum has extensive exhibits illustrating the history, ethnography, industries, and natural history of Zanzibar and Pemba. Tabora has the Livingstone and Stanley Memorial site. There is a fine arts museum in Marangu.

[45]MEDIA

In 1998, there were 127,000 mainline telephones in use, with an additional 30,000 cellular phones reported in 1999. Radio Tanzania, a government corporation, broadcasts internally in Swahili and English and abroad in English, Afrikaans, and several indigenous African languages. Radio Tanzania Zanzibar broadcasts in Swahili. Private radio and television stations broadcast from Dar es Salaam. As of 1999 there were 12 AM and 4 FM radio stations and 3 television stations. In 2000 there were 281 radios and 20 television sets for every 1,000 people. Internet access was available through six service providers in 2000, with 115,000 subscribers by 2001.

The press is largely government-controlled. The largest dailies, both published in Dar es Salaam, are the government-owned *Daily News* (in English), with a circulation of about 50,000 in 2002, and the CCM-owned *Uhuru* (in Swahili), with a circulation of 100,000. *Kipanga* (in Swahili) is published on Zanzibar by the government.

The constitution provides for freedom of speech and the press; however, the government is said to pressure journalists into self-censorship.

[46]ORGANIZATIONS

In most of the larger centers, chambers of commerce represent commercial, agricultural, and industrial interests. Rural cooperatives, dissolved in 1976, were reintroduced in 1982 to take over from state bodies the functions of crop purchasing and distribution of agricultural products. The Tanzania Consumers Protection Association is active.

The CCM has five principal affiliates: the Umoja Wa Wawawake Wa Tanzania, a women's organization; the Youth League; the Workers' Organization; the Union of Cooperative Societies; and the Tanzania Parents' Association.

Cultural organizations include the National Kiswahili Council, which promotes the use of the Swahili language. Social action groups include the Catholic Women Organization of Tanzania, the Center for Human Rights Promotion, National Peace Council of Tanzania, and the Tanzania Gender Networking Program. The Center for Women and Children's Rights, established in 1998, and the Huruma Rehabilitation Programme, established in 1994, are dedicated to promoting and supporting the rights and social welfare of women. Scouting and YMCA/YWCA programs are available for youth. Lion's Club programs are active as well.

International organizations with national chapters include Amnesty International, Caritas, and the Red Cross.

[47]TOURISM, TRAVEL, AND RECREATION

Tanzania has great natural resources along its Indian Ocean coastline and 12 national parks, especially the 14,763 sq km (5,700 sq mi) Serengeti National Park, famed for its profusion of wildlife. Other attractions are the national dancing troupe and the ebony wood sculptures of the Makonde tribe. Visas are required and are valid for Zanzibar as well. Yellow fever and cholera immunizations are required and malaria suppressants advised. In 1997, there were 347,000 tourist arrivals, and tourist receipts totaled $392 million. That year there were 7,470 hotel rooms with 13,248 beds.

In 2002, the US Department of State estimated the cost of staying in Dar es Salaam at $217 per day.

[48]FAMOUS TANZANIANS

The most famous 19th-century Zanzibari was Sayyid Sa'id bin Ahmad al-Albusa'idi (b.Oman, 1791–1856), who founded the Sultanate. Mkwawa, chief of the Hehe, carried on guerrilla warfare against the Germans for three years until he was betrayed for a reward in 1898. The Germans cut off his head and sent it to the anthropological museum in Bremen; in 1961, Mkwawa's skull was returned to the Hehe. The foremost present-day figure is Julius Kambarage Nyerere (1922–99), the founder and first president of independent Tanganyika (and later of Tanzania) from 1962 to 1985, when he stepped down. He was succeeded by 'Ali Hassan Mwinyi (b. 1925), who had been president of Zanzibar during 1984–85. Abeid Karume (1905–72), a sailor of Congolese origin, was the first president of Zanzibar and first vice-president of Tanzania until his assassination. He was succeeded by Aboud Jumbe (b. 1920), who resigned both posts in 1984. Since 1985, the president of Zanzibar has been Idris Abdul Wakil (b. 1925). Edward Moringe Sokoine (1938–84), a prime minister during 1977–80 and 1983–84, was regarded as Nyerere's most likely successor until he died in a car crash. Salim

Ahmed Salim (b.1942) was a president of the UN General Assembly during 1979–80, a foreign minister during 1980–84, and a prime minister during 1984–85. An internationally known Tanzanian runner is Filbert Bayi (b. 1953), a former world record holder at 1,500 m.

[49]DEPENDENCIES

Tanzania has no territories or colonies.

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TOGO

Republic of Togo
République Togolaise

CAPITAL: Lomé

FLAG: The national flag consists of five alternating horizontal stripes of green and yellow. A five-pointed white star is at the center of a red square that spans the height of the top three stripes.

ANTHEM: *Terre de nos aïeux (Land of Our Fathers)*.

MONETARY UNIT: The Communauté Financière Africaine franc (CFA Fr) is a paper currency of 100 centimes. There are coins of 1, 2, 5, 10, 25, 50, 100, and 500 CFA francs and notes of 50, 100, 500, 1,000, 5,000, and 10,000 CFA francs. CFA Fr1 = $0.00167 (or $1 = CFA Fr597.577) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; National Liberation Day, 13 January; Economic Liberation Day, 24 January; Victory Day, 24 April; Independence Day, 27 April; Labor Day, 1 May; Martyrs' Day, 21 June; Assumption, 15 August; All Saints' Day, 1 November; Anniversary of the failed attack on Lomé, 24 September; Christmas, 25 December. Movable religious holidays include Easter Monday, Ascension, Whitmonday, 'Id al-Fitr, and 'Id al-'Adha'.

TIME: GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the west coast of Africa, Togo has an area of 56,785 sq km (21,925 sq mi), extending 510 km (317 mi) N–S and 140 km (87 mi) E–W. Comparatively, the area occupied by Togo is slightly smaller than the state of West Virginia. Togo is bounded on the N by Burkina Faso, on the E by Benin, on the S by the Gulf of Guinea, and on the W by Ghana, with a total boundary length of 1,703 km (1,058 mi), of which 56 km (35 mi) is coastline.

Togo's capital city, Lomé, is located on the Gulf of Guinea coast.

[2]TOPOGRAPHY

Togo is traversed in the center by a chain of hills, the Togo Mountains, extending roughly southwest into Ghana and northeastward into Benin and averaging about 700 m (2,300 ft) in height. The highest elevation is Mt. Agou (986 m/3,235 ft). To the north and west of these hills, the Oti River drains in a southwesterly direction into the Volta River, which constitutes a part of the upper boundary with Ghana. To the north of the Oti River Valley lies gently undulating savanna country. From the southern spurs of the central hills, a plateau stretches gradually southward to a coastal plain. The coastline consists of a flat sandy beach thickly planted with coconut trees and partially separated from the mainland by lagoons and lakes that are the former estuaries of several rivers.

[3]CLIMATE

Togo has a humid, tropical climate, but receives less rainfall than most of the other countries along the Gulf of Guinea. In the south there are two rainy seasons, from March to early July and in September and October. The heaviest rainfall occurs in the hills of the west, southwest, and center, where the precipitation averages about 150 cm (60 in) a year. North of the Togo Mountains there is one rainy season, lasting from April to August. Rainfall in this region averages 100 cm (40 in) a year. The coast gets the least rainfall, about 78 cm (31 in) annually. The average maximum and minimum temperatures are 30°C (86°F) and 23°C (73°F) at Lomé, on the southern coast, and 35°C (95°F) and 15°C (59°F) at Mango, in the north.

[4]FLORA AND FAUNA

Natural vegetation is chiefly of the savanna type, luxuriant in the rainy season, brittle grass and shrub during the dry season. Dense belts of reeds are found along the coastal lagoons. Much of the largest wildlife has been exterminated in the southern area, but in the north, elephants and lions still can be found. Hippopotamuses and crocodiles live in and along the rivers, and monkeys are fairly common. The coastal swamps abound in snakes.

[5]ENVIRONMENT

The dense tropical rain forests that once covered much of the country are now found only along the river valleys and in isolated pockets of the Atakora Mountains. Slash-and-burn agriculture and the cutting of wood for fuel are the major causes of forest depletion. Between 1990 and 1995, Togo lost an average of 1.44% of its forest and woodland each year. Soils are generally of poor quality, requiring intensive fertilization and cultivation to be productive. The soil and water supply are threatened by pesticides and fertilizers. The nation's land is also threatened by desertification. Water pollution is a significant problem in Togo, where only 85% of urban dwellers and 38% of the people living in rural areas have pure drinking water. Contamination of the water supply contributes to the spread of disease. Responsibility in environmental matters is vested in the Ministry of Rural Development and the Ministry of Environment and Tourism. The government of Togo has tried to protect the nation's environment through a comprehensive legislative package, the Environmental Code of 1988. The nation's wildlife population is at risk due to poaching and the clearing of land for agricultural purposes. As of 2001, 7.6% of Togo's total land area was protected. Eight mammal species and one bird species are listed as threatened. Threatened species include the African elephant, Diana monkey, and West African manatee.

[6]POPULATION

The population of Togo in 2003 was estimated by the United Nations at 4,909,000, which placed it as number 112 in population among the 193 nations of the world. In that year approximately 2% of the population was over 65 years of age, with another 47% of the population under 15 years of age. There were 98 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 2.34%, with the projected population for the year 2015 at 6,351,000. Togo is one of the more densely populated countries in tropical Africa. The population density in 2002 was 93 per sq km (241 per sq mi). Density is greatest in the south, exceeding 200 per sq km (500 per sq mi) in some areas.

It was estimated by the Population Reference Bureau that 33% of the population lived in urban areas in 2001. The only city of major size is Lomé, the capital, with a 2002 population of 790,000. Other important centers are Sokodé, 60,000; Kpalimé, 33,000; Atakpamé, 30,000; and Aného, 24,000. According to the United Nations, the urban population growth rate for 2000–2005 was 4.2%.

The prevalence of AIDS/HIV has had a significant impact on the population of Togo. The United Nations estimated that 6% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

There is a steady migration of laborers from rural to urban areas. Members of the Ewe group migrate to and from Ghana. Formerly, an estimated 100,000 workers went to Ghana from Togo each year, but because of Ghana's declining economy, this number has probably decreased. There is also much movement of Ouatchi, Adja, Kabré, and Losso peoples to and from Benin. Some of the aliens expelled from Nigeria in 1983 were Togolese; moreover, Togo suffered the disruptive effect of the hundreds of thousands of Ghanaians who returned home from Nigeria via the Togolese coastal roads. Foreign refugees in Togo, including Ewe dissidents in exile from Ghana, are entitled to employment and free medical treatment, although they retain the status of aliens. About 7% of the population consists of non-citizens. As of 1999, there were 11,964 refugees, including 11,208 Ghanaian refugees in northern Togo, of whom 43% were children and 55% were women. The remaining 756 were urban refugees, mainly Rwandan, Nigerian, Burundi, and Sierra Leonean. In 2000, the net migration rate was 6.1 migrants per 1,000 population. This was a significant change from -6.7 per 1,000 in 1990. The total number of migrants in Togo in 2000 was 179,000 including refugees. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

Native Africans constitute 99% of Togo's total population. Some 37 tribal groups comprise a mosaic of peoples possessing neither language nor history in common. The main ethnic group consists of the Ewe and such related peoples as the Ouatchi, Fon, and Adja; they live in the south and constitute at least 40% of the population. Next in size are the Kabrè and related Losso living in the north. As elsewhere in Africa, political and ethnic boundaries do not coincide. Thus, the Ewe are divided by the Togo-Ghana boundary, and large numbers of Ouatchi, Adja, Kabrè, and Losso live in adjacent Benin. Other significant groups are the Mina, Cotocoli, Moba, Gourma, Akposso, Ana, Lamba, Ehoué, and Bassari. Despite Togo's complex ethnic, linguistic, and racial makeup, a major distinction can be made between the tribes of Sudanic origin that inhabit the northern regions and those of the true Negroid Bantu type found in the south. The remaining 1% of Togo's populace is non-African, mostly European and Syrian-Lebanese.

[9]LANGUAGES

French is the official language. Most newspapers are printed in French, and trade and commerce passing through Anécho and Lomé usually are conducted in that language; however, the public schools combine French with Ewe and Mina in the south, Kabiye and Dagomba in the north. In northern Togo, Hausa is also widely spoken. Pidgin English and French are used widely in the principal trading towns. In all, more than 44 different languages and dialects are spoken in Togo.

[10]RELIGIONS

The Ministry of Tourism has indicated that about 29% of the population are Christian and about 12% are Sunni Muslim. The remaining 59% practice a variety of traditional indigenous religions or other faiths, including Vodoun (Voodoo), which is believed to have orginated in the region that is now Togo.

[11]TRANSPORTATION

Togo has a relatively well-developed road system of about 7,520 km (4,673 mi), of which 2,376 km (1,476 mi) are paved in 2002. One main road, completely paved since 1980, runs north from Lomé to the border with Burkina Faso; another runs east along the coast from Lomé to Aného and onward to the Benin border; and a third runs west along the coast to the Ghana border. Because of extreme variations in weather, the roads that are not paved require constant attention; during the dry season, they are very dusty and crack easily, but during the rainy season they become extremely muddy and are frequently washed out. In 2000, there were 51,400 passenger cars and 24,500 commercial vehicles. Togo has 525 km (326 mi) of meter- gauge rail, including three major lines from Lomé: to Kpalimé (116 km/72 mi), to Aného (44 km/27 mi), and to Atakpamé and Blitta (276 km/171 mi). An 80-km (50-mi) spur goes to Tabligbo. The rail system is operated by Chemin de Fer Togolais.

Togo lacks a natural harbor, but in 1968 a major deepwater port east of central Lomé was completed with a loan from the Federal Republic of Germany (FRG). An autonomous free port at Lomé serves landlocked Burkina Faso, Niger, and Mali. There is also a phosphate-handling port at Kpémé. A small merchant-shipping fleet was created in 1974 as a joint venture with the FRG; in 2002 there was one ship (1,000 GRT or over) totaling 2,603 GRT.

There were nine airports in 2001, two of which had paved runways. The international airport at Lomé links Togo with other countries of West and Central Africa and with Europe; a second international airport, at Niamtougou, was completed in the early 1980s. Among the international airlines serving Togo is Air Afrique, of which Togo owns a 7% share. Air Togo operates domestic service, flying to airstrips at Atakpamé, Sokodé, Sansanné-Mango, Lama-Kara, Niamtougou, and Dapaong. In 2001, 46,400 passengers were carried on scheduled domestic and international airline flights.

[12]HISTORY

Between the 12th and the 18th century, the Ewe, Adja, and related peoples, who now constitute a majority of the population of southern Togo and adjoining Ghana, came to this area from the Niger River Valley as a result of pressure from the east. Portuguese sailors visited the coast in the 15th and 16th centuries. Slave shipments began from Grand Popo (now in Benin), Petit Popo (now Anécho), and other coastal villages; traders introduced the growing of cassava, coconuts, corn, and other crops in order to provision their slave ships. The French established trading posts at Petit Popo in 1626 and again in 1767,

but abandoned them each time. The French were again active there and at Porto-Séguro, east of Lomé, from 1865 to 1883.

German traders came to Grand Popo as early as 1856, but did not arrive in significant numbers until 1880. Germany finally established control over the area, its first African acquisition, on 5 July 1884, when Dr. Gustav Nachtigal made a treaty with the chief of Togo, a village on the north side of a lagoon behind Porto-Séguro. The treaty established a German protectorate over a small coastal enclave, and the village name eventually was given to the entire territory. The Germans established a capital first at Baguida, then at Zebe, and in 1897 at Lomé. Boundary delimitations with the British and French were made in 1897 and 1899. Although the Volta River formed a natural boundary between Togo and the Gold Coast (now Ghana), as a result of the negotiations, the frontier diverged from the river about 320 km (200 mi) north of Lomé and descended diagonally, so that the so-called Volta Triangle on the left bank became part of the Gold Coast. The boundary arrangements resulted in splitting the Ewe, Adja, Ouatchi, Fon, and other peoples between the Gold Coast, Togo, and Dahomey (now Benin). As the Germans extended their control to the north, they built roads and railroads and established administrative, legal, economic, educational, and other institutions.

Soon after the outbreak of World War I in August 1914, neighboring French and British units gained control of Togo. In a provisional arrangement, the British took the coastal area and the railways, and the French assumed control of the interior. League of Nations mandates were established in 1922.

Following World War II, both the UK and France placed their spheres of Togoland under UN trusteeship. Beginning in 1947, leaders of the Ewe people repeatedly petitioned the UN first for Ewe unification and subsequently for Togoland unification. At the time, the Ewe were under three different administrations: the Gold Coast, British Togoland, and French Togoland. For nine years thereafter, the Togoland question was before the UN. Its resolution was difficult not only because of the resistance of the British and French governments to the Ewe demands, but also because both the Ewe and non-Ewe of the two Togolands were deeply divided on the form self-determination should take. The problem was partially resolved by a plebiscite held in British Togoland on 9 May 1956 under UN supervision. A majority of the registered voters decided in favor of integration of British Togoland with an independent Gold Coast. Consequently, when the Gold Coast became the independent state of Ghana, British Togoland ceased to exist.

On 28 October 1956, in a referendum held in French Togoland, 72% of the registered voters chose to terminate French trusteeship and to accept the status of internal autonomy and continued association with France that had been proffered them by the French government. This unilateral effort to terminate French trusteeship was not accepted by the UN.

In April 1958, new elections were held under UN supervision. The Committee for Togolese Union, pledged to secure complete independence, won control of the Togo Assembly, and its leader, Sylvanus Olympio, subsequently became prime minister. On 13 October 1958, the French government announced that full independence would be granted, and on 27 April 1960, the Republic of Togo became a sovereign nation, with Olympio as president.

President Olympio was assassinated on 13 January 1963 by military insurgents. At the insurgents' behest, Nicolas Grunitzky, the exiled leader of the Togolese Party for Progress, returned to Togo and formed a provisional government. He abrogated the constitution, dissolved the National Assembly, and called new elections. In the May 1963 balloting, Grunitzky was elected president, a new 56-member National Assembly was chosen, and a new constitution was approved by national referendum.

Grunitzky held office through 1966. The final months of his presidency were marked by antigovernment demonstrations involving many of Olympio's former supporters and sympathizers. On 13 January 1967, the Grunitzky government was overthrown by a military coup led by Col. Kléber Dadjo, who was succeeded in April 1967 by Lt. Col. Étienne Éyadéma. The constitution was again suspended and the Assembly dissolved, and Éyadéma declared himself president.

In 1969, Éyadéma proposed the establishment of a national party of unification, the Togolese People's Rally (Rassemblement du Peuple Togolais—RPT). At its first party congress in November 1971, the RPT representatives opposed the idea of constitutional government and asked for a national referendum in support of the Éyadéma regime. This took place in January 1972, with 99% of the population voting for Éyadéma. Survivors of a 1970 plot to overthrow the regime were pardoned after the referendum, and several former members of Olympio's government joined the RPT. Others of Olympio's supporters went into exile or into business, and there was no coherent opposition to the government.

In 1974, Éyadéma began to advocate a "cultural authenticity" policy, stimulated at least in part by the crash of his private plane in January 1974, from which he escaped uninjured. The crash (the cause of which he believed suspicious) followed his nationalization of the phosphate industry and appeared to spur his drive for further Africanization in Togo. At this time, Éyadéma dropped his first name, Étienne, using instead his African second name, Gnassingbé.

Éyadéma was reelected as president without opposition on 30 December 1979, when the voters also approved a draft constitution for what was called the Third Republic (succeeding the republics headed by Olympio and Grunitzky). A 67-member National Assembly was elected at the same time. Éyadéma remained firmly in control in the early 1980s, despite the disruptions caused by Nigeria's expulsion of illegal aliens and the economic decline attributable to falling phosphate prices. An alleged plot to assassinate Éyadéma on 13 January 1983, while French President François Mitterrand was visiting Togo, apparently misfired. Éyadéma reportedly blamed Gilchrist Olympio, the son of the former president, for the coup attempt.

On 23–24 September 1986, about 60 insurgents, mostly Togolese in exile, attempted to seize control of Lomé but were repulsed. About 150 French and 350 Zairian troops were flown in to help restore order. The official death toll was 26. The coup attempt was reportedly financed by Gilchrist Olympio, who was sentenced to death in absentia. Another 12 men were given death sentences, and 14 were sentenced to life imprisonment. Éyadéma accused Ghana and Burkina Faso of aiding the insurgents. In National Assembly elections on 24 March 1985, 216 candidates, all approved by the RPT, contested 77 seats; only 20 deputies were reelected. Éyadéma was elected unopposed to a new seven-year term as president on 21 December 1986.

Opposition to Éyadéma's rule came to a head in March 1991 when, after police clashes with thousands of antigovernment demonstrators, the government agreed to institute a multiparty system and to grant amnesty to dissidents. On 28 August 1991, Éyadéma ended 24 years of military rule by surrendering authority to Joseph Kokou Koffigoh, an interim prime minister selected by a National Conference. The RPT was to be disbanded and Éyadéma barred from running for the presidency.

In October and November 1991, armed forces loyal to Éyadéma failed several times to overthrow Koffigoh. On 3 December 1991, however, they attacked the government palace and seized him. The French refused to help Koffigoh; instead, he was forced to compromise; he then formed a coalition government with Éyadéma and legalized the RPT.

On 5 May 1992, opposition leader Gilchrist Olympio was severely wounded in an ambush, and in July another opposition

LOCATION: 6°5′ to 11°11′ N; 0°5′ to 1°45′ E. BOUNDARY LENGTHS: Burkina Faso, 126 kilometers (78 miles); Benin, 644 kilometers (400 miles); Gulf of Guinea coastline, 56 kilometers (35 miles); Ghana, 877 kilometers (545 miles). TERRITORIAL SEA LIMIT: 30 miles.

figure was assassinated. The transitional government several times rescheduled the referendum on a new constitution. Finally, on 27 September 1992, it was approved. The legislative and presidential elections were postponed again and again until August 1993.

The Army, composed largely of Kabyé (Éyadéma's group) has never accepted Éyadéma's ouster, the National Conference, or Koffigoh. Eventually, Koffigoh's interim government was dissolved in 1992, and Éyadéma consolidated his powers. However, in January 1993 he reappointed Koffigoh prime minister of a government which cooperated closely with Éyadéma, now president. On 25 August 1993, Éyadéma easily won reelection as president (97% of the vote). The electoral process, however, was marred by a low turnout (all major opposition candidates refused to participate) and serious irregularities.

Following delays, legislative elections were held in two rounds in February 1994. With the exception of Olympio's Union of the Forces of Change (UFC), the main opposition parties participated. The RPT reportedly took 33 of the 81 seats in the first round. The Action Committee for Renewal (CAR), won 19. Koffigoh's New Force Coordination failed to take a single seat. Nonetheless, the armed forces continued to attack opposition politicians. The second round voting was marred by violence, with armed gangs attacking voting stations and opposition supporters. Still, international observers declared the election satisfactory.

On 24 February 1994 the National Electoral Commission released results for 76 seats as follows: opposition, 38 seats; RPT, 37 seats; Koffigoh, 1 seat. The Supreme Court ordered new elections for 3 seats of the Action Committee for Renewal and the Togolese Union for Democracy, lowering their totals to 34 and 6 seats, respectively. Defections from the CAR to the RPT and the merging of the Union of Justice and Democracy (UJD) with the RPT gave the RPT a narrow majority with 42 seats.

In June 1998 Éyadéma officially won the presidential elections with 52 per cent, but the opposition rejected the election as rigged. Éyadéma's dubious victory precipitated a national crisis, and led the opposition to boycott the legislative elections delayed and then scheduled for March 1999. In July, the RPT and opposition parties signed the Lomé Framework Agreement, which included a pledge by Éyadéma to respect the constitution and not to seek another term after his current one expired in 2003. Among other provisions guaranteeing political rights for opposition leaders, addressing the rights of political parties and the media, providing for the safe return for refugees, and granting compensation for victims of political violence, Éyadéma agreed to dissolve the National Assembly in March 2000 and hold new legislative elections, to be supervised by an independent national election commission (CENI). CENI was to have responsibility for revising electoral rolls, issuing voters' registration cards, preparing ballots, working out the elections budget, arbitrating disputes, and declaring the results. According to the agreement, the RPT and opposition would seat 10 members each on the commission. The March deadline for the National Assembly elections passed without Éyadéma taking action, as did deadlines in October 2001 and March 2002. The elections were finally held in October 2002. The Union of the Forces for Change (UFC) and the Action Committee for Renewal (CAR), grouped as the Coalition of Democratic Forces (CFD), boycotted the 27 October elections, in which the RPT took 72 of the 81 seats. The elections were held without violence, and international election observers judged them to be democratic and transparent.

In December 2002, parliament amended the constitution, removing a clause that allowed a president to be reelected "only once": this would allow Éyadéma to seek a third term in the June 2003 presidential election. In February 2003, a new 9-member CENI was formed, including 4 representatives each of the RPT

and the opposition umbrella group CFD. The ninth member is the president of the Lomé Court of Appeal. The UFC withdrew from the CFD because it regarded CENI's mandate as curtailed by the government, and because it regarded the CFD's actions and strategies as incoherent; it is not represented on the CENI. In March, the UFC elected Olympio to contest the election.

[13]GOVERNMENT

The constitution of 30 December 1979 provided for a president nominated by the RPT and elected for a seven-year term by universal adult suffrage at age 18. The president nominated and presided over the cabinet and may rule by decree after declaring a state of emergency. Members of the National Assembly were nominated by the RPT and directly elected for five years. The legislature, which may be dissolved by the president, met twice a year.

A new constitution mandating multiparty elections was approved in a referendum on 27 September 1992. Although opposition parties are permitted, they are subjected to intimidation and coercion. Chief of state, President Gen. Gnassingbé Éyadéma, has held power since 14 April 1967, making him sub-Saharan Africa's longest ruling leader. The cabinet is a Council of Ministers appointed by the president and the prime minister. Given the weakness of the legislature, and the RPT's majority, public decision-making authority resides with the executive.

According to the constitution, the president is elected by popular vote for a five-year term. In the 21 June 1998 election, Éyadéma officially was reelected president with 52.1% of the vote. The opposition rejected the results as fraudulent. In December 2002, the National Assembly amended the constitution, removing a clause stipulating that the president could be reelected "only once." The next presidential election is scheduled for June 2003. The legislature, the 81-seat National Assembly, is likewise selected in national, multi-party elections.

[14]POLITICAL PARTIES

Political parties in Togo were considerably more active and competitive before independence than after, and from 1969 till the legalization of opposition parties in 1991, Togo was a one-party state. In the first Territorial Assembly elections in 1946, there were two parties, the Committee of Togolese Unity (Comité de l'Unité Togolaise—CUT) and the Togolese Party for Progress (Parti Togolais du Progrès—PTP). The CUT was overwhelmingly successful, and Sylvanus Olympio, the CUT leader and Assembly president, campaigned for Ewe reunification. The CUT controlled all Assembly seats from 1946 to 1952. In the 1952 elections, however, the CUT was defeated, and it refused to participate in further elections because it claimed that the PTP was receiving French support. In the territorial elections of 1955, the PTP won all 30 Assembly seats, and when Togo was given autonomy in 1956, Nicolas Grunitzky, PTP leader, became prime minister.

In the UN-supervised elections of April 1958, the CUT regained power with a demand for independence from France, while the PTP and the Union of Chiefs and Peoples of the North (Union des Chefs et des Populations du Nord—UCPN) advocated that Togo remain an autonomous republic within the French Union. The two defeated parties merged in October 1959 to form the Togolese People's Democratic Union (Union Démocratique des Populations Togolaises—UDPT), under Grunitzky's leadership.

In March 1961, the National Assembly enacted legislation that based elections to the Assembly on a party-list system, with a single ballot in which a majority would be decisive. In the April 1961 elections, which were held on this single-list system, candidates from the alliance of the UDPT and the Togolese Youth Movement (Mouvement de la Jeunesse Togolaise—Juvento) were prevented from registering and were not permitted on the ballot. Consequently, the new Assembly consisted entirely of CUT members.

After Olympio (who had become president in 1960) was assassinated by military insurgents, Grunitzky, who was living in exile in Benin (then Dahomey), was invited back to Togo to form a provisional government. Grunitzky announced that free elections would be held, but in fact the delegates of the four leading parties—UDPT, Juvento, the Togolese Unity Movement (Unité Togolaise, formed from the CUT after Olympio's assassination), and the Togolese Popular Movement (Mouvement Populaire Togolais)—as well as the insurgents' Committee of Vigilance, agreed on a single national union list of candidates. In the elections of 5 May 1963, Grunitzky became president and Antoine Meatchi vice-president; a new 56-member Assembly was elected; and a new constitution was approved by national referendum. In early 1967, however, Grunitzky was deposed, and a military regime took power, with no constitution and no legislature.

Organized political activity was suspended until 1969, when the Togolese People's Rally (Rassemblement du Peuple Togolais—RPT) was founded as the nation's sole legal political party. President Éyadéma heads the RPT, which has a Central Committee and a Political Bureau. In the 1979 and 1985 legislative elections, all candidates were nominated by the RPT. In the 1994 legislative elections, however, other parties participated.

Political opposition to Éyadéma has become bolder since late 1990. For years, an anti-Éyadéma group, the Togolese Movement for Democracy (Mouvement Togolais pour la Démocratie), functioned in exile from Paris. After opposition parties were legalized on 12 April 1991, and especially after the National Conference engineered a governmental change in August 1991, other parties began to function, albeit in an atmosphere of threat from the armed forces and pro-Éyadéma gangs. Among the country's parties as of 1996 were the Coordination des Forces Nouvelles (CFN), Rally of the Togolese People (RPT), Togolese Union for Democracy (UTD), Action Committee for Renewal (CAR), Union for Democracy and Solidarity (UDS), Pan-African Sociodemocrats Group (GSP—an alliance of three radical parties: CDPA—Democratic Convention of African Peoples, PDR–Party for Democracy and Renewal, and PSP—Pan-African Social Party), Union of Forces for Change (UFC), and Union of Justice and Democracy (UJD).

All major opposition parties boycotted the 1993 elections, delaying elections until February 1994. The winners distributed the seats as follows: CAR 36, RPT 35, UTD 7, UJD 2, CFN 1. However, as a result of defections from the CAR to the RPT and the merging of the UJD with the RPT, representation in the National Assembly in August 1997 was RPT 42, CAR 32, UTD 5, CFN 1, independent 1, giving Eyadema's party a narrow majority.

The next legislative elections were scheduled to be held in 1998, but disagreements between the divided opposition and the RPT delayed them, and thwarted efforts to achieve a national consensus on how the elections were to be conducted. The opposition boycotted them in March 1999 to protest the alleged cheating by Éyadéma and his supporters in the June 1998 presidential election. Progress was made in defining the role of the national electoral commission (CENI), and by April 2000, the two sides had agreed to return to the table to discuss endorsement of an electoral bill, and related issues pertaining to national reconciliation. Legislative elections were delayed throughout 2000, 2001, and early 2002; they were finally held on 27 October 2002. The elections were judged to be democratic and transparent by international election observers. The two main opposition parties, the UFC and the CAR, grouped as the Coalition of Democratic Forces (CFD), boycotted the elections, and the RPT emerged with 72 of the 81 seats. Also winning seats were the Rally for Democracy and Development (Rassemblement

pour le souteien de la démocratie et du développement—RSDD), 3; the Union for Democracy and Social Progress (Union pour la démocratie et le progrès social—UDPS), 2; Juvento, 2; the Believers' Movement for Equality and Peace (Mouvement des croyants pour l'égalité et la paix—MOCEP), 1; and an independent won 1 seat. In early 2003, the UFC pulled out of the CFD umbrella opposition organization, due to disagreements with its strategies and its agreement to sit on the newly reformed electoral commission, CENI, which the UFC judged to be manipulated by the government.

[15]LOCAL GOVERNMENT

Togo is divided into five administrative regions—Maritime, Plateaux, Centrale, Kara, and Savanes—each supervised by an inspector. The regions are subdivided into 30 prefectures and 4 sub-prefectures. Inspectors and prefects are appointed by the president. The prefectures have elected councils. The prefectures and sub-prefectures are subdivided into cantons. Togo's first direct local elections were held on 5 July 1987.

A policy of decentralization has been undertaken in Togo, and local communities comprise 30 communes, 9 of them "fully independent" with an elected mayor, and 21 "semi-independent" with the prefect acting as mayor. Communes have popularly elected municipal councils.

[16]JUDICIAL SYSTEM

Maintaining the independence of the judiciary is the responsibility of the Superior Council of Magistrates, which was set up in 1964 and includes the president of the republic as chairman, the minister of justice, the president and vice president of the Supreme Court, and others. A Constitutional Court is the highest court of jurisdiction in constitutional matters. The Supreme Court sits in Lomé; there is also a sessions court (Court of Assizes), and Appeals Courts. Tribunals of first instance are divided into civil, commercial, and correctional chambers; labor and children's tribunals; and the Court of State Security, set up in September 1970 to judge crimes involving foreign or domestic subversion. A Tribunal for Recovery of Public Funds handles cases involving misuse of public funds.

The judicial system blends African traditional law and the Napoleonic Code in trying civil and criminal cases. In practice, the judiciary is subject to the influence and control of the executive branch.

Defendants in criminal cases are presumed innocent and are afforded the right to counsel. Village chiefs or a Council of Elders may try minor criminal cases in rural areas. Appeals from such rulings may be taken to the regular court system.

Trials are open and judicial procedures are generally respected. However, the judicial system suffers from the lack of personnel and remains overburdened.

[17]ARMED FORCES

In 2002, Togo's armed forces numbered approximately 9,450. The army numbered some 9,000 troops including a Presidential Guard unit. Equipment included two main battle tanks and nine *Scorpion* tanks. The 250-member air force had 16 combat aircraft, and the 200-member naval unit had 2 coastal patrol vessels. Paramilitary forces numbered 750. Defense spending in 2001 was $21.9 million or 1.8% of GDP.

[18]INTERNATIONAL COOPERATION

Togo was admitted to UN membership on 29 September 1960. It is a member of ECA and all the nonregional specialized agencies except IAEA. Togo also belongs to the African Development Bank, ECOWAS, G-77, and African Union. The nation has signed the Law of the Sea and is a member of the WTO.

One priority of Togo's foreign policy is development of regional cooperation. In pursuit of this goal, Togo was a prime mover in the founding of ECOWAS. Togo has been an active member of the Conseil d'Entente, which includes Côte d'Ivoire, Niger, Burkina Faso, and Benin. Togo hosted the signing ceremony for the Lomé Convention (providing for preferential treatment by the EC for developing countries) in February 1975.

[19]ECONOMY

Togo has an agricultural economy with over 65% of its people engaged in subsistence and commercial agriculture. Togo is drought-prone but is food self-sufficient in years of ample rainfall. Coffee, cocoa, and cotton are the major cash crops, and the food crops include corn, sorghum, millet, cassava, and yams. The nation also has an active commercial sector and significant phosphate deposits upon which it draws for foreign exchange.

Political instability led to the suspension of international aid in 1992 as donors pressured the government into quicker action toward democratic reforms. Economic activity was further disrupted by an eight-month general strike that lasted until July 1993.

In January 1994 France suddenly devalued the CFA franc, cutting its value in half overnight. Immediately, prices for almost all imported goods soared, including prices for food and essential drugs. The devaluation was designed to encourage new investment, particularly in the export sectors of the economy, and discourage the use of hard currency reserves to buy products that could be grown domestically. Unfortunately, political instability and a general atmosphere of uncertainty prevented the country from taking advantage of the devaluation to improve the economy. Excessive military expenditures and stalled progress on privatizing state-owned enterprises were factors keeping the World Bank and IMF from resuming aid. During the 1995 to 1997 structural adjustment program, Togo succeeded in meeting demands and capturing funds only for the last year.

The 1998 presidential elections and 1999 legislative elections were characterized as undemocratic. These events led to reconciliation talks in July 1999 that laid the groundwork for a more democratic government, bringing back substantial development aid. However, legislative elections held in 2002 were boycotted by opposition parties, and the presidential elections of 2003 were deemed by opposition leaders to be marred by irregularities and fraud. This political climate has done little to encourage foreign investors, increase donor contributions, and provide the stability needed for economic progress.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Togo's gross domestic product (GDP) was estimated at $7.6 billion. The per capita GDP was estimated at $1,500. The annual growth rate of GDP was estimated at 2.2%. The average inflation rate in 2001 was 2.3%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 42% of GDP, industry 21%, and services 37%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $15.7 million or about $1 per capita and accounted for approximately 0.3% of GDP. Worker remittances in 2001 totaled $16.08 million. Foreign aid receipts amounted to about $10 per capita and accounted for approximately 4% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $299. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 5%.

It was estimated that in 1989 about 32% of the population had incomes below the poverty line.

[21]LABOR

The labor force was estimated to number two million in 2002. In 1998, about 65% of the labor force engaged in agriculture, 30% in services, and 5% in industry. The majority of families engage in subsistence farming.

Trade unions in Togo, which once were the base for left-wing opposition to the military regime, have been incorporated into the one-party system. The Central Committee of the RPT dissolved the central bodies of all Togolese trade unions in December 1972, and the National Workers Confederation of Togo (Confédération Nationale des Travailleurs du Togo—CNTT) was established in 1973 as the sole national union. In 1991, the National Conference suspended the automatic withholding of CNTT dues for all workers, and it froze CNTT's assets. Several trade unions left the CNTT, some of which then affiliated with two new federations: the Labor Federation of Togolese Workers and the National Union of Independent Syndicates. Since 1991, all of Togo's labor federations have taken a more active role in independent collective bargaining. About 60–70% of the workforce in the formal (wage) sector (about 20% of the entire workforce) was unionized as of 2002.

The minimum working age is 14 (18 for certain industrial employment) but it is not enforced and many children work, especially on their family's subsistence farms. The minimum wage varies for different categories of employment and ranged from $20 to $33 monthly in 2002. This does not provide a living wage for a family. The workweek is limited to 72 hours, with one mandatory rest period of 24 hours.

[22]AGRICULTURE

Togo is predominantly an agricultural country, with about four-fifths of the work force engaged in farming. Approximately 12% of the land area is arable. Most food crops are produced by subsistence farmers who operate on family farms of less than three ha (7 acres). Peanuts and sorghum are grown in the extreme north; sorghum, yams, and cotton in the region around Niamtougou; sorghum, cotton, and corn in the central region; coffee, cocoa, and cotton in the southern plateau; and manioc, corn, and copra near the coast. Agriculture accounted for about 39% of GDP in 2001.

In the late 1990s, the government emphasized food production. Main food crops in 1999 (in tons) included manioc, 579,000; yams, 696,000; corn, 350,000; sorghum, 137,000; and millet, 41,000. Although Togo is basically self-sufficient in food, certain cereals—notably wheat, which cannot be grown in Togo—must be imported.

Leading cash crops are coffee and cocoa, followed by cotton, palm kernels, copra, peanuts, and shea nuts (karité). Coffee production decreased from 22,000 tons in 1991 to 13,000 tons in 1999. Cocoa production amounted to just 9,000 tons in 1999—less than half the amount produced a dozen years earlier. When world prices for both coffee and cocoa fell in the mid-1980s, there was a greater emphasis on cotton production, with cotton exports increasing by over 400% from 1984 to 1992. Cotton production averaged 7,000 tons annually from 1979 to 1981; production in 1999 totaled 69,000 tons of fiber. A new state organization, the Togolese Cotton Co., had been set up in 1974 to develop the industry. Production of palm kernels, historically erratic, was estimated at 14,000 tons in 1999. There are over 100,000 coconut trees in Togo; about 2,000 tons of copra are produced annually. The peanut crop in 1999 was 27,000 tons (shelled). Some attempts are being made to export pineapples, house plants, vegetables, and palm oil.

[23]ANIMAL HUSBANDRY

Alleviation of the tsetse fly in the savanna area north of the Atakora Mountains has permitted the development of small-scale cattle raising. Most of the cattle thus produced, principally the humpless West African shorthorn type, are either consumed locally or, when there are surpluses, driven south for consumption in the main cities and towns. Few cattle are exported. Grazing is communal, in the south on family group lands and in the north on tribal lands. Water supplies are short in certain areas.

Livestock in 2001 included an estimated 1.45 million goats, 1.6 million sheep, 295,000 hogs, 278,000 head of cattle, and 8.5 million chickens. There are slaughterhouses at Lomé, Atakpamé, Sokodé, Lama-Kara, Sansanné-Mango, and Dapaong.

[24]FISHING

Fishing remains relatively unimportant, in part because of the country's limited territorial waters. Production, mostly by small operators employing pirogues, amounted to an estimated 22,227 tons in 2000; about 65% of that was caught in Atlantic waters and the rest inland. Almost all fish is sold smoked or dried. A new fishing quay has been constructed at Lomé, and a joint Libyan-Togolese fishing company has been established. Togo imports fish from Europe and its West African neighbors.

[25]FORESTRY

Although much of Togo once was forested, the country now must import wood. Production of roundwood in 2000 was estimated at 5,805,000 cu m (2.1 billion cu ft), of which 94% was for fuel.

[26]MINING

Lime phosphate, found mostly in the coastal region, was Togo's leading industry, and second leading export commodity. Phosphates typically accounted for 20%–30% of export earnings, 10%–13% of government revenues, and 6%–10% of GDP. Production in 2000 was 1.4 million tons, continuing a steady decline from a high of 2.73 million tons in 1996. Virtually the entire output was exported, the principal destinations being Canada, the Philippines, and South Africa. The phosphate industry was nationalized in 1974, and production was carried on by the Togolese Office of Phosphates (Office Togolais des Phosphates—OTP), one of Togo's largest employers. The government was pursuing the privatization of its phosphate mines; no serious offers were made.

Exploitation of marble reserves in the region around Niamtougou was begun in 1970 by the Togolese Marble Co. The state-run Nouvelle Sotoma closed operations in 1991, and the government has been looking for private investors to lease or purchase the operation.

Iron ore reserves, east of Bassari, were 95 million tons, averaging more than 40% iron. There was some artisanal recovery of diamond and gold. Other mineral deposits included attapulgite, barite, bauxite, bentonite, brick clay, chromite, copper, dolomite, garnet, granite, gypsum, kaolin, kyanite, limestone, manganese, monazite, nickel, peat, rutile, silica sand, and dimension stone. The government considered many of these potential small-scale operations.

[27]ENERGY AND POWER

Togo receives about four-fifths of its electricity in the form of hydroelectric power from the Akosombo (or Volta River) Dam in Ghana. The transmission line, partly financed by an interest-free loan from the Canadian government, was formally inaugurated in July 1975. There is also a hydroelectric station at Kpimé, near Kpalimé, built with Yugoslav assistance. The 65-MW Mono River hydroelectric plant, near Atakpamé, began operating in 1987. The project has an annual output of 150 million kWh,

enough to meet 25% of the combined demand of Togo and the joint project's partner, Benin. A 15–20 MW hydroelectric plant has been proposed for Adjaralara, 75 km (47 mi) downstream on the Mono River. Togo's installed capacity in 2001 was 34,000 kW (approximately 90% conventional thermal and 10% hydroelectric). Electrical output that year totaled 97 million kWh, of which 97.9% was from fossil fuels and 2.1% from hydropower. Consumption of electricity in 2000 was 525.2 million kWh.

Petroleum exploration has been conducted, but no reserves have yet been located. An estimated 4,280 barrels per day of petroleum products were imported in 1994.

[28] INDUSTRY

Manufacturing represents a small part of the economy (6–8%), with textiles and the processing of agricultural products—palm oil extraction, coffee roasting, and cotton ginning and weaving—being the most important sectors. Other industries were developed to provide consumer goods—footwear, beverages, confectionery, salt, and tires. Phosphate mining, however, is the most important industrial activity, accounting for 5% of GDP and 26–28% of exports in 2002. Until the mid-1980s, most industries were partly or totally government owned. Sales and leases reduced the parastatal sector by nearly half by 1990, but by 2002 most privatization had been stalled.

The government-owned phosphates plant put out a maximum of 3.3 to 3.5 metric tons a year, at the Office Togolaise de Phosphates (OTP). Togo's cement clinker plant is operated and owned by a Norwegian company, renamed Cimtogo. The textile complex at Kara, along with a second plant at Dadja, were bought by American and Korean interests in 1987. A cotton ginning plant opened in 1991 in Talo. A plastics factory is 25% state owned and 75% owned by Danish and Swiss interests. The steel rolling mill in Lomé reopened in 1991. The state-owned national oil refinery was leased to Shell Togo and converted into a storage facility. The national dairy was bought by a Danish company in 1995. A free-trade zone opened in Lomé in 1990. Though there is interest in this program, recent political instability has slowed its development.

Togo is involved in the West Africa Gas Pipeline, due to be completed in 2003. The pipeline's estimated capacity is 400 million cubic feet per day, and is expected to supply industry in Nigeria, Ghana, Benin, and Togo.

[29] SCIENCE AND TECHNOLOGY

The National Institute of Scientific Research, founded in 1965 at Lomé, is the central scientific coordinating body. Several French research institutes have branches in the capital, and there are pilot farm projects throughout the country. The University of Benin at Lomé maintains faculties of sciences and medicine and schools of engineering and agriculture. Togo also has an agricultural school at Kpalimé and a technical college at Sokodé. In 1987–97, science and engineering students accounted for 35% of college and university enrollments. In the same period, expenditures for research and development totaled 0.5% of GNP; 98 scientists and engineers and 63 technicians per million people were engaged in research and development.

[30] DOMESTIC TRADE

The Togolese are among the most active traders on the West African coast, with much of the domestic trade handled by women. The national trade organization, Société Nationale de Commerce (SONACOM), has a monopoly on importation and distribution of soaps, cereals, sugar, salt, and industrial products, but there is still a flourishing free market both within Togo and with neighboring countries.

Most wholesalers have their headquarters in Lomé, the principal commercial and financial center. In Lomé, some shops specialize in such lines as dry goods, foodstuffs, and hardware. Elsewhere, retailers deal in a wide variety of goods rather than specializing in a few products. In the smaller towns, individual merchants deal in locally grown products and items of the first necessity. Kpalimé, Sokodé, and Tsévié are smaller regional commercial and trade centers.

Business hours are from 7:30 to 11:30 AM and 2:30 to 6 PM, Monday through Friday, and from 7:30 AM to 12:30 PM on Saturday. Banks are normally open from 7:30 to 11:30 AM and 2:30 to 4 PM on weekdays only.

[31] FOREIGN TRADE

Togo's export earnings in 2000 fell to nearly half their 1999 level due to sharp declines in coffee, cotton, and gold output. Togo's main export commodities are crude fertilizers (25%), cotton (22%), and cement (15%). Other exports include coffee (6%) and cocoa (4.9%).

In 2000 Togo's imports were distributed among the following categories:

Consumer goods	12.1%
Food	16.3%
Fuels	18.8%
Industrial supplies	34.9%
Machinery	8.6%
Transportation	9.2%
Other	0.7%

Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Ghana	32	8	24
Benin	19	2	17
India	9	5	4
France	9	76	-67
Nigeria	8	5	3
Netherlands	5	21	-16
Belgium	3	16	-13
Germany	2	14	-12
Côte d'Ivoire	1	38	-37
China (inc. Hong Kong)	n.a.	15	n.a.

[32] BALANCE OF PAYMENTS

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Togo's exports was $306 million while imports totaled $420 million resulting in a trade deficit of $114 million.

The International Monetary Fund (IMF) reports that in 2000 Togo had exports of goods totaling $362 million and imports totaling $485 million. The services credit totaled $62 million and debit $118 million. The following table summarizes Togo's balance of payments as reported by the IMF for 2000 in millions of US dollars.

Current Account	**-140**
Balance on goods	-123
Balance on services	-56
Balance on income	-29
Current transfers	68
Capital Account	**9**
Financial Account	**163**
Direct investment abroad	-0
Direct investment in Togo	42
Portfolio investment assets	1
Portfolio investment liabilities	6
Other investment assets	9
Other investment liabilities	106
Net Errors and Omissions	**5**
Reserves and Related Items	**-37**

[33]BANKING AND SECURITIES

The bank of issue is the Central Bank of the West African States (Banque Centrale des États de l'Afrique de l'Ouest-BCEAO), based in Dakar, which also acts in that capacity for Benin, Côte d'Ivoire, Niger, Senegal, and Burkina Faso. Togo has a 10% share in the BCEAO, the development bank of which has its headquarters in Lomé.

The most important commercial and savings banks include the Banque Internationale de L'Afrique (BIA), ECOBANK Togo, the Bank of Credit and Commerce International, the Libyan Arab-Togolese Bank of Foreign Commerce, the Banque Togolaise de Commerce et de L'Industrie (BTCI), and the Union Bank of Togo (the latter two with a state share of 35%).

Development banks include the Togolese Development Bank, founded in 1967, which has a 50% state share; the 36.4% state-owned National Farm Credit Fund; and the state-owned National Investment Co., which is intended to mobilize savings, guarantee loans to small- and medium-sized domestic enterprises, and amortize the public debt. The banking and credit systems are not well developed, and large sections of the population remain outside the monetary economy. The banking system was virtually shut down by the general strike in the first half of 1993 and a limited service operated until the second half of 1994.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $220.3 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $327.0 million. The money market rate, the rate at which financial institutions lend to one another in the short term, was 4.95%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 6.5%.

There are no securities exchanges in Togo.

[34]INSURANCE

The Togolese Insurance Group is 63% state owned; about a half-dozen French companies were also operating in Togo in the 1990s.

[35]PUBLIC FINANCE

By the late 1970's, public investment expenditures had reached an unsustainable level (exceeding 40% of GDP), touched off by an earlier rise of commodity prices. As a result, large payment arrears on the external debt began to mount. In the mid-1980s, the fiscal deficit was reduced largely through IMF credits and debt reschedulings. The civil unrest of 1991 resulted in decreased revenues and increased expenditures, and led to an overall budget deficit of 7.5% of GDP. In 1992, further civil unrest widened the budget deficit to 8.5% of GDP. In 1994, Togo entered into new programs with the IMF and the World Bank.

The US Central Intelligence Agency (CIA) estimates that in 1997 Togo's central government took in revenues of approximately $232 million and had expenditures of $252 million. Overall, the government registered a deficit of approximately $20 million. External debt totaled $1.5 billion.

[36]TAXATION

Taxes are levied on individual incomes and on corporate profits and capital gains. A transactions tax, a tax on fuel consumption, and social security contributions are also paid. There are also registration and stamp taxes and a tax on income from securities. A 5% "solidarity" surtax on salaries was imposed in 1983 as an austerity measure. There was a value-added tax of 18% in 1998.

[37]CUSTOMS AND DUTIES

There are no export controls. Tariffs are based on a nondiscriminatory schedule at 5%, 10%, or 20% and there is a customs stamp tax and a 3% statistical tax. A common external tariff (CET) for members of the West African Economic and Monetary Union (WAEMU) is set at a maximum of 22% for goods coming from outside the WAEMU. Restricted or prohibited goods include arms, ammunition, narcotics, and explosives.

[38]FOREIGN INVESTMENT

In the 1980s Togo was distinguished by a relatively pro-Western, entrepreneurial stance, but incidents of political violence 1991 to 1994—including the targeting of foreign-owned shops (principally Lebanese and Indian) by rioters in January 1993—and in 1998, following the contested presidential election in June, together with the maintenance of many restrictions on foreign investment and evidence of increased corruption have deterred foreign investment as well as stalled the privatization process. Togo's current investment code, enacted April 1990, was designed as an improvement over the previous code, and offers foreign investors guaranteed repatriation of capital and profits. The former investment code offered tax exemptions, but these were abused, and were removed in the 1990 revision. The investment code, which applies only to foreign investment of more than FCFA million (about $42,000), allows foreign participation up to 100% ownership in eight listed sectors (agriculture, fishing, and forestry; manufacturing; mining; low-cost housing; tourist infrastructure; agricultural storage; applied research; and socio-cultural activities), requires that the business must employ at least 60% local workers and provide at least 25% of the funding. The 1989 export-processing zone (EPZ) law gives companies the advantages of duty-free imports of materials for production, a less restrictive labor code, and the ability to hold foreign-currency accounts. About 35 firms were operating in the EPZ in 2002, representing investments from France, Italy, Norway, Denmark, the United States, India, and China. A severe electricity shortage in the EPZ from March to May 1998 hurt manufacturing enterprises particularly. In 2000 a Franco-Canadian consortium took over the state power company.

The annual inflow of foreign direct investment (FDI) to Togo rose from $23 million in 1997 to a high of almost $70 million in 1999. FDI inflow declined to $57.2 million in 2000, but recovered to $67 million in 2001. As a percent of gross fixed capital formation, FDI inflows rose from 11.3% in 1997 to nearly 35% in 1999, averaging about 30% in 2000 and 2001.

Major foreign investors include the United States, France, Germany, and Denmark. Petroleum products distribution, seafood processing, construction, textile milling, and agricultural processing are the main foreign businesses.

[39]ECONOMIC DEVELOPMENT

The 1981–85 development plan called for spending roughly equal allocation levels for rural development (26.5%), industry (29.2%), and infrastructure (29.5%). In the 1986–90 development plan, principal allocations were for infrastructure and rural development.

Of the development funds for the 1986–90 plan, 90% were sought from foreign sources. Principal sources of development aid are France, Germany, the United States, China, the EU, the World Bank, and IDA. France ranked first among the bilateral donors, with Germany second. The government was diverted from implementing the plan by international financial considerations and concerns over the process of democratization. In 1998 the EU and World Bank suspended aid because of such considerations, and poor economic performance. Accords signed in 1999 brought back some interest in developing the country economically, but the major setback remains inadequate political development.

Togo is a member of the Economic Community of West African States (ECOWAS), whose development fund is located in

Lomé. The country is also a member of the West African Economic and Monetary Union (UEMOA). Affiliated with the UEMOA is the West African Development Bank, also based in Lomé.

[40]SOCIAL DEVELOPMENT

The government's social welfare program, under a 1973 law, includes family allowances and maternity benefits; old age, disability, and death benefits; and workers' compensation. Retirement is normally allowed at age 55. The program covers employed persons, students, apprentices and members of cooperatives. Maternity benefits are provided for 14 weeks to working women. The labor code requires employers to provide paid sick leave. The program supplements a continued strong sense of social obligation to one's family or clan, even among Africans in urban centers.

The status of women is improving, but they are still subject to legal and social restrictions. A husband may deny his wife the right to work and has legal control over her earnings. Women face discrimination in employment and access to education. A wife has no financial rights in a divorce and no inheritance rights upon the death of her husband. Polygamy is practiced. In 1998 the government passed a law banning female genital mutilation, which affects an estimated 12% of all girls and women. Domestic abuse and violence are widespread.

The human rights record of the Togolese government is deteriorating. Abuses include political repression, excessive force by police (with little accountability), and arbitrary arrest and detention. Prison conditions remain very harsh. Human rights organizations are permitted to exist, although they may be subject to intimidation by the government.

[41]HEALTH

Medical services include permanent treatment centers and a mobile organization for preventive medicine. Special facilities treat leprosy, sleeping sickness, and mental illness. All services are free except at the clinic attached to the hospital in Lomé, where some patients pay a nominal fee. In 1991, the nation's medical personnel included 319 doctors and 1,187 nurses. In 1990, there were 22 dentists, 65 pharmacists, and 222 midwives. As of 1999, there were an estimated 0.1 physicians and 1.5 hospital beds per 1,000 people. About 61% of the population had access to health care services in 1990–95. As of 1999 total health care expenditure was estimated at 2.6% of GDP. In 2000, 54% of the population had access to safe drinking water and 34% had adequate sanitation.

The Mobile Service for Hygiene and Preventive Medicine performs mass inoculations, carries out pest control campaigns, and provides education in hygiene and basic preventive measures. Its activities have led to significant decreases in mortality caused by smallpox, yellow fever, and sleeping sickness. Yaws, malaria, and leprosy continue to be major medical problems. A common disease reported in 1995 was guinea worm (6,144 cases). Goiter was prevalent in 23.5% of school-age children in 1996. In 1999, there were 313 reported cases of tuberculosis per 100,000 people. Immunization rates for children up to one year old in 1990–94 were: tuberculosis, 73%; diphtheria, pertussis, and tetanus, 71%; polio, 71%; and measles, 58%. As of 1999 rates for DPT and measles were, respectively, 41% and 43%. In 1993, 14% of the population had been vaccinated against yellow fever.

There were 177,000 births in 1994. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 36.1 and 11.3 per 1,000 people. The fertility rate in 2000 was five children per woman living through her childbearing years. The infant mortality rate was 75 per 1,000 live births in 2000 and the maternal mortality rate was 480 per 100,000 live births in 1998. Average life expectancy in 2000 was 49 years.

At the end of 2001 the number of people living with HIV/AIDS was estimated at 150,000 (including 6% of the adult population) and deaths from AIDS that year were estimated at 12,000. HIV prevalence in 1999 was 5.98 per 100 adults. At least 50% of the women in Togo underwent female genital mutilation in 1994. The government has published a policy opposing the practice.

[42]HOUSING

With the limited resources at its disposal, the government is endeavoring to solve the problem of urban overcrowding by promoting housing schemes and establishing sanitation facilities. According to the latest available information for 1980–88, total housing units numbered 470,000 with 6.2 people per dwelling.

Rural dwellings are generally made from sun-dried mud bricks and mud plaster, with straw roofs. Urban dwellings are made of cement blocks and/or bricks with brick or iron sheeted roofs.

[43]EDUCATION

Projected adult illiteracy rates for the year 2000 stand at 42.9% (males, 27.8%; females, 57.4%). Primary education (ages 6–12) is compulsory and free of charge. Secondary education lasts for seven years. In 1996/1997, there were 859,574 pupils and 18,535 teachers in primary schools. There were 178,254 pupils in secondary schools in the same year. The pupil-teacher ratio at the primary level was 38 to 1 in 1999. In the same year, 91% of primary-school-age children were enrolled in school, while 23% of those eligible attended secondary school. Mission schools play an important role in education. As of 1999, public expenditure on education was estimated at 4.5% of GDP.

The University of Benin is at Lomé. Lomé also has colleges of administration, architecture, and urban planning. In 1996/1997, all higher-level schools had 443 teachers and a total enrollment of 13,124 students.

[44]LIBRARIES AND MUSEUMS

As of the late 1990s, the National Library in Lomé had a collection of approximately 18,000 volumes, and the University of Benin library had 70,000. There is a public library with 26 service points holding a total of 63,000 volumes.

As of the late 1990s, Togo had eight museums. The National Museum, founded in Lomé in 1975, has ethnography, history, and art exhibits.

[45]MEDIA

Telecommunications links are maintained with major African, European, and American cities. There is an automatic telephone exchange in Lomé, where most of the nation's 47,000 telephones (1999) are located. There were 10,000 cellular telephone subscribers in 1998. The radio network presents programs in French, English, and local languages. Television service, broadcast in French and local languages, began in 1973. As of 1999 there were 2 AM radio stations and 3 television stations. In 2000 there were 265 radios and 32 television sets for every 1,000 people. In 2001, three Internet service providers served 20,000 subscribers.

Most media are run by the government and criticism of key government policies or officials is not permitted. *The Journal Official de la République du Togo* is published daily in Lomé; another Lomé daily, *Togo-Presses*, published in French and *Ewe*, had a circulation of 15,000 in 1999.

The constitution of Togo provides for freedom of speech and of the press; however, though the government is said to generally respect these rights, it has on one occasion intimidated journalists through threats, detention, and other persecution. Opposition media are tolerated, though sometimes censored or prevented access to information.

[46] ORGANIZATIONS

The Chamber of Commerce, Agriculture, and Industry is active in Lomé. The Federation of Non-Government Organizations of Togo helps promote small enterprise development by providing training and lobbying services. The African Organization of Supreme Audit Institutions, a large multinational organization promoting high ethical business and accounting standards, is based in Lomé.

The CNTT and the major women's and youth groups are affiliated with the RPT. Cultural organizations, all located in Lomé, include the Alliance Française, American Cultural Center, Goethe-Institut, and Togolese Association for Cultural Exchanges with Foreign Countries.

Social action organizations include Islands of Peace and the Togo Association of Volunteers for Development. The Red Cross is also active.

[47] TOURISM, TRAVEL, AND RECREATION

Tourist attractions include the Mandouri hunting reserve in the northeast, and the beaches and deepsea fishing of the Gulf of Guinea coast. Even though social and political calm has been restored after disturbances in the early 1990s, there has been lack of financial resources for the development of tourism. In 2000, there were 59,541 tourist arrivals creating a 19% occupancy rate in the 2,358 hotel rooms. Tourism receipts totaled about $5 million.

According to 2002 US government estimates, daily travel expenses for a stay in Lomé were approximately $131. Daily expenses are about $67 in Kara, and $50 elsewhere.

[48] FAMOUS TOGOLESE

Togo's most prominent statesman was Sylvanus Olympio (1902–63), who led his country's fight for independence and was its first president. Gnassingbé Éyadéma (b. Étienne Éyadéma, 1937) became president of Togo since 1967. Edem Kodjo (b.1938) was OAU secretary-general, 1978–84.

[49] DEPENDENCIES

Togo has no territories or colonies.

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TUNISIA

Republic of Tunisia
Al-Jumhuriyah at-Tunisiyah

CAPITAL: Tunis

FLAG: Centered on a red ground is a white disk bearing a red crescent and a red five-pointed star.

ANTHEM: *Al-Khaladi (The Glorious)*.

MONETARY UNIT: The Tunisian dinar (D) is a paper currency of 1,000 millimes. There are coins of 1, 2, 5, 10, 20, 50, and 100 millimes and of ½, 1, and 5 dinars, and notes of 1, 5, 10, and 20 dinars. D1 = $0.7752 (or $1 = D1.29) as of May 2003.

WEIGHTS AND MEASURES: The metric system is the legal standard.

HOLIDAYS: New Year's Day, 1 January; Independence Day, 20 March; Martyrs' Day, 9 April; Labor Day, 1 May; Victory Day, 1 June; Republic Day, 25 July; Women's Day, 13 August; Evacuation Day, 15 October; Accession of President Ben Ali, 7 November. Movable religious holidays include 'Id al-Fitr, 'Id al-'Adha', 1st of Muharram (Muslim New Year), and Milad an-Nabi.

TIME: 1 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

Situated on the northern coast of Africa, Tunisia has an area of 163,610 sq km (63,170 sq mi), extending 792 km (492 mi) N–S and 350 km (217 mi) E–W. Comparatively, the area occupied by Tunisia is slightly larger than the state of Georgia. It is bounded on the N and E by the Mediterranean Sea, on the SE by Libya, and on the W by Algeria, with a total boundary length of 2,572 km (1,598 mi), of which 1,148 km (713 mi) is coastline.

Tunisia's capital city, Tunis, is located on the northern coast.

[2]TOPOGRAPHY

The Nemencha mountains—eastern extensions of the Atlas chain—divide the country into two distinct regions, the well-watered north and the semiarid south. The latter includes Tunisia's highest point, Jebel Chambi, 1,544 m (5,064 ft), near Kasserine. The northern region is further divided into three subregions: the northwest, with extensive cork forests; the north-central, with its fertile grasslands; and the northeast, from Tunis to Cape el-Tib, noted for its livestock, citrus fruits, and garden produce. The southern region contains a central plateau and a desert area in the extreme south, which merges into the Sahara and is characterized by date palm oases and saline lakes, the largest of which is Chott el Djerid. The Medjerda, the most important river system, rises in Algeria and drains into the Gulf of Tunis.

[3]CLIMATE

Tunisia consists of two climatic belts, with Mediterranean influences in the north and Saharan in the south. Temperatures are moderate along the coast, with an average annual reading of 18°C (64°F), and hot in the interior south. The summer season in the north, from May through September, is hot and dry; the winter, which extends from October to April, is mild and characterized by frequent rains. Temperatures at Tunis range from an average minimum of 6°C (43°F) and maximum of 14°C (57°F) in January, to an average minimum of 21°C (70°F) and maximum of 33°C (91°F) in August. Precipitation in the northern region reaches a high of 150 cm (59 in) annually, while rainfall in the extreme south averages less than 20 cm (8 in) a year.

[4]FLORA AND FAUNA

Tunisia has a great variety of trees, including cork oak, oak, pines, jujube, and gum. More than one-fourth of the country is covered by esparto grass, which is the characteristic vegetation of the steppe region. Jackal, wild boar, and several species of gazelle are numerous. Horned vipers and scorpions are common in the Sahara. The sleeved mouflon, a species of wild sheep, is found in the mountains.

[5]ENVIRONMENT

Loss of agricultural land to erosion, and degradation of range and forest lands because of overgrazing or overcutting of timber for fuel are major concerns. Erosion threatens 76% of the nation's land area. Overcrowding and poor sanitation in urban centers are also major environmental problems. Pollution from industry and farming activities threatens the nation's limited water supply. Tunisia has 3.5 cubic kilometers of renewable water resources with 83% used for farming and 3% for industrial purposes. Only 58% of the people living in rural areas have pure drinking water. The nation's cities produce about 0.9 million tons of solid waste; inadequate disposal of toxic and hazardous wastes poses health risks. There are four national parks.

In 2001, 11 of the nation's mammal species and 6 bird species were endangered. Six types of plants were also endangered. Endangered species in Tunisia include the Barbary hyena, Barbary leopard, two species of gazelle (Cuvier's and slender-horned), the Mediterranean monk seal, oryx, and Mococcan dorcas gazelle. The Bubal hartebeest has become extinct. The A World Wildlife Fund project succeeded in rescuing the Atlas deer from near extinction.

[6]POPULATION

The population of Tunisia in 2003 was estimated by the United Nations at 9,832,000, which placed it as number 82 in population among the 193 nations of the world. In that year

approximately 6% of the population was over 65 years of age, with another 30% of the population under 15 years of age. There were 101 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.07%, with the projected population for the year 2015 at 11,116,000. The population density in 2002 was 60 per sq km (155 per sq mi), ranging from only about 4 per sq km (10 per sq mi) in the south to over 400 per sq km (1,000 per sq mi) in the thickly settled north.

It was estimated by the Population Reference Bureau that 66% of the population lived in urban areas in 2001. The capital city, Tunis, had a population of 1,860,000 in that year. Other cities are Sfax (Safaqis); Ariana (a suburb of Tunis); Bizerte (Binzart); Gabes; and Sousse (Susa). According to the United Nations, the urban population growth rate for 2000–2005 was 2.3%.

[7]MIGRATION

French and Italian migration to Tunisia dates from the French military occupation of 1881. There were 255,000 Europeans in Tunisia in 1956, but most have since left the country. With the conclusion of the Franco-Algerian war in 1962, 110,000 Algerian refugees returned to their homeland.

Internal migration constitutes a serious problem. Rural unemployment has caused significant population movement to urban centers, where conditions are often harsh. Since 1964, the government has sought to decentralize industry and to resettle nomads and semi-nomads in permanent villages. Many Tunisians seek employment abroad; in the early 1990s there were approximately 350,000 Tunisian workers in foreign countries, mostly Libya and France.

In 1999, some 500 refugees and asylum-seekers, including Palestinians and various African nationalities, were under the care of UNHCR in Tunisia. The net migration rate in 2000 was -0.8 migrants per 1,000 population. The total number of migrants that year was 38,000. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

Tunisia has a highly homogeneous population, almost entirely of Arab and Berber descent (98%). The small European population (1%) consists mostly of French and Italians. Tunisian Jews and other groups make up the remaining 1% of the populace.

[9]LANGUAGES

Arabic is the official language and one language used in commerce. French is taught to all school children and is also commonly used in commerce and administration. Small numbers of people speak Berber.

[10]RELIGIONS

Islam is the state religion and nearly all Tunisians are Sunni Muslims. A small number are of the mystical Sufi branch. The Christian community, which contains only about 20,000 people, is made up primarily of Roman Catholics, Russian Orthodox, French Reform, Anglicans, Greek Orthodox, and a small number of Jehovah's Witnesses. There are approximately 1,800 Jews in the country and about 150 Baha'is.

The constitution provides for the free exercise of religions that do not disturb the public order. Under this stipulation, the early 1980s brought a government offensive against the growing Islamic fundamentalist movement. In 1981, two fundamentalist parties were banned, and some 100 members were brought to trial and sentenced to prison terms for offending the dignity of the head of state and belonging to an unauthorized organization. Another crackdown on Islamic fundamentalists began in 1986, with about 2,000 arrested in 1986 and 1987. In the early 1990s, the Islamist group An-Nahdha was declared illegal as the government claims it is a terrorist organization attempting to overthrow the government.

Though members of other established, non-Muslim religions are generally allowed to practice freely, proselytizing is prohibited by law. Muslims who convert to another faith are often denied the right to vote, obtain a passport, and to enlist in the army, as well as facing social discrimination. Members of the Baha'i faith are only allowed to practice their faith in private, since the government considers the religion to be a heretical sect of Islam.

[11]TRANSPORTATION

As of 2002, 23,100 km (14,354 mi) of highway, 18,226 km (11,326 mi) of it paved, connected the major cities and provided access to most regions of the country. In 2000, there were 195,800 passenger cars and 153,200 commercial vehicles. The Tunisian National Railway Co. (Société National des Chemins de Fer Tunisiens) operates over 2,168 km (1,347 mi) of standard- and narrow-gauge track, located mostly in the northern region and central plateau. A metro rail system for Tunis opened in 1985.

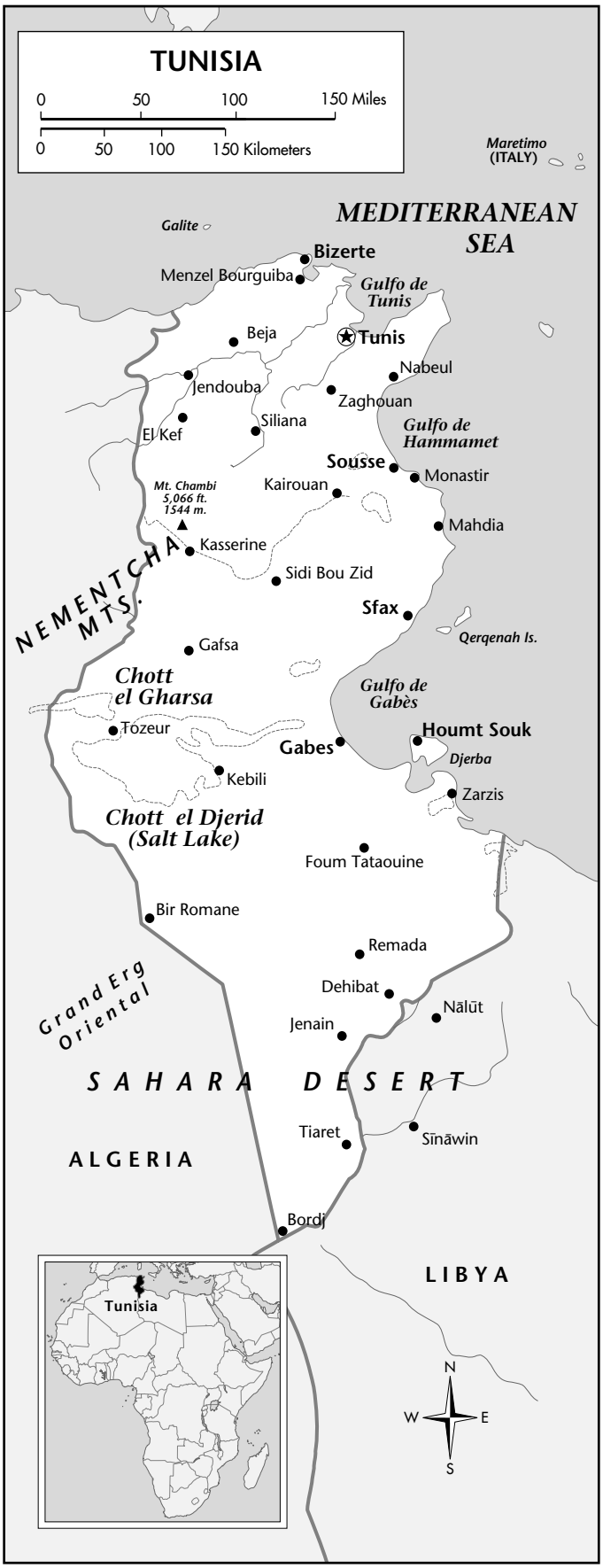
Tunisia has excellent shipping facilities at Tunis, the principal port, and at Sfax, Sousse, Bizerte, and Gabes; Sekhira is the port for oil exports. The free port terminal at Zarzis is scheduled for further development at an estimated cost of $20.8 million, in order to expand harbor and storage facilities. Tunisia's modest merchant fleet, established in 1958, operates a freighter service principally to French ports; as of 2002 there were 16 ships, totaling 150,710 GRT. The Tunisian Navigation Co. is the principal shipping firm.

Airports in 2001 numbered 30, 14 of which had paved runways. Tunis-Carthage Airport, about 14 km (9 mi) from the capital, provides direct connections to most of the major cities of Europe and the Middle East. There are five other international airports, at Monastir (Habib Bourguiba), Jerba (Zarzis), Tozeur (Nefta), Tabarka, and Sfax (Thyna). Tunis Air, the national airline, is owned by the Tunisian government (51%), Air France, and Tunisian citizens. In 2001, 1,926,100 passengers were carried on scheduled domestic and international flights.

[12]HISTORY

The history of early Tunisia and its indigenous inhabitants, the Berbers, is obscure prior to the founding of Carthage by seafaring Phoenicians from Tyre (in present-day Lebanon) in the 9th century BC. A great mercantile state developed at Carthage (near modern-day Tunis), which proceeded to dominate the western Mediterranean world. The great Carthaginian general Hannibal engineered the monumental trans-Alpine assault on Rome in 211 BC and inflicted costly losses on the Roman Empire until choosing suicide rather than capture in 183 BC. Carthage was eventually burned to the ground by the Romans at the culmination of the Punic Wars in 146 BC. The Romans subsequently rebuilt the city, making it one of the great cities of the ancient world. With the decline of the Roman Empire, Tunisia fell successively to Vandal invaders during the 5th century AD, to the Byzantines in the 6th century, and finally to the Arabs in the 7th century. Thenceforth, Tunisia remained an integral part of the Muslim world.

In the 9th century, the governor of Tunisia, Ibrahim ibn Aghlab, founded a local dynasty nominally under the sovereignty of the 'Abbasid caliphs of Baghdad. The Aghlabids conquered Sicily and made Tunisia prosperous. In 909, the Fatimids ended Aghlabid rule, using Tunisia as a base for their subsequent conquest of Egypt. They left Tunisia in control of the subordinate Zirid dynasty until the 11th century, when the Zirids rebelled against Fatimid control. The Fatimids unleashed nomadic Arab tribes, the Banu Hilal and Banu Sulaym, to punish the Zirids, a move resulting in the destruction of the Zirid state and the general economic decline of Tunisia. In the 13th century, the Hafsids, a group subordinate to the Almohad dynasty based in



LOCATION: 7°33′ to 11°38′ E; 29°54′ to 37°21′ N. BOUNDARY LENGTHS: Mediterranean coastline, 1,028 kilometers (639 miles); Libya, 459 kilometers (285 miles); Algeria, 958 kilometers (595 miles). TERRITORIAL SEA LIMIT: 12 miles.

Morocco, restored order to Tunisia. They founded a Tunisian dynasty that, from the 13th century to the 16th, made Tunisia one of the flourishing regions of North Africa. In the beginning of the 16th century, however, Spain's occupation of important coastal locations precipitated the demise of Hafsid rule.

In 1574, the Ottoman Turks occupied Tunisia, ruling it with a dey appointed by the Ottoman ruler. The dey's lieutenants, the beys, gradually became the effective rulers, in fact if not in name. Ultimately, in 1705, the bey Husayn ibn 'Ali established a dynasty. Successive Husaynids ruled Tunisia as vassals of the Ottomans until 1881 and under the French until 1956, the year of Tunisia's independence (the dynasty was abolished in 1957). During the 19th century, the Tunisian dynasts acted virtually as independent rulers, making vigorous efforts to utilize Western knowledge and technology to modernize the state. But these efforts led to fiscal bankruptcy and thus to the establishment of an international commission made up of British, French, and Italian representatives to supervise Tunisian finances. Continued rivalry between French and Italian interests culminated in a French invasion of Tunisia in May 1881. A protectorate was created in that year by the Treaty of Bardo; the Convention of La Marsa (1883) allowed the Tunisian dynasty to continue, although effective direction of affairs passed to the French. French interests invested heavily in Tunisia, and a process of modernization was vigorously pursued; at the same time, direct administration in the name of the dynasty was gradually expanded. The Tunisians, in turn, supported France in World War I.

The beginnings of modern nationalism in Tunisia emerged before the outbreak of the war, with hopes of greater Tunisian participation in government encouraged during the war by pronouncements such as the Fourteen Points (1918) of Woodrow Wilson. When these hopes were not realized, Tunisians formed a moderate nationalist grouping, the Destour ("Constitutional") Party. Dissatisfaction over the group's poor organization led, in 1934, to a split: the more active members, led by Habib Bourguiba, founded the Neo-Destour Party. France responded to demands for internal autonomy with repression, including the deposition and exile of the sovereign Munsif Bey. On 23 August 1945, the two Destour parties proclaimed that the will of the Tunisian people was independence. But the French still held firm. In December 1951, they again rejected a request by the Tunisian government for internal autonomy. The situation worsened when extremists among the French colonists launched a wave of terrorism. Finally, on 31 July 1954, French Premier Pierre Mendès-France promised the bey internal autonomy. After long negotiations accompanied by considerable local disorder, a French-Tunisian convention was signed on 3 June 1955 in Paris. On 20 March 1956, France recognized Tunisian independence.

In April 1956, Habib Bourguiba formed the first government of independent Tunisia, and on 25 July 1957, the Constituent Assembly, having established a republic and transformed itself into a legislative assembly, elected Bourguiba chief of state and deposed the bey. A new constitution came into effect on 1 June 1959. Bourguiba won the first presidential election in 1959 and was reelected in 1964, 1969, and 1974, when the National Assembly amended the constitution to make him president for life.

Economic malaise and political repression during the late 1970s led to student and labor unrest. A general strike called by the General Union of Tunisian Workers (UGTT) on 26 January 1978, in order to protest assaults on union offices and the harassment of labor leaders, brought confrontations with government troops in which at least 50 demonstrators and looters were killed and 200 trade union officials, including UGTT Secretary-General Habib Achour, were arrested. Prime Minister Hedi Nouira was succeeded by Mohamed Mzali in April 1980, marking the advent of a political liberalization. Trade union leaders were released from jails, and Achour ultimately received a

full presidential pardon. In July 1981, the formation of opposition political parties was permitted. In elections that November, candidates of Bourguiba's ruling Destourian Socialist Party, aligned in a National Front with the UGTT, garnered all 136 National Assembly seats and 94.6% of the popular vote. An economic slump in 1982–83 brought a renewal of tensions; in January 1984, after five days of rioting in Tunis, the government was forced to rescind the doubling of bread prices that had been ordered as an austerity measure.

After independence, Tunisia pursued a nonaligned course in foreign affairs while maintaining close economic ties with the West. Tunisia's relations with Algeria, strained during the 1970s, improved markedly during the early 1980s, and on 19 March 1983 the two nations signed a 20-year treaty of peace and friendship. Relations with Libya have been stormy since the stillborn Treaty of Jerba (1974), a hastily drafted document that had been intended to merge the two countries into the Islamic Arab Republic; within weeks after signing the accord, Bourguiba, under pressure from Algeria and from members of his own government, retreated to a more gradualist approach toward Arab unity. A further irritant was the territorial dispute between Libya and Tunisia over partition of the oil-rich Gulf of Gabes, resolved by the international Court of Justice in Libya's favor in 1982. Tunisian-Libyan relations reached a low point in January 1980, when some 30 commandos (entering from Algeria but apparently aided by Libya) briefly seized an army barracks and other buildings at Gafsa in an abortive attempt to inspire a popular uprising against Bourguiba. In 1981, Libya vetoed Tunisia's bid to join OAPEC and expelled several thousand Tunisian workers; more Tunisian workers were expelled in 1985.

Following the evacuation of the Palestine Liberation Organization (PLO) from Lebanon in August 1982, Tunisia admitted PLO Chairman Yasir Arafat and nearly 1,000 Palestinian fighters. An October 1985 Israeli bombing raid on the PLO headquarters near Tunis killed about 70 persons. By 1987, the PLO presence was down to about 200, all civilians.

In 1986 and 1987, Bourguiba dealt with labor agitation for wage increases by again jailing UGTT leader Achour and disbanding the confederation. He turned on many of his former political associates, including his wife and son, while blocking two legal opposition parties from taking part in elections. Reasserting his control of Tunisian politics, Bourguiba dismissed Prime Minister Mzali, who fled to Algeria and denounced the regime. A massive roundup of Islamic fundamentalists in 1987 was the president's answer to what he termed a terrorist conspiracy sponsored by Iran, and diplomatic relations with Tehran were broken. On 27 September 1987, a state security court found 76 defendants guilty of plotting against the government and planting bombs; seven (five in absentia) were sentenced to death.

The trusted minister of interior, who had conducted the crackdown, General Zine el-Abidine Ben Ali, was named prime minister in September 1987. Six weeks later, Ben Ali seized power, ousting Bourguiba, whom he said was too ill and senile to govern any longer. He assumed the presidency himself, promising political liberalization. Almost 2,500 political prisoners were released and the special state security courts were abolished. The following year, Tunisia's constitution was revised, ending the presidency for life and permitting the chief executive three, five-year terms. Elections were advanced from 1991 to 1989 and Ben Ali ran unopposed. Candidates of the renamed Destour Party, the Constitutional Democratic Rally (RCD), won all of the 141 seats in the Chamber of Deputies, although the Islamist Party, an-Nahda, won an average of 18% of the vote where its members contested as independents.

The Constitution does not permit political parties based on religion, race, regional or linguistic affiliation, and thus Islamist parties in Tunisia face an uphill battle in gaining official recognition. After an attack on RCD headquarters in 1990, the government moved decisively against its Islamist opposition. Thousands were arrested and in 1992 military trials, 265 were convicted.

In the March 1994 presidential election, two men not Islamist-affiliated, after announcing their candidacy for the presidency, were arrested and Ben Ali again was unopposed and was reelected with 99.9% of the vote. In the new electoral system established for the 1994 Chamber of Deputies elections, the number of seats had been increased from 144 to 163. In the new proportional system, 144 of the seats were to be contested and to go to the majority party and the remaining 19 to be distributed to the remaining contesting parties according to their vote draw at the national level. In the parliamentary elections the president's RCD took all 144 seats with the remaining six parties dividing up the 19 set-aside seats. In the 1995 municipal elections, out of 4,090 seats contested in the 257 constituencies, independent candidates and members of the five recognized political parties won only six of the seats.

In July 1998 Ben Ali announced his plans to contest the presidential elections scheduled for October 1999. Two other candidates, Mohamed Belhaj Amor of the PUP and Abderrahmane Tlili of the UDU also announced their candidacy. The parliament had again been enlarged to 182 members, with 34 seats guaranteed to the opposition. In the 1999 elections Ben Ali received 99.4% of the votes, with Amor receiving 0.3% and Tlili 0.2%. The RCD was awarded with 148 seats and the five other official parties splitting the remaining 34 seats.

In the 1990s Tunisia continued to follow a moderate, nonaligned course in foreign relations, complicated by sporadic difficulties with its immediate neighbors. Relations with Libya remained tense after ties were resumed in 1987. However, Ben Ali pursued normalized relations, which dramatically improved over the next few years. Thousands of Tunisians found work in Libya as the border was reopened. In 1992 the UN Security Council imposed sanctions against Libya due to its decision to not hand over for trial suspects in the Pan Am bombing affair. Tunisia did not wholeheartedly support all of the UN Security Council sanctions due to the real economic ties that the two countries have. Due to these ties Libya's difficulties impacted on the ability of Tunisia and the UAM (see below) to establish closer relations with the European Union. From 1995 forward, Tunisia lobbied at the international level for the cessation of the sanctions due to the suffering that was caused to the Libyan people as well as to the regional tensions that the sanctions were creating. By 1997 Tunisia had quietly resumed joint economic projects and bilateral visitation with Libya. Following Libya's 1998/99 decision to hand over the Pan Am bombing suspects for trial in the Netherlands for the 1988 Pam Am explosion over Lockerbie, Scotland, Tunisia has moved to normalize relations with Libya, including resumption of TunisAir flights to Tripoli in June 2000.

Ben Ali also appeared committed to the promotion of the Union of the Arab Maghreb, an organization that became formalized in 1989 with Mauritania, Morocco, Algeria, Tunisia, and Libya. Ben Ali became president of the organization for 1993, though at this point the active work toward unification of the five countries was put on hold due in particular to the internal difficulties that Algeria faced as well as the problems of Libya in the international community caused by Libya's refusal to turn over the Lockerbie suspects. In 1999 the leaders of Morocco and Tunisia again called for a resuscitation of the organization and pledged to work toward that end in the following year.

Tunisia's relations with Algeria in the 1990s have been controlled by the Islamist issue. The leadership of Tunisia's not-officially recognized ah-Nahda party continues to be closely watched by both countries. With the decision of the Algerian military to annul their January 1992 elections in order to prevent the Islamists from gaining control of the government, relations

improved between the two countries. Algeria signed a border agreement in 1993 with Tunisia, ratified during a state visit of the Algerian leader. Reciprocal visits between the leadership of the two countries reinforced their commitment to controlling their joint border and fighting "extremism."

In 1988 'Abu Jihad, the military commander of the PLO, was assassinated near Tunis by Israeli commandos, provoking a Tunisian protest to the United Nations Security Council and a following resolution of condemnation of the Israeli aggression by the Council. However, relations with Israel then improved, and in 1993, Tunisia welcomed an official Israeli delegation as part of the peace process. Joint naval exercises between the two countries took place in March 1994. The PLO offices in Tunis were closed in 1994 as the new Palestinian Authority (PA) took up residence in Gaza. In 1996, following PA elections, Tunisia moved to establish low-level diplomatic relations with Israel as it also announced its decision to recognize PA passports. However, with the slowing of the peace process and the election of the Netanyahu government in Israel, improving relations between Israel and Tunisia cooled and remained on hold.

Ben Ali also moved to normalize relations with Egypt and visited Cairo in 1990 to that end, the first such trip by a Tunisian President since 1965. In 1997 several agreements regarding economic and cultural cooperation were signed between the two countries.

Although the United States has provided economic and military aid, Tunisia opposed American support for Kuwait following Iraq's invasion in 1990. The support of Iraq in this crisis caused a rift in relations with Kuwait that were finally healed, through Ben Ali's efforts, with the visit of Kuwait's Crown Prince to Tunis in 1996 and a loan from the Kuwait-based Arab Fund for Economic and Social Development being granted to Tunisia. At the same time, Tunisia continued good relations with Iraq and continued to call for a cessation of UN sanctions against Baghdad.

The consistent stance of Ben Ali's government toward Islamist parties has brought him friends in the west, though his own poor human rights record has provoked consternation from western governments and vocal criticism from western media and human rights organizations. Complaints against his regime have included torture under interrogation, deaths in custody, secret or unfair trials and long prison sentences for opposition leaders, inhumane prison conditions and restrictions on free speech and the press, including even controls on the use of satellite dishes. Ironically, the UN Committee against Torture (along with numerous other human rights groups and including the Arab Commission of Human Rights) denounced the police and security forces in Tunisia, while Tunisia was unanimously elected to the UN Human Rights Commission in 1997.

In July 1995, Tunisia signed an association agreement with the European Union that in 2007 would make the country part of a free-trade area around the Mediterranean known as the European Economic Area, the first southern Mediterranean country to be brought in to the planned association. The United States has continued to offer praise to Tunisia and encouragement of US investment, but has held off on requested military aid. Relations with Italy, Tunisia's second largest trading partner after France, have been complicated by the issues of illegal immigration from Tunisia and of fishing rights.

On 6 April 2000, Bourguiba died at age 96. A 7-day period of mourning was declared, and thousands of mourners lined his funeral procession route.

Following the 11 September 2001 terrorist attacks on the United States, the United States called upon all states to implement counterterrorism measures. On 11 April 2002, a truck exploded at a synagogue on the Tunisian resort island of Djerba, killing 21 people, including 14 German tourists. German intelligence officials reported the bombing was a terrorist attack, and cited links to the al-Qaeda organization. In November, Ben Ali called for an international conference on terrorism to establish an international code of ethics to which all parties would be committed. In December, the United States praised Tunisia for its efforts in combating terrorism, and for its "record of moderation and of tolerance in the region."

In a referendum held on 26 May 2002, voters overwhelmingly approved a series of constitutional amendments that would make a marked change in the country's political structure. They included: additional guarantees regarding the pre-trial and preventive custody of defendants; the creation of a second legislative body; the elimination of presidential term limits, along with the setting of a maximum age ceiling of 75 years for a presidential candidate; and the consecration of the importance of human rights, solidarity, mutual help, and tolerance as values enshrined in the constitution.

In November 2002, Ben Ali announced a series of electoral reform measures, which, in addition to the "Chamber of Councilors" approved by the May referendum, included provisions to further guarantee the fairness of voter registration and election processes, and provisions to reduce the minimum requirement for campaign financing and reimbursement by the state. He also called on radio and television operators to provide wider coverage of opposition parties and nongovernmental organizations, and introduced a bill that would guarantee citizens' privacy and protection of personal data. The next presidential and legislative elections are scheduled for 2004.

In a speech presented at a summit of the Non-Aligned movement in Kuala Lumpur, Malaysia, in February 2003, Ben Ali reiterated his call for an international conference on terrorism, and called for a peaceful solution to the crisis in Iraq. By March 2003, the UN Security Council was considering whether or not it would sanction the use of force in providing for Iraq's disarmament of weapons of mass destruction called for in its Resolution 1441 passed 8 November 2002, and the United States and UK had stationed nearly 300,000 military personnel in the Persian Gulf region.

[13] GOVERNMENT

According to the constitution of 1959, Tunisia is an Islamic republic, although since independence it has been a thoroughly secular state. The president, who is chief of state, must be a Muslim and a Tunisian citizen, born of a Tunisian father and grandfather, and at least 40 years old. He serves a five-year term. The president enjoys extensive powers, initiating and directing state policy and appointing judges, provincial governors, the mayor of Tunis, and other high officials, The cabinet, headed by a prime minister, varies in size and is under presidential domination.

The unicameral national assembly (Majlis al-Ummah) was expanded in 1993 to 163 members and again in 1997 to 182 members, elected by general, free, direct, and secret ballot. Since 1994 the opposition has been guaranteed a number of seats in the assembly, with the changes introduced in 1997 guaranteeing them 20% of the assembly seats. All citizens 20 years of age or older may vote; candidates must be at least 25 years old and born of a Tunisian father or Tunisian mother. The assembly sits twice a year for five years, but may be extended in the event that a national emergency prevents new elections. Presidential ratification is required before a bill passed by the legislature can become law, but the assembly may override the president's veto by a two-thirds majority. The president may enact decrees in an emergency or when the assembly is in recess.

A series of constitutional amendments were overwhelmingly approved by voters in a 26 May 2002 referendum. Civil liberties were expanded, and human rights were guaranteed. Provisions for a second legislative body, a Chamber of Councilors, were made. Presidential term limits were abolished, and the age limit

for a presidential candidate was raised from 70 to 75, thereby making Ben Ali, then age 65, eligible for reelection in 2004 and 2009.

[14]POLITICAL PARTIES

The Constitutional Democratic Rally (RCD) dominates the country's political life. Its leader from its founding as the Neo-Destour Party in 1934 to 1987 was Habib Bourguiba. In the first national elections, in 1956, all 98 seats in the Constituent Assembly were won by the National Union, a united front of the Neo-Destour Party with the UGTT, the National Union of Tunisian Farmers, and the Tunisian Union of Craftsmen and Merchants. In the November 1959 elections for the National Assembly, the Communist Party (Parti Communiste Tunisien) presented a list of 13 candidates in Tunis and Gafsa; elsewhere, the Neo-Destour Party was unopposed, and the ruling party won all 90 seats at stake. From 1959 to 1994, the RCD (acting in 1981 as part of a National Front with the UGTT) held a monopoly of Assembly seats.

Banned in 1963, the Communist Party was the first opposition group to be fully legalized under the political liberalization of 1981. Two other parties, the Movement of Social Democrats (Mouvement des Démocrates Socialistes) and the Movement (or Party) of Popular Unity (Mouvement (Parti) de l'Unité Populaire), failed to retain their provisional authorization when each fell short of receiving a 5% share of the total vote in the November 1981 election but nevertheless were formally legalized in 1983. The principal Islamist party, An Nahda, has been outlawed. In 1992, it was hit hard by the jailing of many of its senior leaders.

Due to a change in the 1994 electoral code to guarantee the opposition would win seats, opposition parties such as the Movement of Social Democrats (MDS) entered the Chamber of Deputies. As a result of the October 1999 legislative elections, there are five officially recognized opposition parties represented in the Chamber of Deputies: Movement of Social Democrats (MDS) holding 13 seats; Unionist Democratic Union (UDU) holding 7 seats; Party of People's Unity (PUP) holding 7 seats; Movement for Renewal (MR), the communist party, holding 5 seats; and the Social-Liberal Party holding 2 seats. The RCD held 148 of the 182 seats as of 1999. The Islamist an-Nahda remains an outlawed party. The At-Tajdid Movement is a sixth legally recognized political party, although it is not represented in the legislature.

In October 2002, an eighth political party in Tunisia was legally recognized, joining the 6 other opposition parties aligned against the RCD. Called the Democratic Forum for Labor and Liberties, it was headed by Dr. Mustapha Ben Jaafar. Legislative elections are next set for 2004.

[15]LOCAL GOVERNMENT

Tunisia is divided into 23 provinces (*wilayets*, or governorates). Each province is headed by a governor appointed by the president through the secretary of interior. The governor is assisted by elected municipal councils and a governmental council, members of which are appointed for a three-year term by the central government on the governor's nomination. Each province is in turn divided into delegations (*mutamadiyat*), the number of which varies with the size and social and economic importance of the province. There were 199 in the mid-1980s. The number of communes, or municipalities, in 2002 was 257. In local elections boycotted by the opposition in 1990, RCD candidates won control of all but one of the councils. In 1990 proportional representation for municipal elections was introduced, where the winning party would receive 50% of the council seats with the remaining seats to be proportionally divided between the other political parties according to their electoral draw. Municipal elections held in 1995 gave RCD control with 99.9% of the votes cast and 4,084 of the 4,090 seats.

Municipal elections were held in May 2000. The RDC won 3,885 out of a total 4,128 seats. Opposition party candidates competed in less than 100 municipalities, and won a total of 243 seats. The Movement for Social Democrats fared best of this group, winning 78 seats. Local council members serve five-year terms.

[16]JUDICIAL SYSTEM

The constitution provides for an independent judiciary. The judiciary is susceptible to being influenced by the executive branch in practice. Magistrates are appointed by the president upon recommendation of the Supreme Council of the Magistracy; its members are drawn from the Department of Justice and the courts of appeal and cassation. In 2003, there were 51 cantonal courts, 23 courts of first instance, and 3 courts of appeal, located in Tunis, Sousse, and Sfax. A Court of Cassation in Tunis has three civil sections and one criminal section; it acts as the ultimate court of appeal. In addition, a High Court is constituted for the sole purpose of prosecuting a member of the government accused of high treason. The Council of State is an administrative tribunal empowered to resolve conflicts between citizens and the state and public authorities; as an accounting department, it is empowered to audit and examine government records.

Civil and criminal law generally follows French-influenced practices that evolved during the period of the protectorate. Since 1956 there has been a steady reform of existing Islamic legislation, including the abolition of polygamy. Shari'ah courts were abolished in 1956.

A military tribunal consisting of a presiding civilian judge from the Court of Cassation and four military judges hears cases involving military personnel as well as cases concerning civilians when national security is deemed to be at stake. Decisions of the military tribunal may be appealed to the Court of Cassation.

[17]ARMED FORCES

As of 2002, Tunisia had an army of 27,000 personnel equipped with 84 main battle tanks and 54 light tanks. The navy numbered 4,500 operating 21 patrol boats and other craft. The air force had 3,500 personnel, 29 combat aircraft and 15 armed helicopters. Paramilitary consisted of a 12,000-member national guard. Tunisia participated in peacekeeping efforts in the DROC and Ethiopia/Eritrea. Defense expenditures in 1999 were $356 million or 1.5% of GDP.

[18]INTERNATIONAL COOPERATION

Admitted to UN membership on 12 November 1956, Tunisia belongs to ECA and all the nonregional specialized agencies. The nation also participates in the African Development Bank, G-77, and African Union, and is a signatory of the Law of the Sea and a member of the WTO. Tunisia joined the Arab League on 1 October 1958 but boycotted its meetings from 1958 to 1961, and again in 1966; its headquarters were transferred from Cairo to Tunis in 1979 after Egypt signed a peace treaty with Israel. Egypt was readmitted to the Arab League in 1989, and the League's headquarters were moved back to Cairo. Tunisia is a member of the Maghreb Permanent Consultative Committee.

[19]ECONOMY

Agriculture, which engages about 22% of the labor force, is still the mainstay of the Tunisian economy, although minerals (especially crude oil and phosphates) and tourism are the leading sources of foreign exchange. Industrial development has increased rapidly since the 1960s. Tunisians live a middle class life-style with almost 80% of household owning their own home. The GDP grew by 4.7% annually during 1961–70, by 7.3% during 1970–81, by only 2.9% during 1982–87, and by 4.6% during 1988–98. It stood at 4.8% in 2001. An association agreement with the European Union signed in 1998 was forecast

to have negative short-term effects to the economy (due to the required drop of trade barriers), but positive long-term effects.

After a period of socialist economic policies Tunisia began a structural reform program with the IMF designed to encourage a market-based economy. Privatization of state-owned enterprises began in 1987 with 67 of the government's 189 companies privatized through 1995. The privatization program, however, focused on smaller companies so as not to disrupt employment. Privatization of the energy, construction materials, and transport sectors, all of which contain unprofitable and overstaffed entities, has yet to occur. The reforms also decontrolled domestic prices and liberalized foreign trade. The private sector accounted for about 60% of output in 1999.

Tourism, increasing as a growth sector, experienced a decline in 2001 following the 11 September 2001 terrorist attacks on the US: in 2002, there were 13% fewer tourists arriving in Tunisia in the first half of 2002 than during the same period in 2001. However, the government doubled its expenditures on tourism promotion in 2002. A drought in 2001–02 caused a decrease in cereal production, as well as in the production of olive oil.

Despite the beneficial effects that privatizing state-owned enterprises and introducing market reforms can have on the economy (including increasing foreign investment), there are drawbacks. Unemployment remained high in 2003, and the government acknowledged that jobs were being lost through privatization. In 2002, the banking and insurance sectors began to be privatized. Foreign trade, in terms both of imports and exports, increased markedly in 2001–02. The increases in exports during those years were due to the textile and clothing sector, leather and footwear sector, mechanical and electrical industries, and the agro-food, phosphates, and energy sectors.

[20] INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Tunisia's gross domestic product (GDP) was estimated at $64.5 billion. The per capita GDP was estimated at $6,600. The annual growth rate of GDP was estimated at 4.8%. The average inflation rate in 2001 was 2.7%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. Agriculture accounted for an estimated 13% of GDP, industry 33%, and services 54%.

According to the United Nations, in 2000 remittances from citizens working abroad totaled $796 million or about $74 per capita and accounted for approximately 3.6% of GDP. Worker remittances in 2001 totaled $927.2 million. Foreign aid receipts amounted to about $39 per capita and accounted for approximately 2% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $1,585. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 4%. Approximately 28% of household consumption was spent on food, 8% on fuel, 3% on health care, and 12% on education. The richest 10% of the population accounted for approximately 31.8% of household consumption and the poorest 10% approximately 2.3%. It was estimated that in 2000 about 6% of the population had incomes below the poverty line.

[21] LABOR

The labor force was estimated at about 2.7 million in 2001. In 1995, estimated employment by sector was as follows: services 55%, industry 23%, and agriculture 22%. Since 1958, regional workshops to combat underemployment have provided jobs in land development, reforestation, terracing, and drainage. Full employment has been a goal of successive development plans; however, rates of unemployment and underemployment have remained high. The estimated unemployment rate in 2000 was 15.6%.

The only trade federation is the General Union of Tunisian Workers (Union Générale des Travailleurs Tunisiens—UGTT). In 2002, about 15% of the workforce belonged to the UGTT. Unions have the right to strike after a mandatory notice period of ten days. Regional labor councils seek to foster cooperation between management and labor. Collective bargaining contracts cover 80% of the private workforce.

The labor code sets the regular workweek at 48 hours with one 24-hour rest period for most sectors. If the workday exceeds 10 hours, overtime rates must be paid. All workers are entitled to annual paid leave of up to 18 working days. All nonagricultural employers with over 40 workers are required to have a medical facility available. In 2002, the minimum wage was $138 per month in industry and $4.27 per day in agriculture.

The minimum age for agricultural work is 13 years and the minimum age for manufacturing is 16. Children must attend school until 16 and have restricted working hours until the age of 18. The laws are somewhat effectively enforced but children can still be seen performing agricultural work in rural areas and working as vendors in urban areas.

[22] AGRICULTURE

In 1999, about 25% of the labor force engaged in agriculture, which accounted for 12% of GDP. Fertile land is generally limited to the north, where cereals, olives, fruits, grapes, and vegetables are produced. In the southern desert and plateau, desert farming is precarious, but barley is produced in quantity. About 4,900,000 hectares (12,108,000 acres) are arable. Cereals account for 1,347,000 ha (3,328,000 acres), while tree crops utilized 2,000,000 ha (4,492,000 acres).

Harvests have traditionally yielded sizable surpluses for export, chiefly to France. Tunisia's early growing season allows the nation to profit from exporting fresh produce to Europe before European crops ripen. Crops fluctuate greatly in size, however, depending upon the weather. In very poor years, wheat and barley must be imported to satisfy local food requirements.

Chief grain crops in 2002 were wheat, 423,000 tons, and barley, 90,000 tons. Olive trees number some 55 million; output of olive oil in 2002 comprised 150,000 tons. Other important commodities (with 1999 production estimates, in thousands of tons) were tomatoes, 864; oranges, 105; potatoes, 298; peppers, 215; dates, 103; and grapes, 110.

The government has undertaken irrigation and soil conservation projects to improve agricultural production and raise the living standard of rural areas. The 1962–71 plan aimed at constructing 40 dams, mostly in the Medjerda River system, plus opening over 1,000 new wells, particularly in the southern regions. In the period 1962–64, the government initiated a program to help the new cooperative farm system, with a total investment of d150.5 million; remaining European-owned farms were nationalized as part of the program. In 1969, however, the development of cooperatives was halted, and appropriated land was redistributed to individual Tunisian owners. Irrigation and flood-control projects, many undertaken with foreign aid, were under way in Bizerte, the Medjerda River basin, and other locales in the early 1980s. To increase and direct the flow of capital to this sector, the government has established the Agricultural Investment Promotion Agency and the National Agricultural Development Bank.

[23] ANIMAL HUSBANDRY

Although animal breeding is a major occupation in the central plateau and southern region, the largest herds are in the well-watered north. In 2001 there were an estimated 6,860,000 sheep,

1,450,000 goats, 763,000 head of cattle, 231,000 camels, 230,000 asses, 81,000 mules, 56,000 horses, 6,000 pigs, and 70 million chickens Meat production in 2001 consisted of 110,500 tons of poultry, 62,400 tons of beef, 56,200 tons of mutton, and 10,000 tons of goat meat. Milk production in 2001 was 921,000 tons; cheese, 14,400 tons.

Since 1970, a great effort has been undertaken to develop the livestock sector to meet increased demands created by Tunisia's improved standard of living and expanding tourism. Poultry farming is being encouraged to provide farmers with an additional resource and to increase protein in the local diet.

[24]FISHING

Commercial fishing takes place along the Mediterranean coast and in the Lake of Tunis and Lake Achkel. Small quantities of tuna, sardines, shrimp, and lobsters are exported. Except for some trawler and sponge fishing, most activity is on a limited scale; the 2000 catch was 95,550 tons. In 2000, fish and fishery products exports exceeded $86.2 million. The National Fisheries Office owns part of the trawler fleet.

[25]FORESTRY

Forested lands cover about 510,000 hectares (1,260,000 acres), a large proportion of which was state owned. The oak and pine forests of the northern highlands provide cork for export (some 7,500 tons produced annually) and firewood for local use. Estimated forestry output in 2000 included wood for fuel, 2,094,000 cu m (73.9 million cu ft); wood-based panels, 104,000 cu m (3.67 million cu ft); paper and paperboard, 94,000 tons; and sawn wood, 20,000 cu m (706,000 cu ft).

[26]MINING

Although mineral production in Tunisia was not diverse, it was an important source of revenue. Of $5.8 billion in total exports in 2000, $542 million came from cement, phosphate-based fertilizers, phosphate rock, salt, zinc, and other minerals. Mining and solid mineral processing accounted for 1% of GDP. Petroleum and mining, particularly of phosphates and iron ore, were Tunisia's top two industries in 2002, phosphates and chemicals comprised the country's third top export commodity, and hydrocarbons ranked fifth. Phosphate rock production (12.9 million tons in 2000; 90% from open-pit mining) was entirely controlled by the government-owned Compagnie des Phophates de Gafsa (CPG), founded in 1896. CPG was the largest company in Tunisia, both in terms of employees and capital investment, directly employing 9,000 people and indirectly employing over 200,000. The Kef Eschfair Mine accounted for 29.5% of total ore volume; the Kef Eddour Mine, 19.6%; and the Jallabia Mine, 18.2%. The underground M'rata Mine was closed in 2000. Known reserves of crude phosphate, in the south, amounted to 100 million tons (5% of world reserves). High-grade iron ore was found in the north, while lead and zinc, mined intermittently since Roman times, were widely dispersed. International interest in developing Tunisia's lead-zinc deposits continued to grow. High-quality marine salt was exploited along the coast. In 2000, mineral production included washed phosphate rock (gross weight), 8.34 million tons; iron ore (metal content), 98,000 tons, down from 119,000 in 1999; zinc, 41,247 tons; lead, 6,602 tons; cement (hydraulic and white), 5.4 million tons; marine salt, 481,000 tons; and gypsum, 100,000 tons. Barite, clays, fertilizers (triple-superphosphate, phosphoric acid, diammonium-phosphate, and ammonium nitrate), gravel, lime, sand, and stone were also produced. No fluorspar was mined in 2000, and uranium was discovered in 1965.

[27]ENERGY AND POWER

Exploration for oil began in 1956, following the discovery of deposits in Algeria. In 1964, oil was discovered near the southern Algerian border by the Italian National Hydrocarbon Agency; subsequent discoveries have been made on the continental shelf east of Sfax, in the Gulf of Gabes, and at other sites. Petroleum reserves were estimated at more than 300 million barrels in early 2003. Production in the first ten months of 2002 was 78,000 barrels per day. Despite decreasing production, the El-Borma field is still Tunisia's largest oil production site and is operated by the Italian corporation Azienda Generali Italiana Petroli (Agip). The offshore Ashtart field contributes more than 20% to the country's total crude oil production. The Tunisian government retains approximately 50% control of the oil industry.

Natural gas production in 2000 was 1.9 billion cu m. Proven reserves were 79.3 billion cu m at the beginning of 2002. The largest producing area for natural gas is offshore, north of Djerba Island, with a pipeline to Sfax. Four branch pipelines connect with the Italian-Algerian trans-Mediterranean natural gas pipeline (inaugurated in 1983), supplying imported Algerian gas for Tunisian industries. In 2001 Tunisia and Libya signed an agreement to construct a natural gas pipeline to link their two countries.

Electrical service in Tunisia was nationalized in 1958; since 1962, the government-owned Tunisian Electric and Gas Co. has controlled all power concerns. Installed capacity was 2,016 MW in 2001. Electricity production in 2000 was 10.3 billion kWh, with 99% of the total supplied by conventional thermal plants. Consumption of electricity in 2000 was 9.6 billion kWh. In 1999 more than 94% of Tunisian households had access to electrical power.

[28]INDUSTRY

Tunisia has a relatively diversified economy, with agricultural, mining, energy, and manufacturing production. The manufacturing industry is dominated by textile and leathers operations, and accounts for 45% of total goods exports and employ approximately half the labor force in the manufacturing sector. Agribusiness, the second most important industry, includes flour milling; fish, fruit, and vegetable canning; olive oil processing; and sugar refining. Mechanical and electrical equipment production is the third most important industry in Tunisia. As one of the world's largest sources of phosphates, the country's mineral-processing industries are dominated by the manufacture of phosphate fertilizers. Handicrafts industries produce clothing, rugs, pottery, and copper and leather goods for both local and export markets

The skills of the Tunisian work force and their relatively low wages have led an increasing number of European clothing firms to subcontract their work to Tunisian factories, thereby causing a sharp increase in Tunisia's exports of clothing. The electrical power industry in Tunisia increased dramatically in the early 2000s, with the state supporting major renovations in existing plants, and the construction of new power plants. Tunisia has approximately 60 automotive assembly plants, and exports of automotive wire and cable accounted for grew by 9% in 2001, to $287 million.

An oil refinery at Bizerte has a production capacity of 34,000 barrels per day.

[29]SCIENCE AND TECHNOLOGY

The Pasteur Institute, founded in 1893, conducts medical research in Tunis; that city is also home to institutes for the study of veterinary science (1897) and geology (1962). There are research centers for agronomy (founded in 1914) and forestry (1967) in Ariana. In 1987–97, science and engineering students accounted for 33% of college and university enrollments. The University of Sciences, Technologies, and Medicine of Tunis (Tunis II, founded 1988) maintains a comprehensive science program, including faculties of medicine and mathematics, physics, and natural sciences and schools of veterinary medicine,

health sciences and technology, engineering, computer science, and agriculture. The University of Sfax (founded in 1988) has faculties of medicine and science. In 1987–97, Tunisia had 125 scientists and engineers and 57 technicians per million people engaged in research and development. In 1996, Tunisia had one scientific technician per 2,000 inhabitants.

[30] DOMESTIC TRADE

Rades/Tunis is the principal commercial, industrial, and distribution center; most of the import and export houses, banks, and mining firms have their central offices in the city. Other commercial and distribution centers are Sfax, noted for olive oil and phosphate shipments, and Bizerte, known for grain and olive oil. Fairs are held at various times of the year in Sfax, Sousse, Tunis, and other towns. Most businesses are family-owned and operated. The government has posed some resistance to the establishment of foreign firms, particularly foreign franchises. An extensive system of price controls was for the most part eliminated in 1998, but the government still exerts pressure on private firms to show restraint in price increases. The chief advertising media are daily newspapers, outdoor displays, and motion picture theaters. Arabic is the language of sales promotion, French the language of commercial correspondence.

Normal business hours in winter are from 8:30 AM to noon or 1 PM and 3 to 5:45 PM, Monday–Thursday, and from 8AM to 1 or 1:30 PM on Friday and Saturday; summer hours are 7 AM to 1 PM, six days a week. Banks are open in winter from 8 to 11 AM and 2 to 4 PM, Monday–Thursday, and 8 to 11 AM and 1 to 3 PM on Friday; summer hours, on weekdays, are 8 to 11 AM.

[31] FOREIGN TRADE

Tunisia's foreign trade is based upon the export of mineral and agricultural products, textiles, and chemicals in exchange for consumer goods, raw and processed materials, and agricultural and industrial equipment. Apparel, textiles, and leather are now the major exports. By 2000 their share of exports amounted to nearly half of total export value. The petroleum industry's share in Tunisian foreign trade dropped from a peak of 44% of the total in 1984 to only 12% in 2000.

Garments make up a large portion of Tunisia's export commodities are (38%). Other exports include crude petroleum (10.4%), chemicals (5.9%), manufactured fertilizers (4.6%), and vegetable oils (3.6%). In 2000 Tunisia's imports were distributed among the following categories: consumer goods. 12.0%; food, 5.9%; fuels, 10.6%; industrial supplies, 39.4%; machinery, 20.8%; and transportation, 11.4%.

The EU is the focus of Tunisia's foreign trade, accounting for an estimated 80% of exports and 71% of imports in 2000. France was the single largest trading partner, accounting for 23% of exports and 26% of imports in the same year. Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
France	1,570	2,254	-684
Italy	1,346	1,637	-291
Germany	732	822	-90
Spain	317	342	-25
Belgium	302	301	1
Libya	211	320	-109
Netherlands	205	179	26
United Kingdom	128	207	-79
Turkey	55	157	-102
United States	42	395	-353

[32] BALANCE OF PAYMENTS

Since 1960, Tunisia has experienced perennial trade deficits. These have been partly covered by tourist income, by remittances from Tunisian workers abroad, and by foreign investment and assistance. The 8th Development Plan (1992–96) aimed at improving the balance of payments deficit from 4.2% of GDP in 1991 to 2% by 1996 by encouraging free trade, foreign direct investments, and elimination of exchange restrictions. The budget deficit declined from 4.0% of GDP in 1997, to 1.7% of GDP in 1998, due to the privatization of two cement plants. The country's trade deficit rose substantially in 2000, by nearly 20%. Imports rose 16.5%, and exports climbed 14.9%. Food exports decreased, driven by weak olive oil sales. Although textile exports still remain the country's leading source of hard currency, ready-to-wear apparel sales have fallen off in recent years. Nevertheless, high petroleum product prices made up the difference for the decline in lower-performing export sectors in the early 2000s.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Tunisia's exports was $6.6 billion while imports totaled $8.9 billion resulting in a trade deficit of $2.3 billion.

The International Monetary Fund (IMF) reports that in 2001 Tunisia had exports of goods totaling $6.61 billion and imports totaling $9 billion. The services credit totaled $2.91 billion and debit $1.42 billion. The following table summarizes Tunisia's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-863**
Balance on goods	-2,391
Balance on services	1,488
Balance on income	-941
Current transfers	982
Capital Account	**53**
Financial Account	**1,125**
Direct investment abroad	-1
Direct investment in Tunisia	457
Portfolio investment assets	...
Portfolio investment liabilities	-15
Other investment assets	-416
Other investment liabilities	1,099
Net Errors and Omissions	**-27**
Reserves and Related Items	**-288**

[33] BANKING AND SECURITIES

The Central Bank of Tunisia (Banque Centrale de Tunisie-BCT), established in September 1958, is the sole bank of issue. The Tunisian Banking Co. (Société Tunisienne de Banque-STB) was established in 1957; it is the leading commercial and investment bank; the state holds 52% of the STB's capital.

The banking system is a mixture of state-owned and private institutions which offer a variety of financial instruments and services. There are 13 commercial banks; eight development banks; eight leasing companies; eight offshore banks; a savings bank; five portfolio management institutions; two merchant banks. Commercial banks include Citibank, Amen Bank, Banque International Arabe de Tunisie (BIAT), Banque Nationale Agricole (BNA); and one merchant bank is International Maghreb.

Of the 12 commercial banks, one is fully state-owned and four others are part-owned by the state. These five banks control 70% of total bank assets. Total estimated assets of these banks amounted to $8.9 billion in 1997. In 1999, the World Bank approved a $159 million loan to support banking reform efforts in Tunisia. The weak banking system is under government duress and has a low average credit line. Commitments under the WTO and EU free trade agreement will begin to liberalize the banking sector.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $4.8 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $11.3 billion. The money

market rate, the rate at which financial institutions lend to one another in the short term, was 6.04%.

A stock exchange began operations in Tunis in May 1970. While its activities have been expanding steadily, they remain limited to transactions in securities issued by the state and the stocks of a few private or government-owned firms, including 46 companies, 13 of them banks. Between 2000 and 2001, the Tunisian stock exchange reported a 30% loss. The exchange completed a shift to fully electronic trading, but remains under the government eye.

34 INSURANCE

Although Tunisians have traditionally resisted taking out insurance, the insurance market has begun to grow rapidly, with turnover growing by 24% in 1994. Vehicle insurance is the biggest category. There are 22 companies in all, 15 of which are Tunisian and seven foreign, including firms from France and Italy. Four of the Tunisian companies are state-owned including the biggest, STAR, founded in 1958. The insurance business is shared roughly equally between state-owned and private companies.

35 PUBLIC FINANCE

Each year, an administrative budget and a development budget are submitted to the National Assembly. Levies on imports provide the major sources of current revenue, but trade agreements with the WTO and the EU will disturb this pattern. Government spending amounted to about half of GDP in 1999, 60% of which was spent on social projects. The Tunisian government's economic reform programs are lauded as some of the best in the world by international financial institutions. Reforms included liberalized prices, reduced tariffs, and lowered debt-to-GDP ratios. Since the privatization program was launched in 1987, about 140 state-owned enterprises had been fully or partially privatized as of 2002.

The US Central Intelligence Agency (CIA) estimates that in 2001 Tunisia's central government took in revenues of approximately $5.7 billion and had expenditures of $6.3 billion including capital expenditures of $1.5 billion. Overall, the government registered a deficit of approximately $600 million. External debt totaled $11.5 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**5,700**
Tax revenue	89.8%	5,118
Non-tax revenue	8.7%	497
Capital revenue	<0.1%	3
Grants	1.4%	82
EXPENDITURES	**100.0%**	**6,300**
General public services	7.9%	497
Defense	5.2%	326
Public order and safety	7.7%	483
Education	18.0%	1,135
Health	6.3%	398
Social security	18.8%	1,184
Housing and community amenities	4.6%	289
Recreation, cultural, and religious affairs	3.1%	195
Economic affairs and services	16.9%	1,066
Other expenditures	1.4%	86
Interest payments	10.2%	641

36 TAXATION

The standard corporate tax rate was 35% in 2002, but a reduced 10% is assessed on income from crafts businesses, fishing, boat outfitting, agricultural activities and service or consumption cooperatives. Exporting resident companies are exempt from most taxes. However, all companies are liable to a minimum tax of 5% of turnover, with a ceiling of 2,000 Dinar (about $1,470). There is also a 0.2% turnover tax on industrial and commercial establishments. Capital gains are taxed at 35%. Dividend income is not taxed, but income from royalties is subject to 15% withholding.Personal taxes include a progressive income tax (15-35% in 2002) and a benefits tax levied on gross salaries and paid quarterly by the employer to the National Social Security Fund. The inheritance (succession) tax is 6%.

The main indirect tax is Tunisia's value-added tax (VAT), with a standard rate of 18%, up from 17% as of 15 May 2001. A reduced rate of 10% is charged on internet connections and imported school books. The VAT rate on luxuries was increased from 25% to 26%.

37 CUSTOMS AND DUTIES

In 1959, Tunisia withdrew from the French Customs Union and the Franco-Tunisian Economic and Financial Convention of 3 June 1955. A surviving trade convention provided for duty-free entry of Tunisian products into France; suspended in 1964, following the nationalization of French-owned farmlands, this agreement has since been restored.

The maximum basic customs tariff was raised in 1996 by 43% to 250%. Most goods do not need import licenses; exceptions include textiles and automobiles. There is a 3% customs formality fee based on the total duties paid on the import. Certain luxury goods are assessed a consumption tax as high as 700%. A value-added tax is set at 18%. As of 1999, all cotton imports were duty-free. The import of weapons and health care products is strictly controlled, while exports that go against health, morality, or cultural heritage are prohibited.

In 1969, Tunisia was granted associate membership in the European Community. Under the accord, which was renewed in 1976 and 1983, the EC countries removed customs duties and quotas on nearly all of Tunisia's industrial exports. In 1995, Tunisia signed a free trade accord with the renamed European Union that will remove tariff and other trade barriers on most nonagricultural goods, services, and capital by 2008. Tunisia is also a member of the World Trade Organization.

38 FOREIGN INVESTMENT

In 1972, an investment law provided special benefits to companies manufacturing commodities for export, a regulation that stimulated some foreign involvement, particularly in the textile industry. Incentives consisted of partial or total tax exemption for periods of 10–20 years, as well as exemption from customs and import duties on raw materials and equipment. A similar law that encouraged investment in industries producing for local markets was enacted in 1974 and amended in 1981; the statute required that such firms exhibit partial (in many cases majority) Tunisian ownership. A 1981 law offered incentives for investment in less-developed regions. Kuwait, Sa'udi Arabia, Qatar, the United Arab Emirates, and Algeria participated with Tunisia in development banks to channel Arab investment funds.

Tunisia's severe balance of payments crisis obliged the government to reverse many of its protectionist and socialist policies under structural adjustment programs supervised by the IMF and World Bank. A new investment code was passed in 1989 offering further tax and customs concessions to local as well as foreign investors, particularly in export-oriented enterprises. Tunisian law still prohibits ownership of land by non-Tunisians, although a special 40-year land lease system permits agricultural development by foreign companies. In January 1994 the government adopted an investment incentives law that, in conjunction with added provisions, offers tax reductions on reinvested profits and revenues, and optional depreciation

schedules for production equipment. For companies that export at least 80% of their output, the incentives include a 10-year profits tax holiday, with a 50% reduction thereafter; full tax and duty exemptions on materials and services used in production; full tax exemption on reinvested profits and revenue; and duty-free import of capital goods that have no local equivalent. Large investments with high job creation may qualify to use state land virtually rent-free.

Foreign property is still at risk of expropriation by the Tunisian government and in 1995 an American company had property taken without compensation. The government also reserves the right to take property by eminent domain, in which case just compensation is offered. There remain many restrictions on foreign investment as the government pursues a gradualist approach, caught between pressure to liberalize from the IMF and the WTO, and a fear of igniting a popular uprising. Under the terms of its accession to the WTO (29 March 1995), Tunisia was obligated to relax restrictions on foreign participation in its information, telecommunications, and financial services industries by 2003.

The annual inflow of foreign direct investment (FDI) in Tunisia peaked at $778.8 in 2000, up from $368 million in 1999. The annual inflow has fallen since, caught in the global economic slowdown of 2001 and, in particular, the decline in FDI flows worldwide following the 11 September 2001 terrorist attacks in the United States. FDI inflow in Tunisia was $486 million in 2001 and $402 million in 2002.

As much as 75% of FDI in Tunisia has been in petroleum. Other important sectors are textiles, and mechanical and electrical industries. The telecommunications industry is ready for substantial growth. France is the largest investor with 38% of the total, followed by Italy, Germany, Belgium, Switzerland, and the United Kingdom.

Levels of portfolio investment, at about $51 million in 2000, remain small.

[39]ECONOMIC DEVELOPMENT

The plan for 1973–76 proposed increasing investments by 75% over the previous ten-year plan. An annual growth rate of 6.6% was targeted for the period. Fully 75% of the plan's investments were to be financed with international aid. Manufacturing industries received the largest single allocation of total investment under the 1977–81 plan. Once again, the burden of financing the program fell on external sources, with Arab funds accounting for 30% of the anticipated foreign capital. Actual growth came close to the target of 7.5% a year in real terms. The development plan for 1982–86 set forth three main goals: employment growth, regional development, and balance of payments equilibrium. Some 33% of the total expenditure was to be invested in labor-intensive industries. Performance fell far short of the goal of 6% a year in real growth.

The inauguration of the 1987–94 development plan followed the foreign exchange crisis of 1986, and the adoption of an International Monetary Fund (IMF) sponsored economic rehabilitation scheme. Services were to receive 39%, agriculture 19%, and manufacturing 16%. This plan was successfully completed, winning the country accolades from investment institutions. The 1994–96 development plan was based on strong expansion in the manufacturing industry (8.7%) and tourism (22%). The plan called for further cuts in consumer subsidies and the privatization of many state assets. The economic development plan of 1997–2001 called for investment in telecommunications infrastructure, continued privatization of industry, and lowering of trade barriers.

The 10th economic development plan of 2002–06 aimed at improving the competitiveness of the economy; increasing the private sector's share in investment; setting up a knowledge economy; and securing sustainable economic and social development and a creation of new jobs while maintaining global balances. Targets set for economic development included: an average economic growth of 5.7% a year; an increase in private sector investment to 60% (the total investment rate would be brought to 26.6% by 2006); and the consolidation of the national savings rate to reach 26% of GNP by 2006, allowing for the financing of 91% of projected investment.

The government had totally or partially privatized approximately 140 state-owned businesses by 2002. Economic growth averaged 5.5% a year from 1996–2001. Unemployment remained high in 2002, however, at around 15%. The country's economic success in the early 2000s was seen to have social impact.

[40]SOCIAL DEVELOPMENT

A social insurance system provides benefits including maternity payments, family allowances, disability and life insurance, and old age insurance. Pensions normally are provided at age 60, and benefits are equal to 40% of average earnings, plus 0.5% for each 3 months of contributions above 120. Work injury insurance is compulsory for employers and covers all salaried workers including domestic servants. Unemployment benefits are provided for all salaried nonagricultural workers and payable at a standard minimum rate for three months.

Tunisian women enjoy full civil and political rights under the law. Educational and employment opportunities are growing steadily. The law specifically requires equal pay for equal work and this is generally respected. Inheritance laws, based on Muslim tenets, discriminate against women. The rights of children are protected.

Human rights organizations are permitted to operate in Tunisia, but may be subject to some government restrictions and harassment. Continuing human rights abuses include arbitrary arrest and detention and abuse of prisoners, including torture.

[41]HEALTH

In 1991, Tunisia had 4,482 physicians, 913 dentists, and 1,252 midwives. In 1990, there were 19,837 nurses. As of 1993, the population per physician was 1,549. In 1992, there were 12 hospital beds per 1,000 people. Free health services are available to about 70% of the population, with about 90% of the population having access to health care services as of 1993. As of 1999, there were an estimated 0.7 physicians and 1.7 hospital beds per 1,000 people. As of 1999 total health care expenditure was estimated at 5.1% of GDP.

Health conditions have shown significant improvement in recent years, although diet and sanitation remain deficient. Epidemics have virtually disappeared and the incidence of contagious diseases has been considerably reduced. In 1994, there were 2,376 cases of tuberculosis reported and 1,597 cases of measles the same year. In 1999, there were 37 cases of tuberculosis per 100,000 people. Immunization rates for children up to one year old during 1990–95 were: tuberculosis, 75%; diphtheria, pertussis, and tetanus, 90%; polio, 90%; and measles, 89%. Rates for DPT and measles were, respectively, 96% and 84% in 1999.

The government supports a family planning program. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 16.8 and 5 per 1,000 people. About 60% of married women (ages 15 to 49) used contraception as of 2000. The fertility rate in 2000 was 2.1 children per woman surviving her childbearing years. Infant mortality was 26 per 1,000 live births in 2000 and average life expectancy was 72 years. Maternal mortality was 70 per 100,000 live births in 1998.

About 260 AIDS cases were reported in 1996, an increase from the 46 cases reported in 1994.

[42]HOUSING

The government has spent well over D1 billion on workers' housing. Since the mid-1960s, trade unions have provided new housing for members. Financial assistance to needy homeowners is provided by a national housing fund. Residential rents were frozen by the government in early 1983. As of 1984, 71% of housing units were traditional structures, or "dar," 14% were "villas" (detached homes), 9% were the squatter homes called "gourli," and 5% were apartments. In the same year, 79% of all dwellings were owner occupied, 13% were rented, and 9% were occupied rent free.

In 2001, the Ministry of Housing announced that the amount of available housing had exceeded the number of families by about 13% and that there had been a decrease in slums by about 1.2%. However, squatter communities, called gourbvilles, are still prevalent in urban regions.

[43]EDUCATION

On becoming independent in 1956, Tunisia inherited a small but efficient educational system based on French and, to a lesser extent, Islamic influence. In 1958, the government nationalized most of the existing facilities; remaining private institutions were subject to government regulation. In the same year the government began a comprehensive plan for educational development to achieve universal, free, compulsory primary education and a significant expansion of the secondary school system. Arabic is the language of instruction in early primary grades but is later replaced by French. In 1997/1998 there were 1,440,479 students and 59,798 teachers in 4,417 primary schools. At the secondary level, there were 833,372 pupils and 36,528 teachers in general education in the same year. The pupil-teacher ratio at the primary level was 23 to 1 in 1999. In the same year, 98% of primary-school-age children were enrolled in school, while 68% of those eligible attended secondary school. The University of Tunis was founded on March 31, 1960. All higher-level institutions in 1996/1997 had 121,787 students and 6,641 instructors. Projected adult illiteracy rates for the year 2000 stand at 20.2% (males, 18.6%; females, 39.9%). As of 1999, public expenditure on education was estimated at 7.6% of GDP.

[44]LIBRARIES AND MUSEUMS

The National Library (1883) in Tunis has over 1.5 million volumes, including collections of rare Arabic and Oriental manuscripts. Tunis also has a large central library and a smaller public library. The University of Tunis library has 220,000 volumes. The Arab League Documentation and Information Center, with 25,000 volumes, has been housed at Tunis since 1980. The collections of Tunisia's approximately 250 public libraries hold over 2.7 million volumes.

The Bardo National Museum, founded in Tunis in 1888, has the largest collection of Roman mosaics in the world. Another fine collection is located at the museum in Sousse, which contains archaeological remains dating from the 6th century BC to the 6th century AD. The Raqqada Museum, housed in a former presidential palace near Kairouan, has the country's largest collection of Islamic art, including manuscripts of the Koran from the Great Mosque of Kairouan. Other museums are in Monastir, Sfax, Qairouan, Maktar, Sbeitla, Sousse, and Carthage. The National Institute of Archaeology is located in Tunis, as is the Center of Living Arts and the Museum of Traditional and Popular Art.

[45]MEDIA

Tunisia's well-developed postal, telephone, and telegraph system is government-operated and links all the important cities. A marine cable connects Tunisia with France, and a land cable links it with Algeria and Morocco. In 1997 there were 654,000 mainline telephones, with an additional 50,000 cellular phones in us by 1998.

The government-owned Tunisian Radio-Television Broadcasting (ERTT) broadcasts in Arabic, French, and Italian over one national station, one international station, and five regional stations. In 1998, there were 27 radio stations (7 AM and 20 FM). In 1995, there were 26 television stations. Relay stations bring in programs from Italian television. In 2000 there were 158 radios and 198 television sets for every 1,000 people. In 2000, there was only one Internet service provider in the country. Internet users numbered about 280,000 in 2001.

The seven major dailies, all published in Tunis, are shown in the following table, with 2002 circulations:

	LANGUAGE	CIRCULATION
As-Sabah	Arabic	50,000
Assahafa/La Presse	Arabic	NA
Le Renouveau	French	23,000
Al Amal	Arabic	50,000
La Presse de Tunisie	Arabic/French	40,000
L'Action	French	40,000
Errai El-Am	Arabic	NA

The Arabic *Ach Chourouk* (110,000) and the French *Le Temps* (42,000) are major weeklies.

The constitution provides for freedom of speech and of the press. However, the government is said to limit these freedoms significantly through economic control, confiscations, imprisonment, and detention. Government permits are required for distribution of publications. Criticism of high government officials or fundamental state institutions can result in seizure or suspension of the offending publication.

[46]ORGANIZATIONS

There are chambers of commerce in Tunis, Sfax, Sousse, and Bizerte; the Tunisian Union of Industry, Commerce, and Crafts, a national association of trade federations and business interests, is in Tunis. The National Union of Tunisian Farmers is very active.

The National Union of Tunisian Women promotes greater participation by women in economic, political, and cultural affairs. National youth organizations include the Tunisian General Union of Students, the Young Constitutional Democrats, the League of Arab States Youth and Sports Division, and Scouts of Tunisia. Kiwanis and Lions Clubs have active programs. There are several sports associations, including the multinational African Boxing Confederation, African Rugby Football Union, and the African Table Tennis Federation.

The multinational Arab League Educational, Cultural and Scientific Organization encourages cultural unity among Arab countries. The Arab Institute for Human Rights and the Arab Medical Union, both based in Tunis, are multinational, social action organizations. Other international organizations with national chapters include Greenpeace and the Red Crescent Society.

[47]TOURISM, TRAVEL, AND RECREATION

Tunisia's cosmopolitan capital city, the ruins of Carthage, the ancient Muslim and Jewish quarters of Jerba, and the modern coastal resorts in the vicinity of Monastir are among the main tourist attractions. Travelers must have a visa and a valid immunization certificate for yellow fever and cholera.

Tunisia has been investing in the tourism industry since the late 1990s. In 2000, hotel beds numbered 197,400, with an estimated 95,977 rooms, and an occupancy rate at 56%. That year 5,057,193 tourists arrived in Tunisia, the vast majority from European countries. Tourist expenditures reached nearly $1.5 billion that year.

According to 2002 US Department of State estimates, the daily cost of staying in Tunis or Carthage was $146. The average stay in other areas of Tunisia was about $114.

48 FAMOUS TUNISIANS

Ancient Carthage was located near the site of modern Tunis. Its most famous leader was Hannibal (247–183 BC), the general who campaigned in Italy for several years (218–211 BC) but who was defeated by the Romans under Scipio Africanus at Zama in 202 BC. The dominant figure of modern Tunisia was Habib Bourguiba (Habib bin 'Ali ar-Rugaybah, 1903–2000); he led Tunisia to independence, formed its first government, and was president from 1957 to 1987. Mongi Slim (1908–69) served as president of the 16th session of the UN General Assembly (1961–62). Mohamed Mzali (b. 1925) has served in numerous government posts, including prime minister in 1980–86. Gen. Zine el 'Abidine Ben 'Ali (b. 1936) assumed the presidency in 1987.

Tunisia's noteworthy literary figures include Albert Memmi (b.1915), the author of *The Statue of Salt* (1957), who writes in French; and Mahmoud Messadi (b.1911), who writes in Arabic. Prominent Tunisian painters are Ammar Farhat (b. 1911) and Jallah bin 'Abdallah (b. 1921).

49 DEPENDENCIES

Tunisia has no territories or colonies.

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UGANDA

Republic of Uganda

CAPITAL: Kampala

FLAG: The national flag consists of six equal horizontal stripes of black, yellow, red, black, yellow, and red (from top to bottom); at the center, within a white circle, is a crested crane, the national bird of Uganda.

ANTHEM: Begins "O Uganda! May God uphold thee."

MONETARY UNIT: The new Uganda shilling (NUSH) was introduced in May 1987 with a value equal to 100 old Uganda shillings. NUSH1 = $0.000514 (or $1 = NUSH1,945) as of May 2003. There are coins of 1, 2, and 5 shillings, and notes of 10, 20, 50, 100, 200, 500, and 1,000 shillings.

WEIGHTS AND MEASURES: The metric system is now in use.

HOLIDAYS: New Year's Day, 1 January; Labor Day, 1 May; Martyrs' Day, 3 June; Independence Day, 9 October; Christmas Day, 25 December; Boxing Day, 26 December. Movable holidays include Good Friday, Easter Monday, 'Id al-Fitr, and 'Id al-'Adha'.

TIME: 3 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

A landlocked country in east-central Africa, situated north and northwest of Lake Victoria, Uganda has a total area of 236,040 sq km (91,136 sq mi), of which 36,330 sq km (14,027 mi) is inland water. Comparatively, the area occupied by Uganda is slightly smaller than the state of Oregon. It extends 787 km (489 mi) NNE–SSW and 486 km (302 mi) ESE–WNW. Bounded on the N by Sudan, on the E by Kenya, on the S by Tanzania and Rwanda, and on the W by the Democratic Republic of the Congo (DROC). Uganda has a total boundary length of 2,698 km (1,676 mi).

[2]TOPOGRAPHY

The greater part of Uganda consists of a plateau 800 to 2,000 m (2,600–6,600 ft) in height. Along the western border, in the Ruwenzori Mountains, Margherita Peak reaches a height of 5,109 m (16,762 ft), while on the eastern frontier Mount Elgon rises to 4,321 m (14,178 ft). By contrast, the Western Rift Valley, which runs from north to south through the western half of the country, is below 910 m (3,000 ft) on the surface of Lake Edward and Lake George and 621 m (2,036 ft) on the surface of Lake Albert (L. Mobutu Sese Seko). The White Nile has its source in Lake Victoria; as the Victoria Nile, it runs northward through Lake Kyoga and then westward to Lake Albert, from which it emerges as the Albert Nile to resume its northward course to the Sudan.

[3]CLIMATE

Although Uganda is on the equator, its climate is warm rather than hot, and temperatures vary little throughout the year. Most of the territory receives an annual rainfall of at least 100 cm (40 in). At Entebbe, mean annual rainfall is 162 cm (64 in); in the northeast, it is only 69 cm (27 in). Temperature generally varies by altitude; on Lake Albert, the mean annual maximum is 29°C (84°F) and the mean annual minimum 22°C (72°F). At Kabale in the southwest, 1,250 m (4,100 ft) higher, the mean annual maximum is 23°C (73°F), and the mean annual minimum 10°C (50°F). At Kampala, these extremes are 27°C (81°F) and 17°C (63°F).

[4]FLORA AND FAUNA

In the southern half of Uganda, the natural vegetation has been largely replaced by cultivated plots, in which plantain is the most prominent. There are, however, scattered patches of thick forest or of elephant grass and mvuli trees, providing excellent timber.

The cooler western highlands contain a higher proportion of long grass and forest. In the extreme southwest, however, cultivation is intensive even on the high mountain slopes. In the drier northern region, short grasses appear, and there are areas of open woodland; thorn trees and borassus palms also grow.

Elephant, hippopotamus, buffalo, cob, topi, and a number of varieties of monkeys are all plentiful, while lion, giraffe, and rhinoceros also are to be seen. At least 6 mammal species are found only in Uganda.

The birds of Uganda include the crowned crane (the national emblem), bulbul, weaver, crow, shrike, heron, egret, ibis, guinea fowl, mouse bird, lourie, hornbill, pigeon, dove, bee-eater, hoopoe, darter, lily-trotter, marabou stork, kingfisher, fish eagle, and kite.

There are relatively few varieties of fish, but the lakes and rivers contain plentiful stocks of tilapia, Nile perch, catfish, lungfish, elephant snout fish, and other species. Crocodiles, too, are found in many areas and are particularly evident along the Nile between the Kabalega (Murchison) Falls and Lake Albert. There is a wide variety of snakes, but the more dangerous varieties are rarely observed.

[5]ENVIRONMENT

Major environmental problems in Uganda include overgrazing, deforestation, and primitive agricultural methods, all of which lead to soil erosion. Attempts at controlling the propagation of tsetse flies have involved the use of hazardous chemicals. The nation's water supply is threatened by toxic industrial pollutants; mercury from mining activity is also found in the water supply. Uganda has 39 cu km of renewable water resources with 60% used for farming and 8% used for industrial activity. Roughly 80% of the nation's city dwellers and 47% of the people living in

rural areas have access to pure drinking water. Forests and woodlands were reduced by two-thirds between 1962 and 1977. By 1985, 193 square miles of forests were eliminated. Between 1983 and 1993, an additional 7.7% of forest and woodland were lost. Wetlands have been drained for agricultural use. Poaching of protected animals is widespread. Uganda's three national parks total over 6,300 sq km (2,400 sq mi). As of 2001, 7.9% of Uganda's total land area was protected. The same year, 18 of the nation's mammal species and 10 of the nation's bird species were endangered, as well as 8 species of plants. Endangered or extinct species include the mountain gorilla, northern white rhinoceros, black rhinoceros, and Nile crocodile.

In 1996, water hyacinth growth created a serious environmental and economic problem on Lake Victoria. By some estimates, the hyacinths covered 6,000 ha (14,820 acres) of water, still less than 0.1% of the lake. When the masses of hyacinths drift into Uganda's ports and coves, they impair the local fishing, trap small boats in ports, and keep fish under the plants. The weed invasion has also been known to affect cargo boat and ferry transportation by fouling engines and propellers and making docking difficult.

[6]POPULATION

The population of Uganda in 2003 was estimated by the United Nations at 25,827,000, which placed it as number 40 in population among the 193 nations of the world. In that year approximately 2% of the population was over 65 years of age, with another 51% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 3.24%, with the projected population for the year 2015 at 39,335,000. The population density in 2002 averaged 102 per sq km (265 per sq mi). However, density varied from 260 per sq km (673 per sq mi) in Kabale to 14 per sq km (36 per sq mi) in the dry Karamoja plains. The northern, eastern, and western regions are less densely populated than the region along the north shore of Lake Victoria.

It was estimated by the Population Reference Bureau that 14% of the population lived in urban areas in 2001. The capital city, Kampala, had a population of 1,154,000 in that year. Other major cities were Jinja, 60,979; Masaka, 49,070; and Mbale, 53,634. According to the United Nations, the urban population growth rate for 2000–2005 was 5.7%.

[7]MIGRATION

Expulsion of Asian noncitizens was decreed by the Amin government in 1972; almost all the nation's 74,000 Asians, both citizens and noncitizens, emigrated during the Amin regime. In 1982, the government enacted the Expropriated Properties Bill, which provided for the restoration of property to Asians expelled under Amin. About 6,000 Asians had returned by 1983.

After the fall of the Amin regime, as many as 240,000 people from Amin's West Nile district may have fled to the former Zaire and the Sudan. Many of them returned to Uganda in 1983; government campaigns against guerrillas, however, displaced thousands more, and at the end of 1986 there were an estimated 170,000 Ugandan refugees in Sudan and 23,000 in Zaire. The refugee population in Zaire remained steady, but the number in the Sudan had dropped to 3,800 by the end of 1992.

As of 2000, Uganda had 529,000 migrants including 236,000 refugees. According to the UNHCR, these refugees are primarily from Sudan, Rwanda, the DROC, and other neighboring African nations. The net migration rate that year was -0.6 migrants per 1,000 population. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

Uganda's ethnic groups are most broadly distinguished by language. In southern Uganda, most of the population speak Bantu languages. Sudanic speakers inhabit the northwest; Nilotic speakers, principally the Acholi and Langi, live in the north; and the Iteso and Karamajong in the northeast. The Baganda, who populate the northern shore of Lake Victoria, constitute the largest single ethnic group in Uganda, making up about 17% of the total population. The Basogo 8%; the Iteso 8%; and the Langi 6%. Perhaps 6% of the population (not counting refugees) is of Rwandan descent, either Tutsi or Hutu. Most of them live in the south. Bagisu constitute 5%; Acholi account for 4%; Lugbara another 4%; Bunyoro 3%; and Batoro 3%. The Karamajong account for 2%. Various other groups make up 23%; the remaining 1% is comprised of non-Africans, including Europeans, Asians, and Arabs.

[9]LANGUAGES

English is the official national language. It is taught in grade schools, used in courts of law, and by most newspapers and some radio broadcasts. Bantu languages, particularly Luganda (the language of the Baganda), are widespread in the southern, western, and central areas. Luganda is the preferred language for native-language publications and may be taught in school. Nilotic languages are common in the north and northeast, and Central Sudanic clusters exist in the northwest. Kiswahili and Arabic are also widely spoken.

[10]RELIGIONS

Christianity is the majority religion, practiced by about 66% of the population, with about 90% of all Christians being Roman Catholics or Anglicans. Other denominations include Seventh-Day Adventist, the Church of Jesus Christ of Latter-Day Saints, Jehovah's Witnesses, Baptists, the Unification Church, and Pentecostal churches. Muslims account for about 16%; most are of the Sunni sect. The rest practice traditional African religions, which are more common in the north and west of Uganda. There are also small numbers of Hindus, Baha'is, and Jews. Traditional beliefs and customs are often practiced in conjunction with other established faiths.

Certain Muslim and Christian holidays are officially observed.

Though freedom of religion is provided for in the constitution, local governments have placed restrictions on some religious groups that are considered to be cults. This has been particularly true since 2000, when it was discovered that members of a cult group had killed over 1,000 citizens. Some organizations are banned from evening meetings for what local authorities claim to be a matter of public safety.

[11]TRANSPORTATION

A landlocked country, Uganda depends on links with Tanzania and Kenya for access to the sea. The main rail line runs from Tororo in the east through Jinja and Kampala to the Kilembe copper mines near Kasese. The northwest line runs from Tororo to Pakwach. Eastward from Tororo, the line crosses into Kenya and runs to the port of Mombasa. There is a total of 1,241 km (771 mi) of track in Uganda.

In 2002, there were 27,000 km (16,778 mi) of roads, 1,800 km (1,119 mi) of which were surfaced. In 2000, there were 72,700 passenger cars and 79,700 commercial vehicles registered in Uganda. However, many were not in service due to damage, shortages of fuel and spare parts, and closing of repair and maintenance facilities.

Steamships formerly carried cargo and passengers along the country's major lakes and navigable rivers, but there is no regular service on the Nile. Three Ugandan train ferries ply Lake Victoria, connecting at Kisumu, Kenya, and Mwanza, Tanzania.

Important ports and harbors include Entebbe, Jinja, and Port Bell. As of 2002, Uganda had a merchant fleet of three cargo ships totaling 5,091 GRT.

In 2001, airports numbered 27, only 4 of which had paved runways. Uganda's international airport is at Entebbe. In 2001, 40,600 passengers were carried on scheduled domestic and international flights.

12 HISTORY

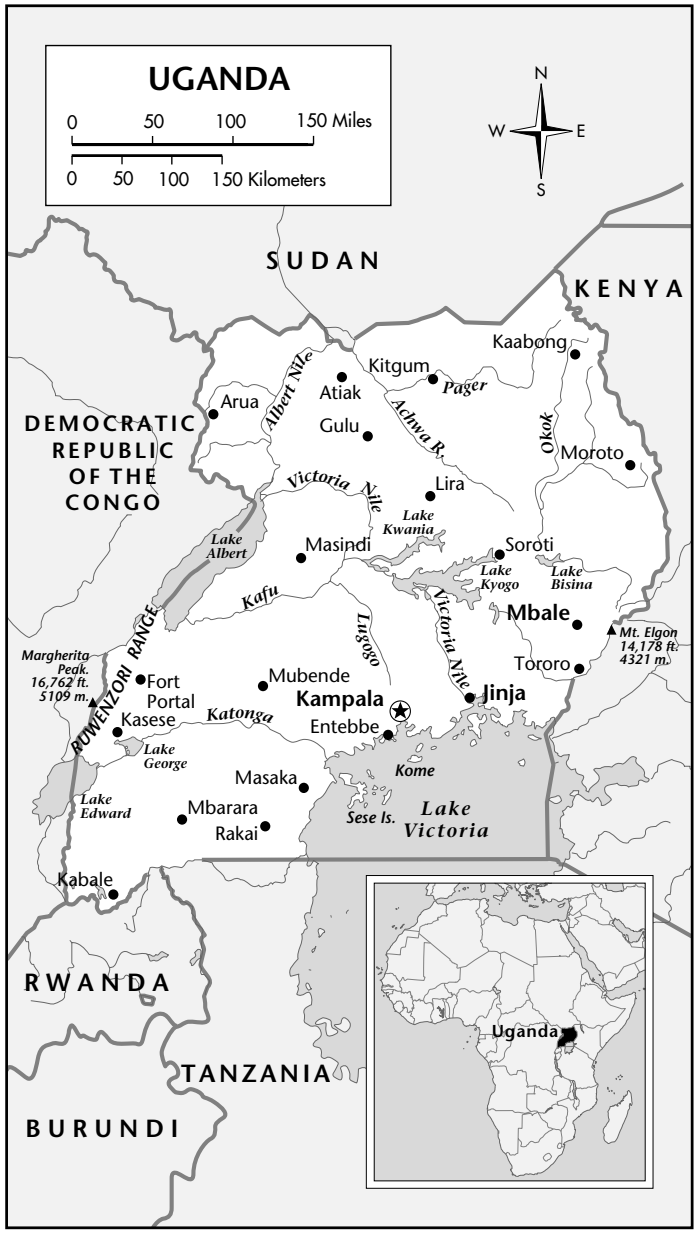
San-like peoples were among the Uganda region's earliest inhabitants. Over the centuries, however, they were overcome by waves of migrants, beginning with the Cushitic speakers, who probably penetrated the area around 1000 BC. In the first millennium AD, Bantu-speaking peoples moved into the highland areas of East Africa, where they cultivated the banana as a food crop. After AD 1000, two other migrations filtered through the area: Nilotic-speaking Sudanic people and Luo speakers.

In the region south and west of the Nile, a number of polities formed, most of them strongly centralized. North and east of the Nile, political organization tended to be decentralized. In the south, the kingdom of Bunyoro was the most powerful and extensive, but in the 18th century the neighboring kingdom of Buganda began to challenge its supremacy. The two states were engaged in a critical power struggle when the British explorers John Hanning Speke and J. A. Grant reached Buganda in 1862. They had been preceded some years earlier by Arab ivory and slave traders. Other foreigners soon followed. Sir Samuel Baker entered Uganda from the north shortly after Speke's departure. Baker described a body of water, which he named Lake Albert. Baker returned to Uganda in 1872–73 as a representative of the Egyptian government, which was pursuing a policy of expansion up the Nile. The first Christian missionaries, members of the Church Missionary Society of Great Britain, came to Buganda in 1877. They were followed in 1879 by the Roman Catholic White Fathers.

The missionaries were welcomed by the kabaka (ruler) of Buganda, Mutesa I, who hoped to gain their support or the support of their countrymen against the Egyptian threat from the north. When the missionaries displayed no interest in military matters and the Egyptian danger was removed by the Mahdist rising in the Sudan in the early 1880s, Mutesa became less amenable. His son, Mwanga, who succeeded Mutesa on the latter's death in 1884, was even more hostile, fearing the influence exerted over his subjects by both the missionaries and the Arab traders. The kabaka, therefore, began to persecute the Bagandan adherents of Christianity and Islam. Both sets of converts joined forces to drive the kabaka from his country in 1888. A few weeks later, the Christians were expelled by the Muslims. Mwanga then appealed to the Christians for help, and they finally succeeded in restoring him to power early in 1890.

In 1888, the Imperial British East African Co. was granted a charter and authorized to administer the British sphere of East Africa. The Anglo-German agreement of 1890 officially outlined imperial spheres of influence in East Africa. By that agreement, what is now Uganda and Kenya were to be considered British spheres and Tanganyika a German sphere. In 1890, Capt. F. D. Lugard was sent to Buganda to establish the company's influence there. Lugard obtained Mwanga's agreement to a treaty that placed Buganda under the company's protection. Shortly afterward, however, lack of funds compelled the company to withdraw its representatives from Buganda.

In 1894, the kingdom of Buganda became a British protectorate, which was extended in 1896 to cover Bunyoro and most of what is now Uganda. In 1897, Mwanga led a revolt against British encroachments; he was quickly defeated and deposed. His infant son, Daudi Chwa, succeeded him, and a regency was established to govern Buganda under British supervision. Under the Uganda Agreement of 1900, Buganda was



LOCATION: 4°7′ N to 1°30′ S; 29°33′ to 35°20′ E. BOUNDARY LENGTHS: Sudan, 435 kilometers (271 miles); Kenya, 933 kilometers (578 miles); Tanzania, 396 kilometers (247 miles); Rwanda, 169 kilometers (105 miles); Democratic Republic of the Congo (DROC), 765 kilometers (475 miles).

ruled indirectly by the British, who in turn used the Baganda leadership as agents to extend British control indirectly throughout Uganda. The agreement confirmed the privileged position of Buganda in Uganda and of the traditional chiefs in Buganda. Subsequent treaties for indirect rule were concluded with the remaining kingdoms over a period of years.

Buganda's rebuff of British policies following World War II marked the beginning of a conflict over the place of Buganda within the future evolution of the territory. Kabaka Mutesa II was deposed in 1953 when he refused to force his chiefs to cooperate with the British. He was restored to power in 1955 under a compromise agreement.

It was only at the constitutional conference convened in London in October 1961 that a place was agreed for Buganda in a federal relationship to central government. It was also decided at this conference that Uganda should obtain independence on 9

October 1962. At a second constitutional conference in June 1962, Buganda agreed to scale down its demands over financial matters and ended its threats of secession from the central government. In August, a federal relationship with the kingdom of Ankole was agreed upon, and the agreement used as a model for dealing with the remaining two kingdoms, Bunyoro and Toro.

On 9 October 1963, an amendment to the constitution abolished the post of governor-general and replaced it with that of president. Sir Edward Mutesa (Kabaka Mutesa II of Buganda) became Uganda's first president. In February 1966, the 1962 constitution was suspended and the Prime Minister, Milton Obote, assumed all powers of government. Parliament formally abrogated the 1962 constitution on 15 April 1966 and adopted a new constitution, which created the post of president and commander-in-chief; Obote was elected to fill this position on the same day. Obote declared a state of emergency in Buganda following a clash between the police and dissident Baganda protesting the new constitution. On 24 May, Ugandan troops took control of the kabaka's palace, and the kabaka fled the country.

Further revisions to the constitution enacted in June 1967 abolished the federal relationship of Buganda and the other kingdoms, making Uganda a unitary state. Uganda became a republic with an executive president, who would be concurrently head of state and government.

Following a failed assassination attempt on Obote in December 1969, Parliament declared a state of emergency on 22 December. Ten opposition leaders were arrested and all opposition parties were banned.

Amin Seizes Power

On 25 January 1971, while Obote was out of the country, Maj. Gen. Idi Amin led a successful military coup. Obote was received by Tanzania as a political exile. The Second Republic of Uganda was proclaimed on 17 March 1971, with Amin as president. In September 1972, Ugandans who had followed Obote into exile in Tanzania staged an abortive invasion. They were immediately overpowered, but tensions between Uganda and Tanzania remained high.

The expulsion of Asian noncitizens from Uganda in August 1972 also caused international tension, especially with the UK. Expulsion of numerous British nationals in 1973 and the nationalization of UK-owned enterprises beginning in December 1972, further aggravated relations with the UK. An Israeli commando raid on Entebbe Airport on 3–4 July 1976, which freed 91 Israeli passengers and 12 crew members held captive by pro-Palestinian radicals in a hijacked aircraft, was a severe blow to the prestige of Amin, who was suspected of collusion with the hijackers (20 Ugandan troops were killed during the raid).

Under Amin, Uganda suffered a reign of terror that had claimed 50,000 to 300,000 lives by 1977, according to Amnesty International. The expulsion of the Asians took a heavy toll on trade and the economy. Agricultural and industrial production also fell, and educational and health facilities suffered from the loss of skilled personnel. The collapse in 1977, essentially because of political differences, of the 10-year-old East African Community (members—Kenya, Tanzania, and Uganda) also dealt a blow to Uganda's economy.

In late October 1978, Ugandan forces invaded Tanzanian territory, but Tanzanian forces, supported by anti-Amin rebels, struck back and by January 1979 had entered Ugandan territory. Kampala was taken on 11 April 1979, and all of Uganda was cleared of Amin's forces by the end of May; Amin fled first to Libya and later to Sa'udi Arabia. Yusuf K. Lule, an educator, formed a provisional government but was ousted on 20 June in favor of Godfrey Binaisa. On 13 May 1980, a military takeover ousted Binaisa and installed Paulo Muwanga. Parliamentary elections administered by Muwanga and other supporters of Obote, who returned from exile in Tanzania, were held on 10 December 1980. The election results, which opponents claimed were fraudulent, gave Obote's Uganda People's Congress (UPC) a clear majority, and he was sworn in as president on 15 December 1980. A period of reconstruction followed, and Tanzanian troops left in mid-1981. Security remained precarious, however. An undisciplined soldiery committed many outrages, and antigovernment guerrilla groups, especially the National Resistance Army (NRA), which was supported from abroad by Lule and Binaisa, remained active.

Obote's second term in office was marked by continued fighting between the army and guerrilla factions. As many as 100,000 people may have died as a result of massacres, starvation, hindrance of relief operations. International groups denounced the regime for human rights abuses. On 27 July 1985, Obote was overthrown in a military coup and Lt. Gen. Tito Okello, commander of the armed forces, was installed as president.

The NRA continued fighting, however, and on 26 January 1986 it occupied Kampala. Three days later, NRA leader Yoweri Museveni assumed the presidency. By April the National Resistance Movement (NRM) government was in control of most of the country, but armed supporters of the Obote, Amin, and Okello regimes remained active in northern and northeastern Uganda, as well as opposition from Karamojong separatists and prophetic religious movements, most notably the Holy Spirit rebels of Alice Lakwena in 1987.

After 1990, except for tiny groups of bandits, rebel military action was almost eliminated. However, Museveni resisted introducing a multi-party constitution advocating "no-party government" instead. In late August 1992, parliament formalized the ban on party politics which officials of the UPC and Democratic Party, DP (both abolished by Museveni in 1986) rejected at a press conference. Nonetheless, parties became more active, despite the ban and police action.

Although lauded by western countries as a new breed of African leader, and Uganda as a role model for African development, there was growing criticism of Museveni for his lack of democratic credentials by rejecting pluralism. In July1993, parliament enacted Constituent Assembly Statute No. 6, the basis for nonparty elections to choose a constituent assembly, which would consider the draft constitution released in December 1992 by an appointed commission. In a secret ballot election on 28 March 1994, Ugandans elected 214 delegates to the 288-member assembly. Also included were 10 delegates appointed by the president, 56 representing interest groups, 8 representing 4 parties that had contested the 1980 election.

In addition, the government introduced constitutional changes allowing the Baganda to restore their monarchy purely for ceremonial purposes. Ronald Mutebi, son of the former king, was installed as Kabaka on 31 July 1993. The monarchies had been abolished in the 1967 constitution. A second king was restored and a third was rejected by government.

In October of 1995, the new constitution was finally enacted. It replaced the interim National Resistance Council with a permanent parliament, and made minor changes in executive power, but its most noticed element was the prohibition of political party activity for five years.

The first popular elections for president since independence were held on 9 May 1996. Museveni won with 74% of the vote, Paul Ssemogerere got 24%, and Muhammad Mayanja 2%. Nonparty parliamentary elections for the 276-member (214 elected, 62 nominated by special groups) house followed on 27 June 1999. The elections were peaceful and orderly, but election conditions, including restrictions on political party activities, resulted in flaws. Elections were held again in March 2001 with Museveni claiming victory with 69% of the vote to 28% for

Kizza Besigye. The results were upheld despite objections by the opposition.

By June 2003, there was growing concern over the government's inability to build political consensus in the country and to maintain peace and security. In the north, the Lord's Resistance Army (LRA), a cult-like Christian rebel group operated from bases in southern Sudan, and in western Uganda, the Allied Democratic Forces (ADF) stepped up rebel attacks from the DRC. Other rebel groups included Rwanda Hutu rebels, Uganda National Rescue Front-II, and the Uganda National Front/Army. Members of these rebel groups have murdered, raped, kidnapped, tortured, and abducted children using them as combatants, sex and labor slaves. UNICEF estimates that the LRA and ADF have abducted over 4,900 men, women and children since 1987, most of whom remain missing.

Museveni has tried to end the fighting through diplomatic and military means. He reluctantly accepted an Amnesty Bill in January 2000, which provided for pardon to any rebels who surrendered their arms within 6 months. Three months later, no rebels had complied. A highly publicized all-out offensive in 2002 also failed to achieve its goals, and independent observers have accused government troops of killing innocent civilians including women and children.

Though a cease-fire with President Joseph Kabila of DRC was signed, and most Ugandan troops were withdrawn from Congolese territory in early 2003, fighting on the DRC side of the border continued into May 2003, and indeed intensified between the Hema and Lendu in the Bunia area as a result of Ugandan interference. Museveni's relations with his once stalwarth ally, Rwandan President Paul Kagame, have been strained since hostilities broke out between the troops of the two countries in Kisangani, DRC in 2001. Failure to end these conflicts has driven away foreign investment, tourism, and has diverted funds away from other ministries to defense, cancelling much of Uganda's economic and social progress. Additionally, public sector corruption has hurt economic growth. However, Uganda has been praised for lowering the national rate of HIV/AIDS infection from nearly 30% in 1993 to less than 12% in 1997.

[13]GOVERNMENT

Following Gen. Amin's coup of 25 January 1971, provisions of the 1967 constitution dealing with the executive and legislature were suspended, and Amin ruled by decree. As commander-in-chief of the armed forces and president of the military government, he exercised virtually all power.

Following Amin's defeat, the Uganda High Court in 1980 declared a modified version of the 1967 constitution to be the law of the land. The constitution was amended in May 1985, but it was suspended with the fall of the Obote government in July, when the National Assembly was dissolved. A 270-person National Resistance Council was established in 1986 to act as the nation's legislative body pending the holding of elections. Nonpartisan elections for the NRC were held in February 1989. There were 382 members, 216 elected and 166 appointed by the president. An appointed cabinet (including members of the banned opposition parties) advised the president. He also sought advice from and consensus with key interest groups and institutions on important policy issues, especially from the National Resistance Army.

The new constitution was enacted in October 1995, replacing the NRC with an elected parliament while leaving the power and structure of the executive largely unchanged. It provided for a 276-member body, with ensured representation for special interest groups (including 39 seats for women, 10 for the Army, 5 for the disabled, 5 for youth, and 3 for trade unions). By 2003, the number and proportion of appointed seats had been altered.

Parliamentary elections were first held on 27 June 1996 and again on 26 June 2001. The parliamentary term is five years. Presidential elections were held on 9 May 1996 and on 12 March 2001. Fresh elections were due in 2006. Suffrage is universal, at age 18.

[14]POLITICAL PARTIES

The Uganda People's Congress (UPC), founded in 1959, was the leading political party of the pre-Amin era. At the time of independence it formed a ruling coalition with the Kabaka Yekka (The King Only), which drew its support from the Baganda. The opposition party was the Democratic Party (DP), founded in 1953.

The marriage of convenience between the UPC and the Kabaka Yekka deteriorated, and in February 1966, Prime Minister Milton Obote, who had been the head of the UPC, suspended the constitution, deposed the president and vice president, and began a move to power, which culminated in the proclamation of the Republic of Uganda under a new constitution adopted in September 1967. The political situation under Obote continued to deteriorate, and after an attempt on his life, Obote's government banned the opposition parties and arrested 10 of their leaders. Uganda was subsequently declared a one-party state in 1969, the UPC remaining as the only legal party. After the military overthrow of the Obote government on 25 January 1971, Maj. Gen. Amin outlawed all political parties.

After the overthrow of Amin, four political parties took part in the parliamentary elections held in December 1980. The UPC was declared to have won 74 seats in the National Assembly; the DP, 51; the Uganda Patriotic Movement, 1; and the Conservative Party, 0. These parties, as well as Yoweri Museveni's National Resistance Movement and the Uganda Freedom Movement, were represented in the cabinet appointed in 1986. The government ordered all parties to suspend active operations, however, and mandated that elections would not be held before 1989.

By 1991, however, party activity, although banned, began to increase. Top officials of the DP and UPC were arrested in January 1992. Museveni insisted that no party activity could precede the new constitution. In August, the DP and UPC held a joint press conference to denounce parliament's formalization of the ban. President Museveni declared that parties were not allowed to participate in either the presidential election or the Parliamentary elections held in May and June of 1996, respectively. Nonetheless, 156 of the 276 members of the Parliament elected in 1996 were considered to be supporters of General Museveni. The UPC, DP, and CP remained the most important opposition parties.

In June 2000, the no-party system was subjected to a national referendum. Despite accusations of vote rigging and manipulation by the opposition, Ugandans approved it. They also re-elected Museveni to a second five-year term in March 2001. In the 303-member National Assembly, 214 seats were directly elected by popular vote, and 81 were nominated by legally established special interest groups including women (56), army (10), disabled (5), youth (5), labor (5), and ex officio members (8). Campaigning by party was not allowed.

In May 2003, the National Executive Committee recommended that subject to another national referendum in 2004, parties be free to operate. Nonetheless, the United States was particularly concerned about the lack of political space and freedom of speech that Museveni's 'Movement' has allowed other political forces. The United States also expressed its disapproval of any attempt by Museveni or his Movement to tamper with the constitution to legalize a run for a third term.

[15]LOCAL GOVERNMENT

Until the adoption of the 1967 constitution, local government in Buganda was conducted on behalf of the kabaka by six ministers, advised by the *lukiko* (Buganda council) and by a hierarchy of chiefs. With the abolition of the federal system of government in

1967, Buganda was divided into four districts, and the kabaka's government was dissolved. The federal status of the kingdoms of Ankole, Bunyoro, and Toro was also abolished. Under that constitution, Uganda was divided into 18 districts.

In 1973, President Amin instituted a new system of provincial government establishing 10 provinces subdivided into 26 districts. Later Kampala became Central Province. In 1980 the number of districts increased to 33, and in March 2000, to 39. By 2002, there were 45 districts with 11 more under consideration.

Under the Museveni government established in 1986, National Resistance Movement committees were playing a leading role in local and district affairs. In early March 1992, local council elections were held nationwide. Political parties were not allowed to campaign, although many candidates could be identified as members of particular parties.

There was disappointed on the part of donors with logistical delays, irregularities in distribution of electoral material and voting, confusion over electoral laws, and electoral violence during the 2002 local elections.

[16]JUDICIAL SYSTEM

In 1995, the government restored the legal system to one based on English common law and customary law. At the lowest level are three classes of courts presided over by magistrates. Above these is the chief magistrate's court, which hears appeals from magistrates. The High Court hears appeals and has full criminal and civil jurisdiction. It consists of a chief justice and a number of puisne justices. The three-member Court of Appeal hears appeals from the High Court. A military court system handles offenses involving military personnel. Village resistance councils (RCs) mediate disputes involving land ownership and creditor claims. These councils have at times overstepped their authority in order to hear criminal cases including murder and rape. RC decisions are appealable to magistrate's courts, but ignorance of the right to appeal and the time and cost involved make such appeals rare. In practice, a large backlog of cases delays access to a speedy trial.

Although the president retains some control of appointments to the judiciary, the courts appear to engage in independent decision-making and the government normally complies with court decisions. Uganda accepts the jurisdiction of the International Court of Justice with reservations.

[17]ARMED FORCES

After Amin's regime was overthrown, a Commonwealth training force was sent to reorganize the army, which proved difficult. In 1987, the National Resistance Army (NRA) was established as the national army in the wake of another civil war. Thousands of defeated guerillas were given amnesty and integrated into the NRA, swelling its ranks to as many as 70,000–100,000 men, armed with outdated US, UK, and Russian weapons.

The Ugandan People's Defense Force was estimated at 50,000–60,000 in 2002 and consisted of four divisions armed with approximately 140 main battle tanks. There was an air wing with perhaps 16 combat aircraft. Paramilitary forces consisted of a border defense unit of around 600, some 400 marines, a police air wing of around 800, and local defense units numbering up to 15,000. Uganda has some 3,000 troops stationed in the DROC. Defense expenditures in 2001 were reported at $121.3 million, or 2.1% of GDP.

[18]INTERNATIONAL COOPERATION

On 25 October 1962, Uganda became the 110th member of the UN; it is a member of ECA and all the nonregional specialized agencies except IMO. Uganda participated in the establishment of the African Development Bank and is a member of the Commonwealth of Nations, G-77, and AU. Kampala was OAU headquarters for the 1975 summit meeting, and President Amin became OAU president for 1975/76. Uganda was a signatory to the Lomé Convention with the EC and is also a signatory of the Law of the Sea and a member of the WTO.

[19]ECONOMY

Uganda's economy is agriculture based, with agriculture employing over 80% of the population and generating 90% of export earnings. Coffee is the main export crop, with tea and cotton other agricultural products. Uganda also has mineral deposits of copper and cobalt, which contributed 30% of export earnings during the 1960s, although the mining sector is now only a minor contributor to the economy.

The upheavals of the 1970s and the troubles of the 1980s left the economy in disarray. However, economic reforms begun in 1986 have resulted in important progress. The government made significant strides in liberalizing markets and releasing government influence during the 1990s, although some administrative controls remained in 2003. Monopolies were abolished in the coffee, cotton, power generation, and telecommunications sectors and restrictions on foreign exchange were removed. Reforms improved the economy and gained the confidence of international lending agencies.

The economy has posted growth rates in the GDP averaging 6.9% from 1988–98, and 6% from 1998–2003. Consequently, the economy has almost doubled. Still, Uganda is one of the poorest countries in the world heavily dependent on foreign aid (approximately 55% of government spending in 1998). High growth rates are necessary to balance the population growth rate of over 3%. The government in 2003 was known for its sound fiscal management. World coffee prices recovered in 2003, which brought in revenue. New property developments have been fueled by an influx of foreign investment, which has provided testimony of confidence in Uganda's economy. Ugandan Asians, who had been expelled by Idi Amin in 1972, have had their property restored and have brought business back into the country. One of the first African nations hit by HIV/AIDS, Uganda had by 2003 witnessed a drop in infection rates over the previous decade. However, Uganda's continued involvement in the civil war in the Democratic Republic of the Congo compromised the progress Uganda has made on many other fronts.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Uganda's gross domestic product (GDP) was estimated at $29 billion. The per capita GDP was estimated at $1,200. The annual growth rate of GDP was estimated at 5.1%. The average inflation rate in 2001 was 3.5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 44% of GDP, industry 18%, and services 38%. Foreign aid receipts amounted to about $34 per capita and accounted for approximately 14% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $312. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. The richest 10% of the population accounted for approximately 29.8% of household consumption and the poorest 10% approximately 3.0%. It was estimated that in 2001 about 35% of the population had incomes below the poverty line.

[21]LABOR

The estimated workforce numbered 12 million in 2001. The vast majority of economically active Ugandans work outside the formal economy. Agriculture engaged over 82% of the

population in 1999. Industry employed 5% of the labor force, with services accounting for the remaining 13%.

The Uganda Trades Union Congress was dissolved in 1973 and replaced by the National Organization of Trade Unions, which remains the largest labor federation. NOTU is independent of the government but has little influence in the economy since it claims only about 5% of the workforce. Strikes are permitted by law but are greatly restricted by lengthy and complicated procedures.

The minimum working age is 18 but many children work out of economic necessity and because school fees are so high. A large percentage of under-18 children do not attend school. Most children work in the informal sector. In 2002, the legal minimum wage remained at a level set in the early 1960s, at $3.50 per month. Wage earners are an extremely small percentage of the workforce. In this sector, the workweek is set at 40 hours. Most workers supplement their income with second jobs and family farming. Occupational safety regulations have existed since 1954 but the government lacks the resources to implement them.

[22]AGRICULTURE

Uganda's economy is predominantly agrarian; 36% of the GDP, 81% of the employed labor force, and 31% of export earnings are derived from the agricultural sector. A total of 6,810,000 ha (16,828,000 acres), or one-third of the land area, is under cultivation. Subsistence production remains the pattern; 70% of the area under cultivation is used to produce locally consumed food crops. Women provide over half of agricultural labor, traditionally focusing on food rather than cash crop production. The monetary value of market crops is exceeded by the estimated value of subsistence agriculture. Plantains, cassava, sweet potatoes, and bananas are the major food crops. In 1999, food production estimates included plantains, 9.4 million tons; cassava, 3.4 million tons; sweet potatoes, 2.5 million tons; bananas, 600,000 tons; millet, 638,000 tons; corn, 780,000 tons; sorghum, 454,000 tons; beans, 220,000 tons; and potatoes, 449,000 tons.

Although coffee is still the primary export earner for Uganda, with receipts in 2001 at $51.3 million, 11% of total exports. Production of robusta, which was cultivated by the Baganda before the arrival of the Arabs and British, and some Arabica varieties of coffee provides the most important single source of income for more thanonemillion Ugandan farmers and is the principal earner of foreign exchange. Export crop production reached a peak in 1969. Estimated production of major cash crops in 1999 included coffee, 198,000 tons; cotton (lint), 15,000 tons; tea, 26,000 tons; raw sugar, 125,000 tons; and tobacco, 7,000 tons. Roses and carnations are grown for export to Europe.

[23]ANIMAL HUSBANDRY

Uganda had an estimated 6.1 million head of cattle; 6.6 million goats; 1.2 million sheep; and 1.6 million hogs in 2001, as well as about 30 million chickens. Meat production in 2001 was an estimated 280,000 tons, 29% pork. The tsetse fly, which infests about 30% of Uganda, limits livestock production, and cattle rustling remains a problem. The livestock sector had been disrupted by armed rebels, but the United Nations, the European Community, Denmark, and several international development banks are contributing to its revitalization.

[24]FISHING

Many persons find employment in fishing and the marketing of fish, and many fishermen sell their catch to the main distribution centers. Most fish are caught from dugouts or hand-propelled canoes. Lake Victoria and Lake Kyoga are the major commercial fishing areas; Nile perch and Nile tilapia are the most abundant species. In 2000, the total catch was estimated at 355,831 tons. The fishing industry has benefited from a large ice-making plant at Soroti.

[25]FORESTRY

Forests cover 4,190,000 ha (10,353,000 acres), or 21% of the land area. About half of the forested area is savanna woodland. In 2000, production of roundwood was estimated at 37.2 million cu m (254 million cu ft). About 92% was used for fuel.

[26]MINING

Mining and quarrying in FY 1999/2000 accounted for 0.7% of Uganda's GDP, which grew by 5.1%, 7.4% in 1998/99, and 5.4% in 1997/98. Mining and quarrying grew by 5% in 1999/2000 and, from 1995/96 to 1999/2000, by 20.6% per year. Gold was the fourth-leading export commodity in 2002, and cement production was the nation's fifth-ranking industry. In recent years, Uganda has been known to produce cobalt (95% of which was exported), gold, limonite and other iron ore, niobium, steel, tantalum, tin, tungsten, apatite, gypsum, kaolin, brick clays and other clays, hydrated lime, quicklime, limestone, pozzolanic materials (used for pozzolanic cement), and salt (by evaporation of lakes and brine wells).

Mine gold output (metal content) in 2000 was 56 kg, up from 5 in 1999; gold production began in 1992. Limestone output, for use in cement, was 253,032 tons in 2000, 121,524 in 1999, and 919,353 in 1997. Limestone resources at the largest deposits—Hima, Tororo Hill, and Bukiribo—totaled 46.1 million tons. Output of hydraulic cement was 380,000 tons, up from 175,046 in 1996; and columbium-tantalum (from tailings) was 2,712 tons. In addition, Uganda presumably produced copper content of slag, corundum, garnet, gemstones, gravel, marble, ruby, sand, and vermiculite. No gypsum, tungsten, or wolfram was produced in 2000. Extraction of copper was halted in 1980, after reaching a high of 18,000 tons in 1964.

The Namekhela high-quality vermiculite deposit had resources of 5 million tons. Pyrochlore resources amounted to 6 million tons. Iron ore resources in Sukulu were 45.7 million tons at an average grade of 62% iron; the Muko deposit, worked by artisanal miners, contained 30 million tons at a grade 61–67% iron; and there were additional resources at Kyanyamuzinda, Metuli, Mugabuzi, and Wambogwe. Inferred resources of wolframite were 20 million tons; gypsum deposits totaled 5.5 million tons; marble resources, 10 million tons; the Sukulu phosphate deposit had resources of 230 million tons; and there were occurrences of silica sand deposits. The abandoned Kilembe copper mine had proven reserves of 5 million tons, and its tailings contained 5.5 million tons. A pilot study in 1991 attempted to process the tailings for cobalt and copper, using a natural strain of bacteria to separate the cobalt metal.

The United Nations Security Council accused Ugandan government officials, military officers, and businessmen of illegally exploiting columbium, diamond, gold, and tantalum from Congo (Kinshasa); the Ugandan government denied the accusations.

[27]ENERGY AND POWER

Hydroelectric facilities are ample, permitting export of energy to neighboring countries. In the early 1990s, hydroelectric potential was estimated at nearly 200,000 kW. The almost exclusive source of power is the Owen Falls Hydroelectric Scheme along the Victoria Nile, northwest of Jinja, which has an installed capacity of 162,000 kW. A total of 1.6 billion kWh (almost all hydroelectric) was generated in 2000, compared with the 1971 peak of 816 million kWh. Consumption of electricity in 2000 was 1.3 billion kWh. Only an estimated 3–5% of the population has access to electricity. Fuel wood and charcoal supply 95% of required energy.

[28]INDUSTRY

Production of most industrial products declined in 1973, largely because of the expulsion of skilled Asian personnel. A precipitous decline followed, with output in 1985 little more than a third of the postindependence peak levels of 1970–72. As of 2002, however, growth over the past decade had occurred in manufacturing and construction, among other sectors, and the size of the Ugandan economy had doubled. Industrial contribution to GDP was 18% in 2000. The agricultural industry produces cotton, coffee, tea, sugar, tobacco, edible oils, and dairy products. Ugandan industrial production also includes grain milling, brewing, vehicle assembly, textiles, steel, metal products, cement, soap, shoes, animal feed, fertilizers, paint, and matches.

The textile industry suffers from a lack of skilled labor but is being encouraged by funds from the EU and the Arab Development Bank. General Motors is assembling vehicles in Uganda, and Lonrho has returned to manage its previously owned brewery, to build an oil pipeline, and to join in agricultural marketing efforts. Coca-Cola, Pepsi, and Schweppes are producing soft drinks. A tannery will make Uganda self-sufficient in leather products. Batteries, canned foods, pharmaceuticals, and salt are among the other products being produced in Uganda's industrial sector.

In 2002, the country planned to build from one to three hydroelectric projects along the Nile River, and this and other infrastructure projects fueled the construction industry.

[29]SCIENCE AND TECHNOLOGY

Uganda has a medical association, a child malnutrition unit, an agriculture research institute, a forestry research center, and a cotton research station in Kampala. An animal health research center and the Geological Survey and Mines Department are in Entebbe. Makerere University (founded originally in 1922 as a technical school at Kampala) has faculties of science, agriculture and forestry, technology, medicine, and veterinary science. Uganda Polytechnic Kyambogo (founded in 1954 at Kampala) has 1,000 students. Mbarara University of Science and Technology (founded in 1989) has faculties of medicine and science education. In 1987–97, science and engineering students accounted for 17% of college and university enrollments. In the same period, expenditures on research and development totaled 0.6% of GNP; 21 scientists and engineers and 14 technicians per million people were engaged in research and development.

[30]DOMESTIC TRADE

Most retail trade is accomplished through small shops supplied by small distributors. Consumer products are priced based on what the market will bear. Kampala is Uganda's main commercial center, but many concerns have their headquarters or regional offices in Nairobi, Kenya. Bootlegging of cassettes and videos is common. The market for smuggled goods, including fuel, clothing, electronics and other consumer goods, is rather large. English is the business language, although Swahili is often spoken as well. Products are marketed through radio and television advertising.

Business hours are from 8 or 8:15 AM to 12:30 PM and from 2 to 5 PM. Shops close on Sundays. Banking hours are 8:30 AM to 12:30 PM, Monday–Friday.

[31]FOREIGN TRADE

Principal imports in 2000 included petroleum, transportation equipment, medical supplies, iron, and steel. Coffee accounts for nearly a third (31%) of Uganda's export commodities. Other exports include gold (10.8%), fish (7.2%), tobacco (6.7%), and cotton (5.7%).

Uganda exports most of its goods to Switzerland, Kenya, and the UK, while most of its imports come from Kenya, the UK, and Japan. Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
Switzerland	99	10	89
Kenya	63	287	-224
United Kingdom	39	80	-41
Netherlands	35	18	17
South Africa	29	65	-36
Spain	12	n.a.	n.a.
Japan	8	67	-59
Germany	7	24	-17
India	n.a.	47	n.a.
United States	n.a.	31	n.a.

[32]BALANCE OF PAYMENTS

Uganda had a favorable balance of payments in the 1930s and throughout the postwar years—an unusual feature in an underdeveloped country. The favorable balance with the rest of the world, however, was diminished by deficits in trade with Kenya and Tanzania following independence. Uganda's payments position declined during the 1960s, and during the 1970s, years of deficit outnumbered those of surplus; moreover, the deficits were larger than the surpluses. Poor trade performances and mounting debt service led to a loss of reserves in the 1980s. From 1986 to 1990, merchandise exports fell by 56% (due largely to plummeting coffee prices), while merchandise imports increased by 30%, so that the trade deficit widened rapidly from $69 million to $440 million in just a few years. Trade deficits continued through the 1990s. Low levels of foreign investment, coupled with weak coffee exports, led to a decline in foreign exchange reserves and a deteriorating balance of payments position in the early 2000s.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Uganda's exports was $367 million while imports totaled $1.26 billion resulting in a trade deficit of $893 million.

The International Monetary Fund (IMF) reports that in 2001 Uganda had exports of goods totaling $452 million and imports totaling $1.03 billion. The services credit totaled $183 million and debit $492 million. The following table summarizes Uganda's balance of payments as reported by the IMF for 2001 in millions of US dollars.

Current Account	**-810**
Balance on goods	-575
Balance on services	-309
Balance on income	-80
Current transfers	215
Capital Account	**...**
Financial Account	**500**
Direct investment abroad	...
Direct investment in Uganda	145
Portfolio investment assets	...
Portfolio investment liabilities	...
Other investment assets	-15
Other investment liabilities	370
Net Errors and Omissions	**71**
Reserves and Related Items	**239**

[33]BANKING AND SECURITIES

The Bank of Uganda was established on 16 May 1966 as the bank of issue, undertaking the function previously served by the East African Currency Board in Nairobi. The government-owned Uganda Commercial Bank (UCB) provided a full commercial banking service, complementary to and in competition with other commercial banks in the country. Uganda was rocked by a banking scandal in 1989. Lack of public confidence in the system was compounded by a prolonged period of high inflation, which

caused rapid erosion in the value of money, and by the liquidity and insolvency problems of some banks. These problems remained unresolved through the 1990s.

In 1998, the financial sector included the Bank of Uganda together with 18 commercial banks, 2 development banks. In addition to the UCB, major commercial banks included Crane Bank Limited, Stanbic, Bank of Baroda, Standard Chartered Bank, Nile Bank, and Barclays Bank. The Uganda Development Bank is a government bank that channels long-term loans from foreign sources to Ugandan businesses. The East African Development Bank, the last remnant of the defunct East African Community, obtains funds from abroad for Kenya, Tanzania, and Uganda.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $517.6 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $938.8 million. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 9%.

The government supported the establishment of a stock exchange in Kampala, and it inaugurated the Capital Markets Authority in 1995/96. The initial stage of capital market development concentrated on the interbank market and the sale of Treasury bills, which the Bank of Uganda started selling in 1992 at weekly auctions. The exchange was officially opened in 1997, but in 1999, had not been active since inception.

[34]INSURANCE

As of 1997, the government-owned National Insurance Corp. of Uganda, the Uganda American Insurance Co., and the East Africa General Insurance Co. were doing business in Uganda. Some 27 insurance companies were operating in Uganda in 1998.

[35]PUBLIC FINANCE

The fiscal year runs from 1 July to 30 June. The main sources of government revenue are the export duties on coffee and cotton, import duties, income and profit taxes, excise taxes, and sales taxes. Deficits are chronic. Over half of public monies comes from foreign aid.

The US Central Intelligence Agency (CIA) estimates that in 1998/1999 Uganda's central government took in revenues of approximately $959 million and had expenditures of $1 billion. Overall, the government registered a deficit of approximately $41 million. External debt totaled $3.4 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**99.5%**	**954**
Tax revenue	57.0%	547
Non-tax revenue	0.6%	5
Grants	42.0%	402
EXPENDITURES	**100.0%**	**1,040**
General public services	15.4%	161
Defense	9.8%	102
Public order and safety	4.8%	50
Education	19.2%	200
Health	10.2%	106
Housing and community amenities	5.6%	59
Economic affairs and services	29.0%	301
Other expenditures	0.5%	6
Interest payments	5.5%	57

[36]TAXATION

Individual income is taxed progressively at rates ranging from 4% to 15% for residents, and 15% to 20% for nonresidents. In 2002, corporate income was taxed at 30% for resident companies, and 35% for nonresident companies. Social security taxes are paid by both employers and employees. Rental income is taxed at a rate of 20% on 80% of the gross income. A value-added tax (VAT) is set at 17% for all businesses with annual turnover of $35 thousand or more. The tax holiday for foreign investments was eliminated in 1997, replaced with accelerated appreciation schedules.

[37]CUSTOMS AND DUTIES

All imports and exports require licenses. As a party to the Lome Convention, Uganda benefits from EU tariff preferences for its goods. Import duties are levied at 15%. Excise surcharges lie at 10%. Reductions were planned for 1999 to 2000.

Items that cannot be exported without permission from Uganda include scrap iron, wood charcoal, timber, coffee husks, fresh fish, and game trophies. Other restrictions exist when importing medications, firearms, live animals, endangered species, secondhand clothing, explosives, and plants; and when exporting minerals, fruit, and hides and skins. Prohibited imports include pornographic materials and used tires.

[38]FOREIGN INVESTMENT

A large number of Asian Ugandan companies were expropriated in 1972. A 1982 law provided for restoration of expropriated property to Asians who returned and for compensation to those who did not; a number of large Asian-owned enterprises resumed operations in 1986 as joint ventures, in which the government held 51% ownership. The United Kingdom group Mitchell Cotts also regained its nationalized property by participating in a similar joint venture. Further measures were taken in 1991 to recompense Asian Ugandans, and a new investment code designed to protect foreigners was issued in 1990. Ugandan law still allows for expropriation for public purposes, but investors are guaranteed compensation within 12 months. The Ugandan government has made attracting foreign investment a central part of its policy, and the Uganda Investment Authority has reported that the country has moved from 161 to 82 on a world ranking of average FDI per capita in the period 1990 to 2000. Most FDI inflows have come from expatriate Asians investing in repatriated property. Other investors are deterred by pervasive corruption. On Transparency International's 2002 listing of countries according to its Corruption Perception Index (CPI), Uganda was ninth from the bottom of 102 countries, scoring 2.1 on the 10-point index. Corruption infected the privatization process, which had greatly slowed in 2002 due to a lack of transparency, rampant asset stripping, and the failures of a number of negotiations.

From 1998 to 2001, the average annual inflow of foreign direct investment (FDI) held rather steady at approximately $229 million a year, peaking in 2000 at $254.4 million.

Foreign investors include those from the United Kingdom, India, Kenya and South Africa. Foreign companies operating in Uganda in 2002 included Pepsi, Coca-Cola, Caltex, Sheraton, Starcom, Citibank, Xerox, Cargill, AES, Colgate Palmolive, Swift Global, IBM, Hewlett-Packard, GM, Ford, Ernst and Young, Price-Waterhouse-Coopers, Deloitte and Touche, and Caterpillar.

[39]ECONOMIC DEVELOPMENT

Uganda's economic development policy for the early 1990s was outlined in the Economic Recovery Program for 1988–92. State investment was lowered by 42% from the previous plan and the export sector was to be revived, particularly the nontraditional export sector. The investment budget was divided equally among the transport and communications sector, social infrastructure, agriculture, and the industry and tourism sector.

Inflation, which ran at 240% in 1987 and 42% in mid-1992, was under 5% for 1998. Nevertheless, a slowdown in

privatization, low interest in foreign investment, and sustained but limited growth dimmed the prospects for economic development.

In 2000, Uganda became eligible for $1.3 billion in debt service relief under the International Monetary Fund (IMF)/ World Bank Heavily Indebted Poor Countries (HIPC) initiative. In 2002, the IMF approved a three-year $17.8 million Poverty Reduction and Growth Facility (PRGF) Arrangement for Uganda, which was due to expire in September 2005. Political instability and poor economic management have stinted economic development, although gross domestic product (GDP) growth stood at 5.2% in 2002–03. The government was implementing a Poverty Eradication Action Plan (PEAP) in 2003, with the goal of reducing the incidence of poverty to less than 10% of the population by 2017.

[40]SOCIAL DEVELOPMENT

Responsibility for social welfare rests primarily with the Ministry of Culture and Community Development, but voluntary agencies play an ancillary role. The Ministry sponsors community development self-help projects, which are intended to involve the population in development schemes and to raise the standard of living. A social security system was introduced in 1967 and amended in 1985. This program provides old-age and disability pensions for employees of firms with five or more workers. Work injury benefits are provided for all workers and is funded by the employer.

Women are accorded equal rights, but tradition limits their exercise of them. Under customary law, women may not own or inherit property and are not entitled to custody of their children after divorce. The children of Ugandan women married to foreigners are not entitled to Ugandan citizenship. This stipulation does not apply to Ugandan men married to foreigners. Domestic abuse and violence against women is common. There are still reports of abduction and rape to obtain wives. Female genital mutilation is practiced by several ethnic groups.

The human rights situation in Uganda has improved in a few areas, but serious violations persisted, including excessive force by security forces, incommunicado detention, and prolonged pretrial detention. Prison conditions are very poor.

[41]HEALTH

Although medical treatment in government hospitals and dispensaries is free, facilities deteriorated greatly under Amin's rule. Following the 1978–79 war of liberation, many hospitals were left without medicine or beds. A new government health care policy in 1993 outlined goals for restoration of a cohesive network of health care services. As of 2000, however, Uganda's health indicators were still poor, even in comparison with those of other African countries. Containment of serious diseases, such as cholera, dysentery, tuberculosis, malaria, schistosomiasis, sleeping sickness, typhus, and leprosy, has been made difficult by poor sanitation and unclean water. Other barriers to health care access for the rural poor were distance from providers, cost of services, and inadequate quality of health care. Less than half the population lives within 5 km (3 mi) of a health care facility. An estimated 71% of the population had access to health care services in 1994. The most serious obstacle to health has arisen from nutritional deficiencies, particularly among children. The goiter rate was 75 per 100 school-age children in 1996. Malaria remains the country's most serious health threat, even more so than AIDS. In 2000, 50% of the population had access to safe drinking water and 75% had adequate sanitation. As of 1999, it was estimated that there were fewer than 0.05 physicians per 1,000 people, and 0.9 hospital beds. As of 1999 total health care expenditure was estimated at 5.9% of GDP.

Planned health care projects in the 1990s included: rehabilitation of buildings, equipment, fittings, and services; institutional support and training; designs for five district hospitals and 10 rural centers; and a mental health rehabilitation study. Venereal disease continues to be a problem in the adult population and AIDS became a severe problem in the 1980s, with an estimated 800,000 Ugandans HIV-positive in 1989. The country plans to focus on health care awareness and education—in particular, family planning and AIDS. Prevention strategies that change high-risk sexual behavior have had a direct impact on HIV infection rates in Uganda. At the end of 2001, the number of people living with HIV/AIDS was estimated at 600,000 (including 5% of the adult population) and deaths from AIDS that year were estimated at 84,000. HIV prevalence in 1999 was 8.3 per 100 adults.

The life expectancy was only 42 years in 2000 and the fertility rate was 6.2. Only 15% of married women ages 15–44 used any form of contraception as of 2000. As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 47.2 and 17.5 per 1,000 people. Immunization rates for 1997 for children up to one year old were high: tuberculosis, 84%; diphtheria, pertussis, and tetanus, 58%; polio, 59%; and measles, 60%. Commonly reported diseases were guinea worm (4,810 cases in 1995 versus 43,000 in 1991), measles (42,659 cases in 1995), and tuberculosis, (14,763 cases in 1994). In 1999, there were 343 cases of tuberculosis per 100,000 people.

[42]HOUSING

Most of the inhabitants live in thatched huts with mud and wattle walls, but styles of building vary from group to group. Even in rural areas, however, corrugated iron is used extensively as a roofing material. In urban centers, sun-baked mud bricks, concrete blocks, and even fired bricks were encouraged by the government, which was responsible for a number of housing schemes prior to the Amin era. In that period, housing was neglected and there was considerable damage to the nation's housing stock during the 1978–79 war.

The National Housing and Construction Corp., a government agency founded in 1964, builds residential housing and has sponsored a number of developments in recent years. One of its newest projects is called the Growing House. The Growing House is a basic, one-bedroom detached house that is ready for immediate occupation but is designed for easy expansion by the owner, as their own financial situation allows.

According to the latest available information for 1980–88, the total number of housing units was 3.1 million with 5.1 people per dwelling. Preliminary information for the 2002 census indicates a total of 5,186,558 households with an average of 4.7 members per household.

[43]EDUCATION

The school system generally comprises a seven-year primary course, a four-year junior secondary course, and a two-year senior secondary course for those who qualify. Those who do not choose to attend secondary schools may attend technical schools. The government hopes to ensure at least four years of education for every child who wishes to go to school. In the more densely populated areas this has already been achieved, but in the 1980s, following the war, many primary students were attending schools without windows, chairs, books, or writing materials. Many of the senior schools are boarding establishments, and bursaries are available from local authorities and various groups for qualified candidates unable to pay the fees. Primary schools are financed from central government grants, local government funds, and fees from pupils. In 1997, the government eliminated fees for education and introduced universal primary education made possible by IMF debt relief. All senior secondary schools, technical schools, and training colleges receive direct grants-in-aid. As of 1999, public expenditure on education was estimated at 1.6% of GDP.

In 1995 there were 10,000 primary schools, with 2,912,473 pupils and 82,745 teachers. At the secondary level there were 256,258 pupils and 14,447 teachers in general education in the same year. Enrollment in teacher-training schools was 22,703, and enrollment in vocational schools totaled 13,360. The pupil-teacher ratio at the primary level was 59 to 1 in 1999.

The University College of East Africa (founded 1921), became Makerere University in 1970. Situated on the outskirts of Kampala, it prepares students for degrees in the arts, sciences, and agriculture and for advanced diplomas in medicine, education, engineering, law, and veterinary science. Other universities include Mbale Islamic University and the Mbarara University of Science and Technology. There are also a number of religious colleges, five commercial colleges, 52 technical schools, and 71 colleges for teachers. In 1996–97 there were 34,773 pupils and 2,606 teachers in all higher-level institutions. Projected adult illiteracy rates for 2000 stand at 32.7% (males, 22.3%; females, 42.9%).

[44]LIBRARIES AND MUSEUMS

Makerere University has the largest and most comprehensive library in East Africa. It consists of a central library with over 700,000 volumes, which functions as the National Reference Library, and the Albert Cook Library of Medicine with over 55,000 volumes, which functions as the National Library of Medicine. The university also has specialized libraries in the fields of technology, education, social sciences, and farm management. The Public Libraries Board, founded in 1964, administers the Uganda Library Service, with 20 branches and 160,000 volumes.

The Uganda Museum, founded in 1908 on the outskirts of Kampala, contains an excellent anthropological collection. The museum conducts a regular education service in collaboration with the Uganda Society. It has a fine collection of East African musical instruments and a growing collection of archaeological specimens. The Zoological Museum at Makerere University has a collection of rock fossils, birds, and mammals indigenous to Uganda, and the university's geology department has natural history collections. Entebbe has botanical gardens, a zoo, an aquarium, and a game and fisheries museum. There are also two fine arts museums in Kampala, regional folk museums at Kabale, Mbarara, and Soroti, a variety of agricultural and forestry collections, and three national park museums. A new museum for Buganda is planned.

[45]MEDIA

In 1998, there were some 50,000 mainline telephones in use, with a total of 80,868 lines available. The same year, there were 9,000 cellular phone subscribers.

Radio Uganda, founded in 1954, controls radio broadcasting in the country, while television is in the hands of the Uganda Television Service; both operate as part of the government's Ministry of Information and Broadcasting. Radio Uganda broadcasts daily in 22 languages, including English, French, Swahili, and local languages; television programs are in English, Swahili, and Luganda. As of 2001 there were 7 AM and 33 FM radio stations and 8 television stations. In 2000 there were 127 radios and 27 television sets for every 1,000 people.

The government-operated *New Vision,* with a 2002 circulation of 40,000 is published in English in Kampala. Two other major dailies published in Kampala are *The Monitor* (in English, 34,000) and *Munno* (in Luganda, 15,000).

The constitution provides for free speech and a free press; however, the government is said at times to restrict these rights in practice. The occasional use of sedition laws and imprisonment of some members of the media lead to the general practice of self-censorship.

[46]ORGANIZATIONS

The Uganda Society is the oldest and most prominent cultural organization. The Uganda National Council for Science and Technology was established in 1990 to promote interest, education, and research in various branches of science.

There is a National Chamber of Commerce and Industry and an employers' federation. The cooperative movement is extensive. The Uganda Manufacturers Association sponsors an annual international trade fair in Kampala held in early October.

There are a number of women's rights groups, including the Committee for the Advancement of Women of the Bahai's of Uganda, the National Association of Women Organizations of Uganda, the Uganda Association of University Women, and the multinational African Women's Leadership Institute. National youth organizations include Boy's Brigade of Uganda, the Uganda Scouts Association, Uganda Girl Guides, and YMCA/YWCA. The National Council of Sports is active in promoting amateur athletics programs.

[47]TOURISM, TRAVEL, AND RECREATION

Wildlife is the major tourist attraction. Tourism facilities are adequate in Kampala but limited in other areas. Tourists require a passport, visa, and yellow fever and cholera immunizations.

In 2000, 191,276 tourists visited Uganda. Tourism receipts for the previous year totaled $149 million with only 186,937 arrivals. In 1996, there were 3,887 hotel rooms with 6,608 beds and a 63% occupancy rate.

According to 2002 US government estimates, the daily cost of staying in Kampala is about $237. Estimated daily expenses in Entebbe range are about $164. Expenses are considerably lower in other areas of Uganda.

[48]FAMOUS UGANDANS

Kabaka Mutesa I (r.1856–84) contributed to Uganda's modern development. Sir Apollo Kagwa, chief minister (1890–1926) to Kabaka Mwanga and his successor, Kabaka Daudi Chwa, was one of the dominant figures in Uganda's history. Mukama Kabarega of Bunyoro (r.1896–99) led his people against British and Buganda forces until captured and exiled in 1899; he died in exile in 1923. Apollo Milton Obote (b.1924), founder of the UPC and prime minister from 1962 to 1966, overthrew the first president, Sir Edward Frederick Mutesa (Kabaka Mutesa II of Buganda, 1924–69), and was himself president of Uganda from 1966 to 1971 and from 1980 to 1985. Maj. Gen. Idi Amin Dada (b.1925) overthrew Obote in 1971 and led a military government until he was ousted in 1979 by Tanzanian forces and Ugandan rebels. Yoweri Museveni (b.1944), leader of the National Resistance Movement, became president in 1986 with the help of about 2,000 guerrillas recruited among Tutsi refugee families who had fled Rwanda.

[49]DEPENDENCIES

Uganda has no territories or colonies.

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UNITED KINGDOM AFRICAN DEPENDENCIES

BRITISH INDIAN OCEAN TERRITORY

In November 1965, the United Kingdom created a new colony, the British Indian Ocean Territory, from three island groups (Aldabra, Farquhar, and Des Roches) and the Chagos Archipelago (formerly a dependency of Mauritius). Aldabra, Farquhar, and Des Roches became part of independent Seychelles in 1976.

The chief island of the Chagos Archipelago is Diego Garcia, on which the United States maintains a naval base under an agreement with the British. The expressed intent of the United States to expand its naval base in order to strengthen the US military presence in the Indian Ocean and thereby secure the oil routes from the Persian Gulf was a sensitive international question in the late 1970s and early 1980s.

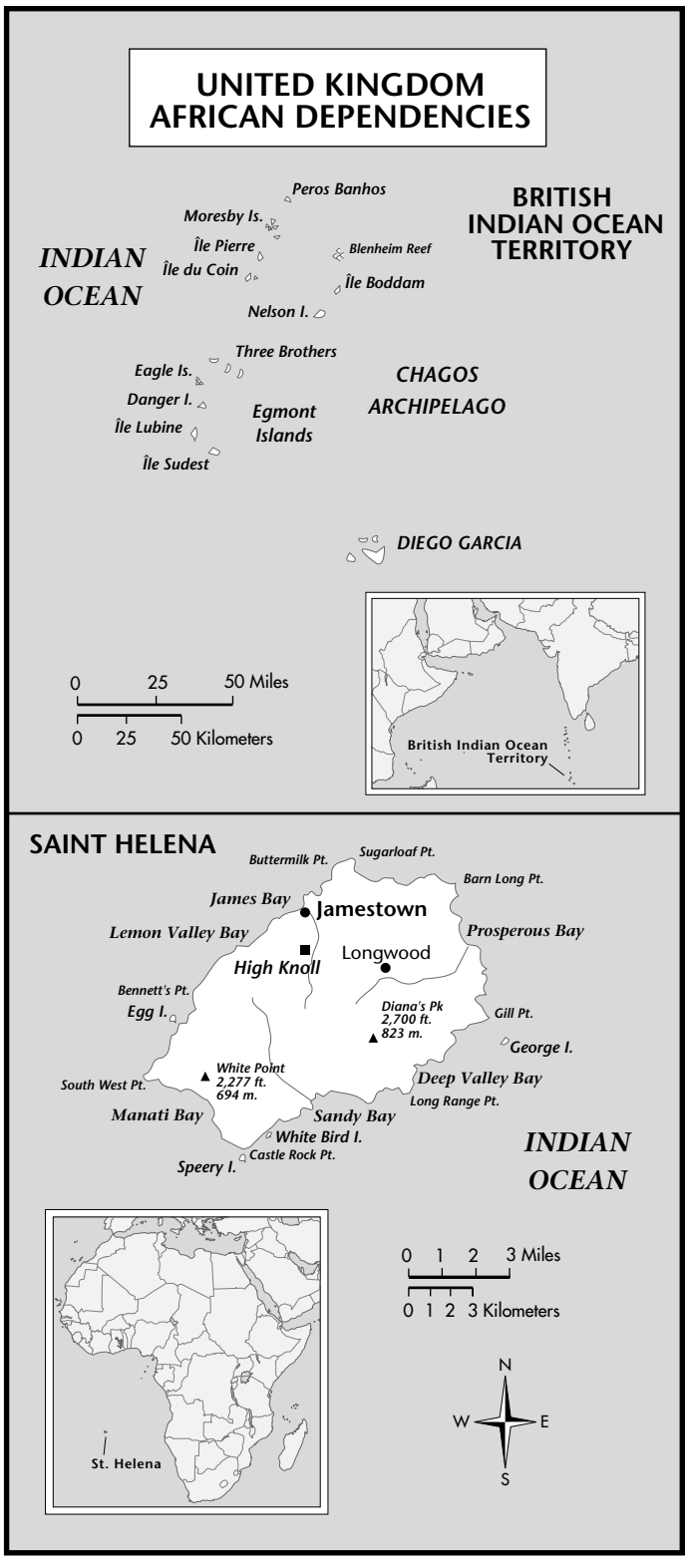
The Chagos Archipelago is located at 6° S and 72° E and covers a total area of 54,400 sq km (21,000 sq mi), although the land area is only 60 sq km (23 sq mi). Diego Garcia is both the largest island (44 sq km/17 sq mi) and the most southerly, lying nearly 1,770 km (1,100 mi) east of Mahé, the main island of the Seychelles; it is also the only populated island in the territory. The military installation there has military personnel and civilian contract employees from the United Kingdom, Mauritius, the Philippines, and the United States. The average temperature on Diego Garcia is 27° C (81° F); annual rainfall ranges from 230 to 255 cm (90–100 in).

France took possession of the Chagos Archipelago during the 18th century but ceded it to the United Kingdom in 1814. It was administered as a dependency of Mauritius until 1965. Initially the archipelago was exploited for copra by slave laborers from Mauritius; after emancipation in the 19th century, they became contract employees. Some of them, now known as Ilois, stayed on and became permanent residents. The United Kingdom bought the copra plantations from the private owners in 1967 and decided to close them down; some 1,200 Ilois were removed to Mauritius during 1967–73. In 1982, after prolonged negotiation, the United Kingdom granted £4 million to the Ilois on Mauritius, whose government agreed to provide land worth £1 million for their permanent resettlement.

In 1980, the government of Mauritius demanded that Diego Garcia revert to its control, arguing that the United Kingdom had violated an understanding allegedly given in 1967 that the island would not be used as a military base. The UK government denied giving any such assurance. As of 1999, a military installation on Diego Garcia was under joint jurisdiction by the United States and the United Kingdom. In 2000, a British High Court upheld the military status of Diego Garcia. In 2002 there were 1,500 military personnel and 2,000 civilians living on Diego Garcia.

ST. HELENA

St. Helena, a British colony 122 sq km (47 sq mi) in area, is a mountainous island in the South Atlantic Ocean at approximately 16° S and 5° 45′ W, about 1,930 km (1,200 mi) from the west coast of Africa. The maximum elevation, at Diana's Peak, is 828 m (2,717 ft). Southeast trade winds give the island a pleasant climate, despite its tropical location. The temperature at Jamestown, the capital, on the north coast, ranges from 18° to 29° C (65–85° F); inland, as the elevation rises, temperatures are



somewhat cooler. Rainfall ranges to an annual maximum of about 100 cm (40 in). The population, of mixed origin, was estimated at 7,317 in mid-2002; approximately 25% of the population lives in Jamestown. The language is English, and the majority of people are Anglicans. There are 10 Anglican churches, 4 Baptist chapels, a Roman Catholic church, and a Seventh-Day Adventist church.

Jamestown has open anchorages but no port facilities. The St. Helena Shipping Co. provides passenger and cargo service from the United Kingdom and South Africa. As os 2001, there was one airport on the island. St. Helena has 118 km (70 mi) of all-weather roads, 98 km (59 mi) of which have been paved.

Uninhabited when first sighted by the Portuguese navigator João da Nova Castella in 1502, and claimed by the Dutch in 1633, the island was garrisoned in 1659 by the British East India Company, captured by the Dutch in 1673, and retaken that same year by the English. It became famous as the place of Napoleon's exile, from 1815 until his death in 1821, and passed to the crown in 1834.

The island is administered by a governor, with the aid of a Legislative Council that includes, in addition to the governor, the speaker, 3 ex-officio, and 12 elected members. General elections were last held in June 2001; Council committees, a majority of whose members belong to the Legislative Council, are appointed by the governor and charged with executive powers and general supervision of government departments. The Supreme Court of St. Helena, headed by a chief justice, has full criminal and civil jurisdiction. Trial is by a jury of eight. Other judicial institutions include a magistrate's court, a small claims court, and a juvenile court.

St. Helena coins of 1, 2, 5, 10, and 50 pence and 1 pound and notes of 5 and 10 pounds are legal tender; their value is on a par with their UK equivalents.

The domestic economy is based on agriculture. The main crops are potatoes, sweet potatoes, corn, and vegetables. St. Helenians also are employed on Ascension and the Falkland Islands. Fish, especially skipjack and tuna, are among St.Helena's primary exports. There are no exploitable minerals, and virtually all timber is imported. St. Helena also imports all of its consumer and capital goods. The United Kingdom and South Africa are St. Helena's main trading partners. In 1995, imports were valued at US$14.4 million, and exports at US$704,000; British aid amounted to US$5.3 million in 1997; total foreign aid that year amounted to US$12.6 million.

The colony's revenues in 1992/93 amounted to US$11.2 million; expenditures totaled US$11 million. Domestic revenues include succession and death duties, an entertainment tax, a head tax, taxes on motor vehicles and on shops, and personal income and company taxes. The graduated personal income tax rate ranges from 10% to 30%. The company tax was 25% of net distributable profits.

There is an unemployment relief system, and workers' compensation is paid for death or disablement. There is one labor union, the St. Helena General Workers' Union; approximately two-thirds of the labor force works for the government. Health facilities include a hospital of 54 beds as well as six clinics and a mental hospital.

The population is entirely literate. Education is free and compulsory between the ages of 5 and 15. There are 8 primary schools and one high school. A free public library is located in Jamestown, and there are branch libraries in several rural districts. Longwood House, Napoleon's home in exile, is now French property and a museum. The colony had 2,000 main telephone lines in use in 1997. Cable and Wireless Ltd. provides telegraph communications between St. Helena, Cape Town, and Ascension Island. Radio receivers in use numbered about 3,000 in 1997. The government maintains a broadcasting station, a weekly newspaper, and monthly film shows in each district.

Dependencies of St. Helena are Tristan da Cunha and Ascension, which are inhabited, and Gough Island, the three Nightingale Islands, and Inaccessible Island, which are not. Tristan da Cunha, at 37° 15′ S and 12° 30′ W, approximately 2,400 km (1,500 mi) SSW of St. Helena, is a partly wooded volcanic island, with an area of 98 sq km (38 sq mi), reaching a maximum elevation of 2,060 m (6,760 ft). Annual rainfall averages 168 cm (66 in) on the coast. The population numbers around 300, nearly all of whom traced their ancestry to members of an English garrison sent to the island in 1816. Communications are limited to a few calls by ships each year and to a wireless station in daily contact with Cape Town. There is also a local broadcasting and radiotelephone service.

A South African rock lobster (crayfish) company operates a fish-freezing factory on the island. This facility replaced a cannery that was destroyed by a volcanic eruption in October 1961 that forced the inhabitants to evacuate the island. They were resettled near Southampton, England, in January 1962. Owing to their previous isolation, however, the islanders were particularly vulnerable to respiratory diseases, and many of them became ill because of the English climate. In March 1963, an advance group returned to Tristan da Cunha to repair some of the damaged property and to plant potatoes, the staple subsistence crop; the remaining islanders returned by the end of the year. With the construction of a harbor, shore fishing has also developed.

An island council consists of an administrator (who also serves as a magistrate), three appointed members, and eight elected members. Considerable revenue is derived from the sale of stamps; however, the fishing industry provides the chief source of livelihood. Development aid ended in 1980, and since then the island has financed its own projects.

Ascension, at 7° 56′ S and 14° 25′ W, about 1,131 km (703 mi) NW of St. Helena, is a bleak volcanic island with an area of 88 sq km (34 sq mi). The island's highest peak, Green Mountain, is 859 m (2,817 ft) above sea level. Ascension became a dependency of St. Helena in 1922 and is an important telecommunications station. In 1942, during World War II, the United States established an air base on the island. A US National Aeronautics and Space Administration (NASA) tracking station and a British Broadcasting Corp. (BBC) relay station were established in 1966. British forces used the island in 1982 as a staging area for the recovery of the Falkland Islands from Argentine occupation, and a new Royal Air Force camp was completed in 1984. The population of Ascension, excluding British military personnel, totals around 1,100.

Sea turtles come to the island between December and May to lay their eggs. Wild goats and partridges abound. Ascension is the breeding ground of the sooty tern, the "wide-awake bird."

ZAMBIA

Republic of Zambia

CAPITAL: Lusaka

FLAG: The flag is green, with a tricolor of dark red, black, and orange vertical stripes at the lower corner of the fly, topped by a golden flying eagle.

ANTHEM: *Stand and Sing for Zambia.*

MONETARY UNIT: The kwacha (K) of 100 ngwee replaced the Zambian pound (Z£) on 15 January 1968. There are coins of 1, 2, 5, 10, 20, and 50 ngwee, and notes of 1, 2, 5, 10, 20, 50, 100, and 500 kwacha. K1 = $0.000209 (or $1 = K4,790) as of May 2003.

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: New Year's Day, 1 January; Youth Day, 11 March; Labor Day, 1 May; African Freedom Day, 24 May; Heroes' Day, 1st Monday after 1st weekend in July; Unity Day, Tuesday after Heroes' Day; Farmers' Day, 5 August; Independence Day, 24 October; Christmas, 25 December. Movable religious holidays include Good Friday and Easter Monday.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

A landlocked country in southcentral Africa, Zambia has an area of 752,614 sq km (290,586 sq mi), with a maximum length of 1,206 km (749 mi) E–W and a maximum width of 815 km (506 mi) N–S. Comparatively, the area occupied by Zambia is slightly larger than the state of Texas. Bounded on the NE by Tanzania, on the E by Malawi, on the SE by Mozambique and Zimbabwe, on the S by Zimbabwe, Botswana, and Namibia (South West Africa), on the W by Angola, and on the W and N by the Democratic Republic of the Congo (DROC), Zambia has a total boundary length of 5,664 km (3,519 mi).

Zambia's capital city, Lusaka, is located in the southcentral part of the country.

[2]TOPOGRAPHY

Most of the landmass in Zambia is a high plateau lying between 910 and 1,370 m (3,000–4,500 ft) above sea level. In the northeast, the Muchinga Mountains exceed 1,800 m (5,900 ft) in height. Elevations below 610 m (2,000 ft) are encountered in the valleys of the major river systems. Plateau land in the northeastern and eastern parts of the country is broken by the low-lying Luangwa River, and in the western half by the Kafue River. Both rivers are tributaries of the upper Zambezi, the major waterway of the area. The frequent occurrence of rapids and falls prevents through navigation of the Zambezi.

There are three large natural lakes—Bangweulu, Mweru, and Tanganyika—all in the northern area. Lake Tanganykia is the largest with an area of about 12,770 sq km (32,893 sq mi). Lake Bangweulu and the swamps at its southern end cover about 9,840 sq km (3,799 sq mi) and are drained by the Luapula River. Kariba, one of the world's largest manmade lakes, is on the southern border; it was formed by the impoundment of the Zambezi by the construction of the Kariba Dam.

[3]CLIMATE

Although Zambia lies within the tropics, much of it has a pleasant climate because of the altitude. Temperatures are highest in the valleys of the Zambezi, Luangwa, and Kafue and by the shores of Lakes Tanganyika, Mweru, and Bangweulu.

There are wide seasonal variations in temperature and rainfall. October is the hottest month. The main rainy season starts in mid-November, with heavy tropical storms lasting well into April. The northern and northwestern provinces have an annual rainfall of about 125 cm (50 in), while areas in the far south have as little as 75 cm (30 in). May to mid-August is the cool season, after which temperatures rise rapidly. September is very dry.

Daytime temperatures may range from 23° to 31°C (73–88°F), dropping at night to as low as 5°C (41°F) in June and July. Lusaka, at 1,250 m (4,100 ft), has an average minimum of 9°C (48°F) and an average maximum of 23°C (73°F) in July, with averages of 17°C (63°F) and 26°C (79°F), respectively, in January; normal annual rainfall is 81 cm (32 in).

[4]FLORA AND FAUNA

Most of the territory is plateau and the prevailing type of vegetation is open woodland or savanna. Acacia and baobab trees, thorn trees and bushes, and tall perennial grasses are widespread, becoming coarser and sparser in the drier areas to the south. To the north and east grows a thin forest. The southwest has forests of Zambian teak (*Baikiaea plurijuga).*

The national parks and game reserves, such as the Kafue National Park, conserve the wildlife threatened by settlement. The Cookson's wildebeest, Senga Kob, Thornicroft giraffe, and red lechwe are unique to Zambia. The many varieties of buck include kudu, impala, duiker, and sten. In Luangwa Valley can be found giraffe, zebra, rhinoceros, elephant, baboon, monkey, hyena, wolf, and lion. Among the nocturnal animals are serval and civet cat, genet, and jackal. Other mammals include the honey badger, ant bear, rock rabbit, wart hog, and bush pig.

Zambia has a wealth of bird life, including the eagle, gull, tern, kingfisher, swift, redwing, lark, babbler, sunbird, weaver, red-billed quelea (in Luangwa Valley), stork, goose, plover, skimmer, bee-eater, wagtail, sparrow, swallow, thrush, shrike, nightingale, dove, nightjar, and an occasional ostrich. White pelican,

flamingo, heron, ibis, and the crowned crane are found in the game reserves.

There are more than 150 recorded species of reptiles, including 78 species of snakes and 66 of lizards. Among them are the crocodile, tortoise, turtle, terrapin, gecko, agama, nonvenomous python, mamba, viper, and adder. The range of species of fish is also wide and includes bream, snoutfish, butterfish, tigerfish, bottlenose, gorgefish, mudfish, catfish, barbel, "vundu," squeaker, whitebait, perch, carp, bass, and "utaka" (of the sardine type). Insect types number in the thousands, and many are peculiar to the area. The Copperbelt region and the swamps of Lake Bangweulu are especially rich in insect life.

[5]ENVIRONMENT

Both traditional and modern farming methods in Zambia involve clearing large areas of forest. As of 1985, the nation had lost 270 square miles of forestland, mainly to slash-and-burn agriculture but also to firewood gathering and charcoal production. Consequent erosion results in the loss of up to 3 million tons of topsoil annually. The exclusive cultivation of a single crop on agricultural land and the use of fertilizers threaten the soil and contribute to acidification. Air pollution is caused by vehicle emissions and coal-powered industrial plants. Lack of adequate water-treatment facilities contributes to the prevalence of bilharziasis and other parasitic infections. Water pollution arises from contamination by sewage and toxic industrial chemicals. The nation has 80.2 cu km of renewable water sources, of which 77% is used for farming and 7% for industry. Roughly 88% of Zambia's city dwellers and 48% of the people living in rural areas have pure drinking water.

The Copperbelt region, Zambia's mineral-extraction and refining center has been polluted by contaminants including acid rain. The buildup of toxins in the soil near many smelters poses a threat to food crops. Wildlife is endangered in some areas by hunting and poaching, although the National Parks and Wildlife Act (1982) mandates automatic imprisonment for trading illicitly in elephant tusks and rhinoceros horns. In 2001, 11 of the nation's mammal species, including the black rhinoceros, and 10 bird species were threatened, as well as 5 types of plants.

[6]POPULATION

The population of Zambia in 2003 was estimated by the United Nations at 10,812,000, which placed it as number 73 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 48% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 1.16%, with the projected population for the year 2015 at 12,670,000. The population density in 2002 was 13 per sq km (34 per sq mi).

It was estimated by the Population Reference Bureau that 40% of the population lived in urban areas in 2001. The capital city, Lusaka, had a population of 1,577,000 in that year. Estimates for other cities included Kitwe (439,000), Ndola (376,000), Mufulira (176,999), Chingola (186,000), and Kabwe (210,000). The main urban concentrations were in the Copperbelt mining complex. According to the United Nations, the urban population growth rate for 2000–2005 was 2.6%.

The prevalence of AIDS/HIV has had a significant impact on the population of Zambia. The United Nations estimated that 21.6% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

Before independence, the size of the European population waxed and waned with the fortunes of the mining industry. During the political upheavals of the mid-1960s, many Europeans in the mining industries left Zambia. As of 1999, there were nearly 200,000 refugees in Zambia. Most were from Angola; the rest were from the DROC, Rwanda, Burundi, and other African countries. The net migration rate in 2000 was -1.4 migrants per 1,000 population. There were 377,000 migrants living in Zambia that year, including refugees. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

The African community, close to 99% of Zambia's total population, belongs to various Bantu groups. (The term "Bantu" refers roughly to all peoples in whose language the root *ntu* means "man.") The Bemba group—37% of the African population—inhabits the Northern and Copperbelt provinces. Other African societies include the Tonga (19%), Lunda (12%), Nyanja (11%), Mambwe (8%), and Lozi or Barotse (7%). In all, there are at least 73 different African societal classifications.

The Europeans, accounting for about 1% of the population in 1998, are mainly of British stock, either immigrants or their descendants from the UK or South Africa. Other European groups include those of Dutch, Italian, and Greek descent. Counting Asians, mainly migrants from the Indian subcontinent, and people of mixed race, other non-Africans constitute only about 0.2% of the population.

[9]LANGUAGES

Some 80 different languages have been identified, most of them of the Bantu family. For educational and administrative purposes, seven main languages are recognized: Bemba, Lozi, Lunda, Kaonda, Luvale, Tonga, and Nyanja. Bemba, with its various dialects, is widely spoken in northern Zambia and is the lingua franca in the Copperbelt. The Ila and Tonga tongues predominate in the Southern Province. English is the official language.

[10]RELIGIONS

A 1996 amendment to the constitution declared the country a Christian nation while providing for freedom of religion in practice. The government requires registration of all religious groups; however, all applications reportedly are approved without discrimination. An estimated 85% of the population professes some form of Christianity. Another 5% are Muslim; 5% subscribe to other faiths, including Hinduism, Baha'ism, and traditional indigenous religions; and 5% are atheist.

The majority of Christians are either Roman Catholics or Protestants. Currently, there is also a surge in new Pentecostal churches, which have attracted many young followers. Muslims tend to be concentrated in parts of the country where Asians have settled—along the railroad line from Lusaka to Livingstone, in Chipata, and in the eastern province. Some members of the Muslim community have complained of discrimination since the country was declared a Christian nation. They claim they cannot freely teach and practice Islam; however, other Muslim organizations state they have not experienced any restrictions on their activities.

[11]TRANSPORTATION

Almost all of Zambia's industries, commercial agriculture, and major cities are located along the rail lines, which are often paralleled by highways. The Zambia Railways system consists of 2,157 km (1,340 mi) of track. The rail link with the Atlantic via the Katanga and Benguela railways to Lobito Bay in Angola has been affected by instability in Angola since the mid-1970s. Construction began in October 1970 on the Tazara railway, a 1,860-km (1,156-mi) line linking Dar es Salaam in Tanzania with Kapiri Mposhi, north of Lusaka; intended to lessen Zambian dependence on the former white-minority regimes of South Africa and the former Rhodesia (presently Zimbabwe), the line (890 km/

LOCATION: 9° to 18° S; 23° to 34°E. BOUNDARY LENGTHS: Tanzania, 338 kilometers (210 miles); Malawi, 837 kilometers (523 miles); Mozambique, 419 kilometers (260 miles); Zimbabwe, 797 kilometers (498 miles); Namibia (Caprivi Strip), 233 kilometers (145 miles); Angola, 1,110 kilometers (690 miles); Democratic Republic of the Congo (DROC), 1,930 kilometers (1,193 miles).

553 mi of which is in Zambia) was completed and commissioned in July 1976. Equipment and operational problems have kept the railway from reaching its full potential, however, and rail cargo links with South Africa and Mozambique ports, passing through Zimbabwe, remain important for Zambian commerce.

Zambia had 66,781 km (41,498 mi) of roadway in 2002. The principal routes were the Great North Road (809 km/503 mi), running from Kapiri Mposhi through Tanzania to Dar es Salaam, with a connecting road in Zambia from Kapiri Mposhi south to Livingstone (Maramba); the Great East Road (586 km/364 mi), from Lusaka to Chipata and thence to the Malawi border, with a connecting road (583 km/362 mi) from Mongu to Lusaka; the Zaire Border Road, from Kapiri Mposhi on the Great North Road through the Copperbelt region to Katanga, DROC; and the Kafue-Harare (Zimbabwe) road. Road services continue to play an important role in transporting copper and general cargo to and from Dar es Salaam. Transport services on the main routes also are provided by the National Transport Corp. of Zambia, the state-owned freight and passenger transport service. The United Bus Co. of Zambia is the largest passenger carrier. In 2000, there were 173,400 registered motor vehicles, including 64,000 passenger cars.

In 2001, there were 111 airports, only 11 of which had paved runways. Lusaka International is the principal airport. State-owned Zambia Airways is the national airline. Zambia Airways provides international service from Lusaka to several African and European countries, as well as domestic service to 17 Zambian centers. In 2001, 48,500 passengers were carried on scheduled domestic and international flights

There are 2,250 km (1,398 mi) of waterways, including Lake Tanganyika and the Zambezi and Luapula rivers. Mpulungu on Lake Tanganyika is Zambia's only port and receives goods supplied through Tanzania. There are several fishing harbors on Kariba Lake.

12 HISTORY

The history of Zambia before the 19th century can be studied only through archaeology and oral traditions. Iron working and agriculture were practiced in some parts of Zambia by about AD 100. By AD 900, mining and trading were evident in southern Zambia. Between the 15th century (or possibly earlier) and the 18th century, various groups of Bantu migrants from the southern Congo settled in Zambia. By the beginning of the 19th century, three large-scale political units existed in Zambia, in three different types of geographic environment. On the northeast plateau between the valleys of the Luapula and Luangwa, the Bemba had established a system of chieftainships; the Lunda kingdom of Kazembe was in the Luapula Valley; and the kingdom of the Lozi was in the far west, in the floodplain of the upper Zambezi.

Zambia was affected by two "invasions" in the mid-19th century. Shaka's Zulu empire in South Africa set in motion a series of migrations, commonly referred to as the mfecane; groups of peoples, including the Ngoni, were forced to migrate north across the Zambezi in order to avoid the Zulu raids and conquests. The other invasion came in the form of traders from the north—Nyamwezi, Arabs, and Swahili—drawing Zambia into long-distance trading systems.

The first significant European contact was through Christian missionaries. David Livingstone explored the region near Lake Bangweulu extensively from 1851 to his death in 1873. In 1884, François Coillard, a French Protestant missionary, settled in Barotseland (now the Western Province).

In the 1890s, Cecil Rhodes' British South Africa Company, which had already established itself to the south, extended its charter to the lands north of the Zambezi. From 1891 to the end of 1923, the territory—known as Northern Rhodesia—was ruled by this private company. Efforts to stimulate European settlement were disappointing, since anticipated discoveries of mineral wealth failed to materialize.

In the 1920s, new methods of exploiting the extensive mineral deposits in the Copperbelt region transformed the economic life of the territory. Development of these ore bodies, although hampered by the Great Depression, reversed the roles of the two Rhodesias. Northern Rhodesia, formerly viewed as an economic liability in any projected merger with Southern Rhodesia, now was seen as a source of wealth. European settlements rose rapidly, spurred directly by the requirements of the mining industry and indirectly by the subsequent expansion of the economy.

Before federation in 1953, the political development of the territory focused on two relationships: that of the European settlers with the colonial authorities on the one hand, and that between the settlers and the Africans on the other. The European settler community pressed for a greater voice in the colony's affairs. The major political issue involving the relations between Europeans and Africans concerned the allocation of land. Commissions on land policy designated the areas adjacent to the railway line as crown land. Although there was no legal bar to the acquisition of crown land by Africans, the effect of the arrangement was to exclude them from the commercially most attractive acreage.

In 1953, Northern Rhodesia became a member of the Federation of Rhodesia and Nyasaland. Even though the overwhelming majority of Africans in the territory was opposed to the federal arrangement, the British government decided that Northern Rhodesia would participate in the federation. In 1960, a royal commission reported that, despite clear economic benefits, the majority of Africans in both Northern Rhodesia and Nyasaland was opposed to the continuance of federation in its present form. In early 1962, Nyasaland's desire to secede from the federation was acknowledged by the British government.

Following its initiation into the federation, the government of Northern Rhodesia underwent constitutional changes, with a growing emphasis on African representation. Africans had not been represented on the Legislative Council until 1948, when two were named to that body. An enlarged Legislative Council, convened in 1954 just after the formation of the federation, included four Africans selected by the African Representative Council. A new constitution, introduced in January 1959, aimed at replacing the council with a political system based on a greater degree of cooperation between the races.

Discussions on a revision of this constitution began in December 1960 but were brought to an early close by disagreement between the European-dominated United Federal Party and the United National Independence Party (UNIP). But agreement was finally reached, and a new constitution came into effect in September 1962. Elections later that year produced an African majority in the Legislative Council, which then called for secession from the federation, full internal self-government under a new constitution, and a new National Assembly based on a broader, more democratic franchise.

The Republic of Zambia is Born

On 31 December 1963, the Federation of Rhodesia and Nyasaland was formally dissolved. On 24 October 1964, Northern Rhodesia became an independent republic, and its name was changed to Zambia. Kenneth Kaunda, the leader of the ruling UNIP, became the nation's first president. Kaunda was reelected in 1969, 1973, 1978, and 1983, surviving a series of coup attempts during 1980–81.

During the 1970s, Zambia played a key role in the movement toward black majority rule in Rhodesia. Zambia's border with Rhodesia was closed from 1973 to 1978 by Kaunda in retaliation for Rhodesian raids into Zambia; the raids were intended to impede the infiltration of Patriotic Front guerrillas into Rhodesia from their Zambian bases. The emergence of independent, black-ruled Zimbabwe eased the political pressure, but a drastic decline of world copper prices in the early 1980s, coupled with a severe drought, left Zambia in a perilous economic position. The continuing civil war in Angola also had repercussions in Zambia, bringing disruption of Zambian trade routes and casualties among Zambians along the border.

A South African air raid near Lusaka on 19 May 1986 was aimed at curbing Zambia's support for black nationalist groups in exile there. Later in the year, Kaunda supported Commonwealth sanctions against South Africa but did not take action himself, since Zambia was heavily dependent on imports from South Africa.

Riots, the worst since independence, broke out on 9 December 1986 in protest against the removal of subsidies for cornmeal, which had caused the price to rise by 120%; 15 people were killed, hundreds were injured, and hundreds of shops were looted. Peace returned two days later when Kaunda restored the subsidy and nationalized the grain-milling industry. He also ruled thenceforth with state of emergency powers. Reduction in government spending in order to reduce the deficit had been demanded by the International Monetary Fund, along with the devaluation of the currency, as a condition for extending new loans to enable Zambia to pay for essential imports. On 1 May 1987, Kaunda rejected the IMF conditions for a new financing package of about $300 million. He limited payments on the foreign debt to well under 10% of export earnings and established a new fixed currency rate of eight kwacha to the dollar. This did little to improve the economy or the popularity of Kaunda and UNIP.

By early 1989, Zambia, in consultation with the IMF and the World Bank, developed a new economic reform plan. In early 1991, Zambia qualified for World Bank assistance for the first time since 1987, although this was later suspended. By 1990, a

growing opposition to UNIP's monopoly of power had coalesced in the Movement for Multiparty Democracy (MMD). A number of UNIP defectors and major labor leaders came together to pressure Kaunda to hold multi-party elections. In December 1990, after a tumultuous year that included riots in Lusaka and a coup attempt, Kaunda signed legislation ending UNIP's legal monopoly of power.

After difficult negotiations between the government and opposition groups, Zambia enacted a new constitution in August 1991. It enlarged the National Assembly, established an electoral commission, and allowed for more than one presidential candidate. Candidates no longer were required to be UNIP members. In September, Kaunda announced the date for Zambia's first multi-party parliamentary and presidential elections in 19 years. On 31 October and 1 November 1991, the 27-year long state of emergency was terminated. Frederick J. T. Chiluba (MMD) defeated Kaunda, 81% to 15%. The MMD won over 125 of the 150 elected seats in the Assembly. UNIP won 25 seats, although UNIP swept the Eastern Province, winning 19 seats there.

Despite the change of government, the economy still sputtered. Chiluba's austerity measures may have been popular with Zambia's creditors, but not with its people. Likewise, his privatization plans alarmed the unions, his original base of support. Chiluba's MMD in power became autocratic and corrupt. Kaunda, his family, and UNIP officials were harassed. The press began to criticize Chiluba's government and Chiluba lashed back. An Anticorruption Commission investigated three senior cabinet ministers suspected of abuse of office.

UNIP remained the principal target of Chiluba's wrath. In February 1993, a document known as "Operation Zero Option" was leaked to the press. Allegedly written by Kaunda loyalists, it called for a campaign of strikes, riots and crime to destabilize the government. On 4 March 1993, government declared a three-month state of emergency and detained 26 UNIP members, including three of Kaunda's sons. Chiluba lifted the state of emergency on May 25 and released all but eight of the detainees, whom he charged with offenses from treason to possession of seditious documents.

Throughout the 1990s, Zambia continued to face troubles in its attempts to modernize its economy and to reform its political system. Despite liquidation of the government's huge stake in the nation's industrial sector, and implementing a drastic austerity program to reduce its budget deficit, the country saw only marginal growth. Further, despite the promise of fresh beginnings in 1991, the country momentarily reverted to one-party rule under Chiluba as the MMD fraudulently won huge victories in the November 1996 elections prompting foreign donors to suspend aid payments briefly in early 1997. Subsequently, a campaign mounted by Chiluba and his party to amend the constitution to allow a third term was defeated. In the election of 27 December 2001, Chiluba's handpicked candidate Levy Mwanawasa was elected president with 29% of the vote; the MMD picked up 68 of 150 seats in the National Assembly. The vote was ruled flawed by international and local poll monitors—mainly on grounds of misuse of state funds and vote buying. An opposition petition to the Supreme Court alleged that the elections were rigged.

In an overture for national unity, or perhaps a bid to save his presidency, Mwanawasa named nine opposition MPs to his cabinet in February 2003. The move provoked a constitutional crisis when Mwanawasa refused to back down against a High Court ruling that the appointments were unconstitutional. Opposition parties expelled the MPs from the National Assembly. Later that month the Supreme Court declined a petition by former president Chiluba seeking immunity from prosecution under the government's anti-corruption drive. Chiluba was accused of abuse of office and 60 counts of theft during his ten-years in office. In May 2003, under pressure from church, women's and other civil society groups, Mwanawasa conceded to the formation of a constituent assembly to review the constitution. Civic groups contended that the current document grants the executive far-reaching powers, which groups say is at odds with their vision for a people-driven constitution. Activist opponents of the president's vision for the constitutional review process took to wearing green ribbons and honking their horns on Fridays.

By mid-2003, the government was considering participation in a future free trade area as part of the Southern Africa Development Community (SADC) arrangement. Food security and care for AIDS orphans and vulnerable children were also on the policy agenda. The government had also commenced the repatriation of some 5,000 Rwandan refugees. An estimated 1.2 million Zambians are HIV positive, with 21.5% of all adults aged between 15 and 49 years infected with the virus. Around 86% of Zambians are classified as poor, which impacts nutritional status. Lingering fallout from crop failures and drought in the sub-region in 2001-2002 required targeted food aid for some 60,000 persons, down from a high of 2.7 million in 2002. However, given calls for Mwanawasa to step down and to call for fresh elections, it was unclear how able the president would be to manage this agenda.

[13] GOVERNMENT

From 1953 to 1963, Northern Rhodesia was a protectorate under the jurisdiction of the British crown, within the Federation of Rhodesia and Nyasaland. On 24 October 1964, it became an independent republic. The constitution of January 1964 was amended in 1968 and in 1972, when it was officially announced that Zambia would become a one-party "participatory democracy," with the sole party the ruling United National Independence Party. A new constitution was drafted and received presidential assent in August 1973.

Under the 1973 constitution, the president of the Republic of Zambia was head of state, commander-in-chief of the armed forces, and president of the UNIP. Once chosen by the ruling party, the president had to be confirmed by a majority of the electorate, but there was no limitation on the length of the president's tenure in office. The prime minister was the leader of government business and an ex officio member of the UNIP Central Committee. As provided in the constitution, the Central Committee consisted of not more than 25 members, 20 to be elected at the party's general conference held every 5 years, and 3 to be nominated by the president, who was also a member. Cabinet decisions were subordinate to those of the UNIP Central Committee. The parliament consisted of the president and a National Assembly of 125 elected members, but all Assembly members had to be UNIP members, and their candidacy had to be approved by the party's Central Committee. The constitution also provided for a House of Chiefs of 27 members. A Bill of Rights guaranteed the fundamental freedom and rights of the individual, but if at any time the president felt the security of the state threatened, he had the power to proclaim a state of emergency. Indeed, Zambians lived under a state of emergency for 27 years.

In August 1991, a new constitution was promulgated. The president is now elected directly by universal suffrage and may serve a maximum of two five-year terms. The National Assembly has 150 directly elected members with up to eight appointed by the president, also for five-year terms. Since 2 January 2002, President Levy Mwanawasa has served as head of state with Vice President Enoch Kavindele (since 4 May 2001). The next elections were scheduled for 2006.

[14] POLITICAL PARTIES

African nationalism began to rise in Northern Rhodesia after World War II. African welfare associations, founded before the

war, developed rapidly into political organizations. In 1946, representatives from 14 welfare societies formed the Federation of Welfare Societies. In 1948, the federation was reconstituted as the Northern Rhodesia Congress. It became the North Rhodesian African National Congress (ANC) in 1951 under the leadership of Harry Nkumbula. In 1958, dissatisfaction with Nkumbula's leadership gave rise to a breakaway movement led by the party's secretary-general, Kenneth Kaunda. Kaunda formed the Zambia African National Congress, which was declared illegal the following year. In 1960, the United National Independence Party (UNIP) was formed under Kaunda's leadership. UNIP received a majority of the popular votes in the 1962 elections and formed the first government after independence. The ANC became the chief opposition party.

In 1967, the United Party (UP) was formed by Nalumino Mundia, a Lozi who had been dismissed from the cabinet in 1966. Its support came mainly from Barotseland in the southwest, where the UP promised to restore the power of the chiefs. After violence erupted in the Copperbelt, Kaunda banned the UP as a "threat to public security and peace," and Mundia and his principal officers were arrested. In August 1968, the UP was declared illegal. Mundia was released in 1969, joined the UNIP in 1974, and was named prime minister in 1981.

In the general elections of December 1969, the UNIP won 81 seats in the National Assembly, the ANC 23, and independents 1. Kaunda was reelected president. The elections were followed by violence and political unrest. At the opening of the new Assembly, the speaker refused to recognize the ANC as the official opposition. With the proclamation of a one-party state in December 1972, UNIP became the only legal party in Zambia. The ANC was assimilated into UNIP; the United Progressive Party, formed in August 1971, was summarily disbanded by the government, and its founder, Simon Kapwepwe, briefly arrested.

On 5 December 1973, the first presidential elections held under the new constitution brought the reelection of Kaunda to a third term with 85% of the vote. Voters also filled the 125 elective seats in the National Assembly. In 1975, the UNIP declared its ranks open to former followers of banned parties, but in 1978 candidacy was restricted to those with five years' continuous UNIP membership. National Assembly and presidential elections were held in December 1978, with Kaunda, again unopposed, receiving 80.5% of the vote. In the elections of October 1983, Kaunda's share of the total rose to 93%. A total of 766 candidates ran for the 125 Assembly seats.

After considerable social unrest in 1986 and again in 1990, the Kaunda government came under domestic and international pressure to end UNIP's monopoly in legitimate partisan activity. A Movement for Multiparty Democracy (MMD) was formed and led by trade unionists and defectors from UNIP. Finally, in December 1990, Kaunda signed into law a bill legalizing opposition political parties. In the new constitution adopted in August 1991, candidates are no longer required to belong to UNIP.

These changes paved the way to multi-party presidential and parliamentary elections on 31 October and 1 November 1991, the first in 19 years. The MMD's leader, Frederick Chiluba, easily won the presidency, 81% to 15% for Kaunda. The MMD got 125 seats to 15 for UNIP in the National Assembly. Kaunda and his family were harassed by the MMD, which forced Kaunda to step down as UNIP leader in August 1992. However, he returned a few years later to reclaim UNIP leadership. He briefly considered running on the UNIP ticket in the national presidential elections in 2001.

Since the legalization of multiparty competition, more than 30 parties have operated in the country. Parties include Agenda for Zambia (AZ), Forum for Democracy and Development (FDD), Heritage Party (HP), Progressive Front (PF), Movement for Multiparty Democracy (MMD), National Citizens Coalition (NCC), National Leadership for Development (NLD), National Party (NP), Patriotic Front (PF), Zambian Republican Party (ZRP), Social Democratic Party (SDP), United National Independence Party (UNIP), United Party for National Development (UPND), and the National Democratic Alliance (NADA). The United Democratic Party and the United Democratic Congress Party are headed by former top UNIP leaders. The National Party (also with prominent ex-MMD figures) was created in August 1993 and won four seats in the Assembly in 1993–94 by-elections. Within the MMD there is a breakaway group, the Caucus for National Unity, to root out corruption in government.

In elections held on 20 November 1996, President Frederick Chiluba and the MMD won over 85% of the available seats in the National Assembly. However, independent observers condemned the election as being rigged by the MMD.

In the election of 27 December 2001, Levy Mwanawasa was elected president with 29% of the vote to 27% for Anderson Mazoka, 13% for Christon Tembo, 10% for Tilyenji Kaunda, 8% for Godfrey Miyanda, 5% for Benjamin Mwila, and 3% for Michael Sata. In the legislative contest held the same date, eight parties won seats in the National Assembly. The MMD claimed 45.9% of the vote winning 68 seats, followed by the UPND with 32.4% and 48 seats, the UNIP with 8.8% and 13 seats, the FDD with 8.1% and 12 seats, the HP with 2.7% and 4 seats, the PF with 0.7% and one seat, the ZRP with 0.7% and one seat, and independents with 0.7% and one seat. Two seats were not determined. The next elections were due 2006.

[15]LOCAL GOVERNMENT

Zambia is divided into nine provinces (including the special province of Lusaka), administered by officials appointed by the central government. Each province is further divided into districts, presided over by district secretaries. Around 55% of Zambians live in towns and cities, giving Zambia one of the highest urbanization rates in Africa. Lusaka has a city council, and the other large towns have councils or town management boards; most townships, however, are directly administered by government officers. Local elections in urban areas are organized on a ward system with universal adult suffrage. Local urban authorities can levy taxes, borrow money, and own and manage housing projects. They control roads, water, power, town planning, health facilities, and other public services within their areas.

Administrative districts lying outside municipal and township areas are governed by rural councils, consisting of members elected by universal adult suffrage and a minority of nominated members, mainly chiefs, appointed by the under minister of the interior. Councils have evolved from the former native authorities, which were constituted on a tribal basis. The rural councils have frequently cut across African societal boundaries in order to establish larger and more viable units. The functions and powers of rural councils are similar to those of the urban local authorities.

[16]JUDICIAL SYSTEM

The judicial system is based on English common law and customary law. Common law is administered by several High Courts, which have authority to hear criminal and civil cases and appeals from lower courts. Resident magistrate's courts are also established at various centers. Local courts mainly administer customary law, especially cases relating to marriage, property, and inheritance.

Under the constitution of 1997, the Supreme Court is the highest court in Zambia and serves as the final court of appeal. The chief justice and other eight judges are appointed by the president. In consultation with the prime minister, the president also appoints the director of public prosecution and the attorney

general, the latter being the principal legal adviser to the government. The independence of the judiciary has been respected by the government. Trials in magistrate courts are public.

[17]ARMED FORCES

As of 2002, the strength of the armed forces was 21,600; paramilitary forces, consisting of two police battalions, totaled 1,400. The army numbered 20,000 equipped with 30 main battle tanks and 30 light tanks. The air force had 1,600 personnel operating 63 combat aircraft. Zambia provided support to peacekeeping missions in three African regions. Defense spending was $32.5 million in 2001, or 0.9% of GDP.

[18]INTERNATIONAL COOPERATION

Zambia joined the UN on 1 December 1964 and participates in ECA and all the non-regional specialized agencies except IMO. It belongs to the African Development Bank, Commonwealth of Nations, G-77, and AU, and is a signatory of the Law of the Sea and a member of the WTO. Located in Zambia are the headquarters of the International Red Locust Control Organization for Central and Southern Africa, as well as an office of the UN High Commissioner of Refugees and a regional office of the UN Institute for Namibia, established to provide training for future administrators of an independent Namibian state. Zambia belongs to the Southern African Development Community (SADC) and the Preferential Trade Area for Eastern and Southern Africa. While supporting liberation movements, Zambia has played a pivotal role in the search for détente in southern Africa.

[19]ECONOMY

The Zambian economy was in a precarious state during the 1990s. High inflation, severe drought, declining export prices, and failed economic policies all took their toll. Four of the nation's 20 banks failed and total debt stood at $7 billion in 1999. Divided into the population, that was $700 of debt per capita, compared with a GDP per capita of only $380. After steady declines in per capita GDP, Zambia was redesignated a least developed country by the United Nations. The impact of inflation on the poor, the middle class, and business eroded public support for the government's reform policies. Economic reforms aimed at privatizing the economy succeeded in selling approximately 85% of 330 parastatal companies, including the main copper mining conglomerate Zambia Consolidated Copper Mines (ZCCM) in 2000.

The first sign that tight monetary and fiscal policies were beginning to have an effect, was a rapid drop in the inflation rate, but by 1998, the rate had raised from 19% in 1997 to 31%. It was forecast to remain at around 20% in 2002. After the drought of 1992, agricultural production rebounded with record harvests of many crops, but the government's tight cash budget policy limited its capacity to purchase the crops. The key copper industry (which took in 80% of export revenues in 1999), maintained production levels, but depressed world prices kept revenues at lower levels. However, in 2000, copper export earnings reached $800 million, a 5.4% increase over 1999. As of 2003, there was growing interest in developing coffee and tobacco as cash crops, but the main agricultural product is maize, a non-cash crop necessary for domestic consumption. The tourism industry is growing. In 2000 Zambia became eligible for $3.8 billion in debt relief under the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Zambia's gross domestic product (GDP) was estimated at $8.5 billion. The per capita GDP was estimated at $870. The annual growth rate of GDP was estimated at 3.9%. The average inflation rate in 2001 was 21.5%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 24% of GDP, industry 25%, and services 51%. Foreign aid receipts amounted to about $36 per capita and accounted for approximately 11% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $268. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption declined at an annual rate of 4%. Approximately 52% of household consumption was spent on food, 8% on fuel, 2% on health care, and 11% on education. The richest 10% of the population accounted for approximately 41.0% of household consumption and the poorest 10% approximately 1.1%. It was estimated that in 1993 about 86% of the population had incomes below the poverty line.

[21]LABOR

In 2002, the labor force in Zambia was estimated at 3.4 million persons. The majority of Zambian laborers work not as wage earners but in subsistence agriculture. Transport and services employed 9% of the labor force; mining, manufacturing and construction, 6%. In 2000 it was estimated that 50% of the workforce was unemployed.

The Labor Department is responsible for employment exchange services and for enforcing protective labor legislation. In 2002, about 60% of the country's 300,000 formal wage earners were unionized. There were about 19 large national labor unions, all but one of them affiliated with the Zambia Congress of Trade Unions (ZCTU). With the exception of essential services, all workers have the right to strike.

The minimum wage was $0.07 per hour in 2002. The maximum regular workweek is 48 hours, but most wage earners work 40-hour weeks. The minimum working age is 16 years. This is enforced in the industrial sector but not in subsistence agriculture, domestic services, or the informal economy where children are more likely to work. The law also regulates minimum health and safety standards in industry but staffing problems at the Ministry of Labor chronically limit enforcement effectiveness.

[22]AGRICULTURE

The development of commercial farming followed the construction of the railroad in the early 20th century, but the main stimulus did not come until World War II (1939–45), when it was necessary to ensure a maximum output of copper and to minimize the shipping space required for food imports. Food production continued to expand as the copper industry helped raise living standards. Additional European immigration in the 1950s, as well as programs to diversify the economy, gave rise to the production for export of tobacco, cotton, and peanuts. However, partly because of the rapidly rising population, agricultural output never reached the point of meeting domestic food requirements. Only 5% of the land area is cultivated at any time, although a much larger area is potentially arable.

The majority of Zambia's population engages in subsistence farming. The principal subsistence crops are corn, sorghum, and cassava, while the main cash crops are tobacco, corn, sugarcane, peanuts, and cotton. In 1992, liberalized marketing began for most crops, but because of the 1991/92 drought, corn marketing remained under government control. A bountiful 1993 harvest made a solid recovery from the drought. In 2001, agriculture accounted for 22% of total GDP.

Production of tobacco, the most important export crop, was estimated at 3,000 tons in 1999. Marketed corn production in 1999 was 856,000 tons (down from 1,096,000 tons in 1991). Cotton production reached 8,000 tons of fiber. Also marketed in 1999 were 1,600,000 tons of sugarcane, 7,000 tons of sunflowers, 57,000 tons of peanuts, and 9,000 tons of wheat.

[23]ANIMAL HUSBANDRY

The estimated livestock population in 2001 included 2,600,000 head of cattle, 1,270,000 goats, 340,000 hogs, and 150,000 sheep. Cattle production in certain regions is limited by sleeping sickness, carried by the tsetse fly. During 2001, beef production was 40,800 tons; poultry, 36,500 tons. Meat production in 2001 was estimated at 127,000 tons.

[24]FISHING

Because Zambia's inland waters are a valuable source of food and employment, the fishing industry plays an important part in the rural economy. Large quantities of fish, most of which are transported by rail to processing centers, are frozen or dried. Major quantities are obtained from Bangweulu, Tanganyika, and Mweru lakes, and from the Kafue and Luapula rivers. The catch in 2000 was 66,671 tons.

[25]FORESTRY

About 42% of Zambia is covered by forest; commercial exploitation is concentrated in the southwest and in the Copperbelt. Roundwood production was about 8,053,000 cu m (284 million cu ft) in 2000, 90% of it for fuel needs.

[26]MINING

Mining was central to Zambia's economy. Copper accounted for 55% of export earnings in 2002, copper mining and processing was the country's leading industry, and cobalt was the second-leading export commodity. Zambia was the fifth-largest producer of cobalt in 2000, the 12th-largest producer of copper, and a major producer of gem-quality emerald and amethyst. The production of mineral commodities generated 15%–20% of GDP, while mining and quarrying accounted for 5% of GDP in 1999, 80% of merchandise exports, and 8% of total employment (38,500 jobs). Copper earned $372 million of Zambia's merchandise exports ($842 million) in 1999, and cobalt accounted for $95 million. Gemstones, mined mostly by small-scale and artisanal miners, also recorded significant earnings, although larger amounts bypassed official counts, and some believed their earnings amounted to $250 million per year. Construction was the country's second-leading industry, and the production of chemicals and fertilizers also ranked high. By 2000, privatization of most of the major mines, including copper, had been completed, and efforts were ongoing to privatize the gemstone and other small mines sectors, and to attract foreign investors to develop other known metallic and industrial mineral resources. Among the difficulties faced by landlocked Zambia were high transportation costs, the threat posed by HIV/AIDS to the labor force, cyclical world commodity prices, and the impact of civil wars in Angola and Congo on foreign investment.

In 2000, total copper mine output (by concentration, cementation, and leaching; metal content) was 241,200 tons, down from 352,900 in 1997 and 1969's peak, 825,000 tons. The output of cobalt (metal content), as a byproduct of copper mining and processing, was 4,600 tons, down from 11,900 in 1998. The mining industry has been effected by declining world copper demand, slow global economic growth, labor unrest, transportation difficulties, including port and rail congestion, and shortages of spare parts, raw materials, and fuel. In 2000, the copper industry began its first full year of private operation since 1968, after the government completed privatization of Zambia Consolidated Copper Mines (ZCCM) assets, which had comprised the country's major copper mining companies; ZCCM still retained ownership in most production companies. In 1969, the two major copper mining companies, Nchanga Consolidated Copper Mines and Roan Consolidated Mines, were 51% nationalized; they were reorganized in 1974 under management appointed by the government, and merged into ZCCM in 1982.

New mine owners focused on mine and plant rehabilitation efforts in 2000, and planned to produce 325,000 tons of copper in 2001 and 460,000 in 2003, and to triple or quadruple cobalt output by 2003. Among the largest copper mines were the Nkana (5.5 million tons ore per year capacity), the Nchanga and Chingola open-pits (4.5 million tons ore per year), the Nchanga underground (2.8 million tons), the Mufalira (2.8 million tons), the Konkola underground (2.2 million tons), the Luanshya underground (1.7 million tons), and the Baluba underground (1.4 million tons). Exploration work and feasibility studies on the Kankola North project were expected to reveal an annual capacity of 2.2 million tons ore. The country's total mineral resources exceeded 2,580 million tons, with ore reserves of 728 million tons. Equinox Resources Ltd.'s Lumwana project, with two large copper-cobalt-gold-uranium deposits (Chimiwunga and Malundwe), had resources of 1 billion tons that contained 0.67% copper, and 481 million tons of ore (1% copper). The Kalimba Group's Nama and Ngosa areas had a resource of 950 million tons. More than $2 billion was expected in investments to rebuild the copper industry between 1998 and 2008, with corresponding production increases of refined copper, from 233,000 tons per year to 620,000 tons per year, and of refined cobalt, from 4.2 tons per year to 20 tons per year. This would return Zambia to the position of largest cobalt producer and one of the top five or six copper producers.

Zambia also produced gold, refined selenium, silver, cement, clays (including brick, china, and ball), gemstones (amethyst, beryl, emerald, red garnet, and pink tourmaline), calcined lime, limestone, sand and gravel, stone, sulfur, and talc. No iron ore, tin, aquamarine, citrine, feldspar, magnetite, or nitrogen has been produced for several years. Exploration was being carried out for zinc, and for diamonds in western Zambia.

[27]ENERGY AND POWER

A total of 7.8 billion kWh of electricity was produced in 2000, of which nearly 100% was from hydropower. Consumption of electricity in 2000 was 5.8 billion kWh. Total installed capacity in 2001 was 1.8 million kW. Zambia exports about 20% of its production to Zimbabwe.

Zambia is self-sufficient in electricity. The Kafue Power Station was commissioned in 1978, guaranteeing self-sufficiency in electricity even at times of low rainfall. This power station brought the total installed capacity in Zambia to more than 1,600,000 kW, compared with 600,000 kW in 1971. Installed capacity rose to 2,436,000 kW (92% hydro) by 1998. As of 1999, plans were under way to renovate the Victoria Falls hydroelectric plants to restore them to full generating capacity. In the same year, only 18% of Zambians had access to electricity.

Crude oil is imported by means of a pipeline from Tanzania.

[28]INDUSTRY

Industry accounted for 25% of GDP in 2000. Apart from copper refining, the most important industries are those connected with the manufacture of sulfuric acid, fertilizer, compressor lubricants, electrical appliances and parts, glass, batteries, cigarettes, textiles, yarn, glycerine, vehicle and tractor assembling, sawmilling, wood and joinery manufacture, tire retreading, processing of food and drink, and the manufacture of cement and cement products. Nitrogen Chemicals of Zambia, which produces fertilizer, is the largest non-mining enterprise. Since tariff barriers for imports have been lifted, many manufacturing facilities have closed, especially in the clothing industry.

To assist in the establishment of manufacturing and processing industries, the government has formed the Industrial Development Corp. of Zambia (INDECO). It has developed a number of enterprises, including a chemical-fertilizers plant, an explosives plant, a glass bottle factory, and a battery factory; these projects were joint ventures with foreign companies. The country has one oil refinery, at Ndola, with a production capacity of 24,000 barrels per day.

[29]SCIENCE AND TECHNOLOGY

The National Council for Scientific Research, founded in 1967 at Lusaka, advises the government on scientific matters and coordinates and disseminates the results of the Zambian research effort. Scientific learned societies include the Engineering Institution of Zambia, founded in 1955 at Lusaka. Research institutes specialize in fisheries, veterinary science, geology, agriculture, forestry and forest products, tropical diseases, pneumoconiosis, and red locust control. The University of Zambia, founded in 1965 at Lusaka, has departments of natural sciences, engineering, medicine, agricultural sciences, veterinary sciences, and mines. Copperbelt University, founded in 1979 at Kitwe, has schools of environmental studies and technology. Three other colleges offer courses in agriculture and engineering. In 1987–97, science and engineering students accounted for 16% of college and university enrollments.

[30]DOMESTIC TRADE

Since independence, trading activity has increased in both rural and urban areas, especially in Lusaka. The Zambian Privatization Agency was in the process of privatizing parastatals that controlled large wholesale and retail chains. Centers of trading activity are the main towns along the rail line. Wholesale outlets are prevalent in larger towns and cities, while individually owned vendors and smaller retail shops are common in smaller communities and remote areas.

Normal business hours are from 8 AM to 5 PM, Monday–Friday, and 8 AM to 12:30 PM on Saturday. Banks are open from 8:15 AM to 12:45 PM on most weekdays, but close at noon on Thursdays and 11 AM on Saturdays.

[31]FOREIGN TRADE

Mineral commodities account for about 90% of exports, led by copper and cobalt. Other export commodities include zinc, lead, and tobacco. Leading imports are machinery, transportation equipment, foodstuffs, fuels, petroleum products, electricity, and fertilizer.

Principal trading partners in 2000 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
South Africa	1,376	2,264	-888
United Kingdom	441	283	158
Malawi	241	n.a.	n.a.
Switzerland	219	15	204
Democratic Republic of the Congo	142	8	134
Italy	84	22	62
Tanzania	78	193	-115
Zimbabwe	57	296	-239
India	34	230	-196
United States	34	171	-137

[32]BALANCE OF PAYMENTS

Zambian trade is normally in rough balance. However, a heavy debt burden gives the country a current account deficit, and hard currency is often in short supply. Total debt service payments in 1997 equaled $277 million, or about 21% of export earnings.

In the early 2000s, the trade deficit worsened due to mining-related imports needed to reform the privatized copper industry. Nonetheless, an improvement in official and commercial inflows, supported by a resumption of concessional donor support, was expected to prompt a recovery.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Zambia's exports was $876 million while imports totaled $12.05 billion resulting in a trade deficit of $11.174 billion.

The International Monetary Fund (IMF) reports that in 2000 Zambia had exports of goods totaling $757 million and imports totaling $978 million. The services credit totaled $114 million and debit $340 million. The following table summarizes Zambia's balance of payments as reported by the IMF for 2000 in millions of US dollars.

Current Account	**-584**
Balance on goods	-221
Balance on services	-226
Balance on income	-120
Current transfers	-18
Capital Account	**153**
Financial Account	**-274**
Direct investment abroad	…
Direct investment in Zambia	122
Portfolio investment assets	…
Portfolio investment liabilities	-1
Other investment assets	-85
Other investment liabilities	-309
Net Errors and Omissions	**185**
Reserves and Related Items	**520**

[33]BANKING AND SECURITIES

In November 1970, the Zambian government announced that it would take a majority interest in all banks operating in Zambia; however, the banking proposals were later modified so that the government became majority shareholder through the State Finance and Development Corp. of the already state-owned Zambia National Commercial Bank Ltd. (ZNCB) and the Commercial Bank of Zambia. The state-owned Bank of Zambia (BOZ), the central bank founded in 1964, sets and controls all currency and banking activities in the country.

In 2002, the leading commercial banks were subsidiaries of Barclays, Citibank, Equator Bank, Standard Chartered, First Alliance, and Stanbic. There are two development banks: the Development Bank of Zambia and the Lima Bank. Other state-owned financial institutions include the Zambia National Building Society, and the Import Export Bank of Zambia, launched in early 1988 to promote trade generally and nontraditional exports in particular. In 1985, the first locally and privately owned bank was formed, the African Commercial Bank. Its success led to the establishment of several more, including Cavmont Merchant Bankmaking Zambia one of Africa's most "overcrowded" countries with 28 registered commercial banks at the end of December 1994. This number had dropped to twelve, however, by 2002.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $288.4 million. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $764.3 million.

In 1997, things were looking up for the Lusaka Stock Exchange (LuSE), which has in the past struggled to attract new listings and improve its frequently thin trading volumes.

[34]INSURANCE

On 1 January 1972, the Zambia State Insurance Corp. (ZSIC) took over all insurance transactions in Zambia. The operations of ZSIC cover fire, marine, aviation, accident, motor vehicle, and life insurance. All imports must be insured with this agency.

35 PUBLIC FINANCE

With its heavy dependency on copper, Zambia is able to show comfortable surpluses in its public accounts only when the mining industry is prosperous. From 1985 to 1987, Zambia attempted to implement a structural reform program, sponsored by the IBRD and IMF. In 1987, however, the government stopped the program and reverted to deficit spending and monetary creation. By 1992, a new government was committed to curtailing public expenditures through privatization and decreasing the civil service. By 1998, more than 85% of parastatals were privatized. In early 2000, the giant parastatal mining company, Zambian Consolidated Copper Mines (ZCCM) was completely privatized; that transaction helped Zambia satisfy the conditions for balance of payment support.

The US Central Intelligence Agency (CIA) estimates that in 2001 Zambia's central government took in revenues of approximately $1.2 billion and had expenditures of $1.3 billion. Overall, the government registered a deficit of approximately $50 million. External debt totaled $5.8 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	**100.0%**	**1,200**
Tax revenue	74.7%	897
Non-tax revenue	2.8%	34
Grants	22.5%	269
EXPENDITURES	**100.0%**	**1,250**
General public services	26.7%	333
Defense	3.9%	49
Public order and safety	3.3%	41
Education	14.4%	181
Health	13.2%	165
Social security	1.3%	16
Housing and community amenities	2.3%	29
Recreation, cultural, and religious affairs	0.6%	7
Economic affairs and services	20.5%	256
Other expenditures	13.8%	173

36 TAXATION

As of 2002, the corporate tax rate was a flat 35%, replacing an earlier schedule that ranged from 15% to 35%. Dividends are taxed at 15%, but dividends received from farming activities are exempt from taxes for the first five years of operation. Withholding taxes are 15% on income from dividends, rent, entertainment, and interest (above 60,000 Kwacha or about $13.00). There is also a mineral royalty tax and a property transfer tax.

Income taxes include a 1% charge by local Councils on the gross salaries of employees after a deduction of 300,000 Kwacha (about $66.55) and a 1.015% property tax. Individual income is taxed according to a progressive schedule with four bands: 0% on the first 600,000 Kwacha (about $133) of annual income; 10% on the next 600,000 Kwacha; 20% on the next 600,000 Kwacha, and 30% on the increment of annual income above 1,800,000 Kwacha (about $400).

A value-added tax (VAT) with a standard rate of 20% replaced the sales tax in 1995. The standard rate was subsequently reduced to 17.5%. Items exempted from VAT include insurance transactions, mosquito nets and insecticides.

37 CUSTOMS AND DUTIES

Tariff schedules give preferential treatment to imports from the United Kingdom and other Commonwealth countries. Zambia belongs to the Common Market of Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC), both committed to free trade by 2004. Rebates are allowed on certain capital goods and on most materials used in local manufacturing industries. Tariff protection also is accorded to selected new industries. Most imports require licenses. Import duties ranged from 5% for raw materials and capital equipment, 15% for intermediate goods, and 25% on final products in 2002. Selected items, such as soaps and vegetable cooking oils, carry special protective tariffs. There are no free trade zones.

38 FOREIGN INVESTMENT

In the past, the heaviest concentrations of foreign private capital in Zambia were in the mining enterprises of the Copperbelt. Anglo-American holds only a 27% interest in the national mining company ZCCM, but privatization of the company was talked of in 1998. Most investment is from the United Kingdom or South Africa. Although tax holidays have been offered as incentives, Zambia's highly socialized economy has not been conducive to private foreign investment, and exchange controls have made the repatriation of profits and dividends difficult.

Laws concerning retention of foreign exchange have been consistent, achieving full liberalization only recently. In 1983, exporters of nontraditional items could keep 50% of earned foreign exchange to finance imported inputs. This resulted in a fivefold increase in nonmetal exports. This provision was revoked in 1987. The Investment Act of 1991 provided for a 70% foreign exchange retention during the first three years of a license, 60% in the next two years, and 50% for the rest of the license's term. This act was subsequently revised to allow for full retention of foreign exchange earnings.

Annual foreign direct investment (FDI) flow into Zambia reached $207 million in 1997, after which it steadily declined, from $198 million in 1998 to $72 million in 2001. Zambia's success in attracting FDI declined from 1990 to 2000. For the period 1988 to 1999, Zambia's share of world FDI inflows was more than four times its share in world GDP. For the period 1998 to 2000, its share of world inward FDI was less than twice its share of world GDP.

39 ECONOMIC DEVELOPMENT

Controlling inflation is a development priority, followed by faster implementation of social sector programs, legal and civil service reform, and privatization. New investment has been slow to form as investors await anticipated lower inflation rates. The lack of administrative capacity lies at the heart of the delays. Various debt cancellations and loans have been prescribed by the World Bank (loan of $170 million), Paris Club (aid of $630 million), and the United States (aid of $20 million). Inflation stood at 26.7% in 2002.

The public sector in 2003 represented some 44% of total formal employment. In 2000, Zambia became eligible for $3.8 billion in debt service relief under the International Monetary Fund (IMF)/World Bank Heavily Indebted Poor Countries (HIPC) initiative. In 2003, the government indicated it would take measures to privatize the Zambia National Commercial Bank and the national telephone and electricity utilities. In addition to undertaking a relatively ambitious privatization program, Zambia in the early 2000s was implementing trade and exchange liberalization, and the liberalization of agricultural policies.

40 SOCIAL DEVELOPMENT

Social welfare services are provided by the government in association with local authorities and voluntary agencies. Statutory and remedial welfare services include emergency relief, care for the aged, protection of children, adoption, and probation. Group work and community development services are the responsibility of the local authorities, who are assisted by government technicians and grants-in-aid. The Zambia Youth

Service operates specially constructed camps that provide vocational training for unemployed and unskilled youth.

A national provident fund requires employers and employees to make contributions toward a worker's retirement at ages 50–55. This program covers employed persons, including domestic servants in urban areas, and agricultural workers. The lump sum payment is equivalent to contributions plus interest. Maternity leave of 90 days plus a maternity grant for each birth are provided to working women. Medical benefits are available to all citizens in government run facilities and rural health clinics. Employers are required to fund work injury insurance for all employees.

Women have full legal rights under law, but customary law discriminates against women in areas of inheritance, property ownership and marriage. Sex-based discrimination in education and employment is pervasive. Women are underrepresented in senior management positions in the private sector and in high-level government positions. However, a growing number of women can be found in local government. Domestic violence against women is a widespread problem. Child welfare is a serious concern: there are approximately 95,000 street children in Lusaka, an increase partly attributable to the deaths of parents from AIDS.

Human rights abuses, including beatings and even the killing of persons in police custody, continue to be reported. A government-created commission is investigating past human rights abuses and some offenders have been punished. However, human rights organizations operate freely in Zambia.

[41]HEALTH

In 1964, responsibility for public health was transferred from the federation to Zambian authorities. Since then, the government has developed a health plan centered on specialist hospitals, with general and regional hospitals dealing with less complicated cases. At a lower level, district hospitals treat common medical and surgical cases. Rural health centers and clinics with outpatient facilities have been established throughout the country. Services to Zambian nationals are free at the rural health centers and clinics and at hospitals at the large urban centers. Due to government spending restrictions, the public health care sector has suffered from a severe shortage of doctors, medicine, and medical equipment and supplies. Health indicators have suffered since the advent of the AIDS epidemic, with earlier improvements reversed. For example, average life expectancy, which has been declining since 1984, was down to 38 years in 2000.

As of 1992, government records indicated nine hospitals and a few small outpatient clinics. Zambia produces locally 25% of the pharmaceuticals it consumes. As of 1999, there were an estimated 64 physicians and 78 hospital beds per 1,000 people. As of 1999, total health care expenditure was estimated at 6.9% of GDP.

Malaria and tuberculosis are major health problems, and hookworm and schistosomiasis afflict a large proportion of the population. In 1998, malaria accounted for 48% of outpatient visits by children under five years of age and 42% among the general population. In the same year, there was a serious outbreak of cholera. In addition, the HIV/AIDS epidemic has increased the incidence of tuberculosis. There were 495 cases of tuberculosis per 100,000 people reported in 1999. Other commonly reported diseases in Zambia were diarrheal diseases, leprosy, and measles.

Zambia has one of the highest rates of HIV infection, even in hard-hit sub-Saharan Africa. At the end of 2001, the number of people living with HIV/AIDS was estimated at 1.2 million (including 21.5% of the adult population) and deaths from AIDS that year were estimated at 120,000. HIV prevalence, which has remained stable since 1996, was 20 per 100 adults in 1999. It has been estimated that by 2000, about half a million Zambian children would have lost both parents to AIDS.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 41 and 21.9 per 1,000 people. About 26% of Zambian married women used contraceptives in 2000. The maternal mortality rate was 649 per 100,000 live births in 1996. Between 1990–95, 32 of every 100 school-age children suffered from goiter. In 1997, children up to one year old were immunized against tuberculosis, 81%; diphtheria, pertussis, and tetanus, 70%; polio, 70%; and measles, 69%. The infant mortality rate in 2000 was 115 per 1,000 live births. In the same year, 42% of the all children under five were malnourished.

[42]HOUSING

Widespread instances of overcrowding and slum growth have for many years focused government attention on urban housing problems. Local authorities have statutory responsibility for housing and housing management. The Zambia National Building Society makes loans to local agencies for the financing of approved schemes and the National Housing Authority established a special fund to support self-help projects for low-income earners. One program gives land-ownership to certain residents in recognized informal settlements, thus giving them legal status to build more permanent structures. Mining companies have constructed townships for the families of African workers in the Copperbelt. According to the latest available information for 1980–88, total housing units numbered 1,410,000 with 4.9 people per dwelling.

[43]EDUCATION

Most of the nation's schools are operated by local authorities or by missions and are aided by the central government. A small number of schools are directly administered by the government. Primary education lasts for seven years and is compulsory. Secondary education lasts for five years. In 1995, 1,506,349 pupils were in 3,883 primary schools, with 38,528 teachers. At the secondary level, 199,154 students were enrolled in general education in 1994. The pupil-teacher ratio at the primary level was 47 to 1 in 1999. In the same year, 66% of primary-school-age children were enrolled in school, while 21% of those eligible attended secondary school. Projected adult illiteracy rates for the year 2000 stand at 22.0% (males, 14.8%; females, 28.8%). As of 1999, public expenditure on education was estimated at 2.3% of GDP. The University of Zambia was established in 1965, and the Copperbelt University opened in 1986. Other institutions of higher learning include technical colleges and a two-year college of agriculture. All higher-level institutions had 15,343 pupils in 1990.

[44]LIBRARIES AND MUSEUMS

The Zambia Library Service maintains 900 library centers, six regional libraries, six branch libraries, and a central library with 500,000 volumes. The Lusaka Urban District Libraries has 145,000 volumes, and the Zambesi District Library has 120,000. The National Archives of Zambia maintains a library of about 70,000 volumes. The University of Zambia has holdings of more than 2.5 million books.

Zambia's 10 museums include the National Museum, located in Livingstone. It has displays on natural history, archaeology, ethnography, recent history, African art, metallurgy, and memorabilia relating to David Livingstone. The Eastern Cataract Field Museum near Victoria Falls concentrates on archaeology and geology, including illustrations of the formation of the falls and the Stone Age sequence in the area. Lusaka has the Art Center and the Military and Police Museum of Zambia. The Moto Moto Museum in Mbala (founded in 1974) exhibits ethnography and history materials. The Copperbelt Museum at Ndola exhibits geological and historical items as well as ethnic art.

[45]MEDIA

The central government is responsible for postal and telecommunication services. A direct radiotelegraph circuit has been established between Lusaka and London, and direct telephone links are in operation to all neighboring countries. About 130,000 mainline telephones were in use in 1997. An additional 75,000 cellular phones were in use by 2001.

The Zambia Broadcasting Service, which provides radio programs in English and seven local languages, and Zambian Television are government owned and operated. As of 2001, there were also several church-sponsored radio stations, two private commercial stations and three community stations. The same year there were 19 AM and 5 FM radio stations. There were nine television stations in 2002. In 2000 there were 145 radios and 134 television sets for every 1,000 people. Internet access was available through five Internet service providers, who served 15,000 subscribers in 2000.

There are a number of privately-owned newspapers in the country. However, the publications with the largest circulations tend to be politically affiliated. There are three major daily newspapers: the UNIP-owned *Times of Zambia,* founded in Ndola in 1943 and with an estimated 2002 daily circulation of 32,100; the government-owned *Zambia Daily Mail,* published in Lusaka, with a circulation of 40,000; and *The Post,* an independent English-language paper founded in 1991, with a circulation of 40,000.

The constitution provides for free expression, including a free press; however the penal code lists several exceptions and justifies government restrictions and censorship.

[46]ORGANIZATIONS

Professional and learned societies include the Wildlife Conservation Society of Zambia, the Zambia Library Association, and the Zambia Medical Association, all in Lusaka. Among service organizations are the Lions, Rotary, Jaycees, Professional Women's Club, and Women's Institute. Business groups include chambers of commerce in the major towns. The Zambia Association of Chambers of Commerce and Industry is located in Lusaka. The Consumer Protective Association of Zambia is also active.

National youth organizations include the Catholic Agricultural and Rural Youth Movement, Girl Guides Association of Zambia, YMCA, United National Independence Party Youth League, Zambian Youth League, and the Zambia Scouts Association. National women's organizations include the National Women's Lobby Group, the Society For Women and AIDS in Zambia, Women For Change, and the Women in Development Department. The Red Cross is active.

[47]TOURISM, TRAVEL, AND RECREATION

One of the most impressive tourist attractions in Zambia is Mosioa-Tunya ("the smoke that thunders")—Victoria Falls. In 1972, a national park system created 17 parks covering 8% of the entire country. The Kafue National Park, one of the largest in Africa, with 22,500 sq km (8,700 sq mi) of bush, forest, and plain, is well-served with tourist facilities. South Luangwa National Park is another outstanding wildlife area. Tourism in Zambia has maintained a steady increase over the past decade. Most travelers will need a visa. Proof of yellow fever vaccination within the last ten years is also required. Precautions against malaria are advisable.

In 2000, Zambia received 457,419 foreign visitors, mostly from other African countries. In 1999, tourism receipts totaled $75 million.

According to 2001 US government estimates, the cost of staying in Lusaka is about $151 per day. Expenses in other areas can be around $70 per day.

[48]FAMOUS ZAMBIANS

Kenneth David Kaunda (b.1924) was Zambia's president from independence in 1964 until 1991. Frederick J.T. Chiluba (b.1943) ousted Kaunda in 1991 in Zambia's first free elections and was reelected in 1996. Nalumino Mundia (1927–88), long prominent in Zambian political affairs, was prime minister 1981–85, when he became ambassador to the US.

[49]DEPENDENCIES

Zambia has no territories or colonies.

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ZIMBABWE

Republic of Zimbabwe

CAPITAL: Harare

FLAG: The flag has seven equal horizontal stripes of green, yellow, red, black, red, yellow, and green. At the hoist is a white triangle, which contains a representation in yellow of the bird of Zimbabwe superimposed on a red star.

ANTHEM: *God Bless Africa*.

MONETARY UNIT: The Zimbabwe dollar (Z$) is a paper currency of 100 cents. There are coins of 1, 5, 10, 20, and 50 cents and 1 dollar, and notes of 2, 5, 10, and 20 dollars. Z$1 = US$0.000826 (or US$1 = Z$1,210; in January 2003).

WEIGHTS AND MEASURES: The metric system is used.

HOLIDAYS: New Year's Day, 1 January; Independence Day, 18 April; Workers' Day, 1 May; Africa Day, 25 May; Heroes' Days, 11–13 August; Christmas Day, 25 December; Boxing Day, 26 December. Movable holidays are Good Friday, Holy Saturday, Easter Monday, and Whitmonday.

TIME: 2 PM = noon GMT.

[1]LOCATION, SIZE, AND EXTENT

A landlocked country of southcentral Africa, Zimbabwe (formerly Rhodesia) lies between the Zambezi River on the N and the Limpopo River on the S. It has an area of 390,580 sq km (150,804 sq mi), with a length of 852 km (529 mi) WNW–ESE and a width of 710 km (441 mi) NNE–SSW. Comparatively, the area occupied by Zimbabwe is slightly larger than the state of Montana. Bounded on the N and E by Mozambique, on the S by the Republic of South Africa, on the SW by Botswana, and on the NW and N by Zambia, Zimbabwe has a total boundary length of 3,066 km (1,905 mi). Zimbabwe's capital city, Harare, is located in the northeast part of the country.

[2]TOPOGRAPHY

Most of Zimbabwe is rolling plateau, with over 75% of it lying between 600 and 1,500 m (2,000–5,000 ft) above sea level, and almost all of it over 300 m (1,000 ft). The area of high plateau, known as the highveld, is some 650 km (400 mi) long by 80 km (50 mi) wide, and stretches northeast to southwest at 1,200 to 1,675 m (4,000–5,500 ft). This culminates in the northeast in the Inyanga mountains, reaching the country's highest point at Mt. Inyangani, 2,592 m (8,504 ft). On either side of the highveld is the middleveld, a plateau ranging from about 600 to 1,200 m (2,000–4,000 ft) in height. Below 610 m (2,000 ft) are areas making up the lowveld, wide and grassy plains in the basins of the Zambezi and the Limpopo.

The highveld is a central ridge forming the country's watershed, with streams flowing southeast to the Limpopo and Sabi rivers and northwest into the Zambezi. Only the largest of the many rivers have an all-year-round flow of water.

[3]CLIMATE

Altitude and relief greatly affect both temperature and rainfall in Zimbabwe. The higher areas in the east and the highveld receive more rainfall and are cooler than the lower areas. Temperatures on the highveld vary from 12–13°C (54–55°F) in winter to 24°C (75°F) in summer. On the lowveld the temperatures are usually 6°C (11°F) higher, and summer temperatures in the Zambezi and Limpopo valleys average between 32° and 38°C (90–100°F). Rainfall decreases from east to west. The eastern mountains receive more than 100 cm (40 in) annually, while Harare has 81 cm (32 in) and Bulawayo 61 cm (24 in). The south and southwest receive little rainfall. Seasonal shortages of water are common.

The summer rainy season lasts from November to March. It is followed by a transitional season, during which both rainfall and temperatures decrease. The cool, dry season follows, lasting from mid-May to mid-August. Finally, there is the warm, dry season, which lasts until the onset of the rains.

[4]FLORA AND FAUNA

The country is mostly savanna, although the moist and mountainous east supports tropical evergreen and hardwood forests. Trees include teak and mahogany, knobthorn, msasa, and baobab. Among the numerous flowers and shrubs are hibiscus, spider lily, leonotus, cassia, tree wisteria, and dombeya.

Mammals include elephant, lion, buffalo, hippopotamus, rhinoceros, gorilla, chimpanzee, baboon, okapi, giraffe, kudu, duiker, eland, sable, gemsbok, waterbuck, zebra, warthog, lynx, aardvark, porcupine, fox, badger, otter, hare, bat, shrew, and scaly anteater.

Snakes and lizards abound. The largest lizard, the water monitor, is found in many rivers, as are several species of crocodile. About 500 species of birds include the ant-thrush, barbet, bee-eater, bishop bird, bulbul, bush-warbler, drongo, emerald cuckoo, grouse, gray lourie, and pheasant.

[5]ENVIRONMENT

Among the most serious of Zimbabwe's environmental problems is erosion of its agricultural lands and deforestation. By 1992, deforestation was progressing at the rate of 70,000–100,000 ha per year, or about 1.5% of the nation's forestland. The confinement of large segments of the population to relatively unproductive lands before independence put severe pressure on these lands, a substantial portion of which may have been irreversibly damaged.

LOCATION: 15°37′ to 22°25′ S; 25°14′ to 33°4′ E. BOUNDARY LENGTHS: Mozambique, 1,231 kilometers (762 miles); South Africa, 225 kilometers (140 miles); Botswana, 813 kilometers (505 miles); Zambia, 797 kilometers (498 miles).

Zimbabwe's air is polluted by vehicle and industrial emissions, while water pollution results from mining and the use of fertilizers. Zimbabwe's cities produce 0.5 million tons of solid waste per year. The nation has been estimated to have the highest DDT concentrations in the world in its agricultural produce.

In 2001, nine of the nation's mammal species and nine bird species were endangered, as well as 73 types of plants. Zimbabwe has about half of the world's population of black rhinoceroses, an endangered species. Rare or threatened species include the cape vulture, black-cheeked lovebird, and brown hyena. For protection, the government has adopted a policy of shooting poachers on sight.

6 POPULATION

The population of Zimbabwe in 2003 was estimated by the United Nations at 12,891,000, which placed it as number 67 in population among the 193 nations of the world. In that year approximately 3% of the population was over 65 years of age, with another 44% of the population under 15 years of age. There were 99 males for every 100 females in the country in 2003. According to the UN, the annual population growth rate for 2000–2005 is 0.49%, with the projected population for the year 2015 at 13,031,000. The population density in 2002 was 32 per sq km (82 per sq mi).

It was estimated by the Population Reference Bureau that 35% of the population lived in urban areas in 2001. The capital city, Harare(formerly Salisbury), had a population of 1,686,000 in that year. Other large cities included Bulawayo, 621,000; Chitungwiza, 274,000; Gweru, 125,000; Kwekwe, 75,000; Kadoma, 67,000; and Masvingo, 52,000. According to the United Nations, the urban population growth rate for 2000–2005 was 2.9%.

The prevalence of AIDS/HIV has had a significant impact on the population of Zimbabwe. The United Nations estimated that

33.9% of adults between the ages of 15–49 were living with HIV/AIDS in 2001. The AIDS epidemic causes higher death and infant mortality rates, and lowers life expectancy.

[7]MIGRATION

By early 1987, about 110,000 whites were estimated to have remained in Zimbabwe, about half the number on independence in 1980. There were also about 25,000 Coloured (of mixed race) and 10,000 Asians. Some 1.5 million people who had left for neighboring states during the civil war returned after independence, putting considerable strain on the new nation. In addition, by the end of 1992, famine and civil war in Mozambique had driven an estimated 136,600 Mozambicans into Zimbabwe. Between 1992 and 1996, 241,000 Mozambican refugees repatriated from Zimbabwe. As of 1999, Zimbabwe was hosting some 1,200 refugees, the majority of whom were from Somalia, Ethiopia, and countries in the Great Lakes region.

In the early 1990s, there were about 25,000 Zimbabwe-born whites and 14,000 Zimbabwe-born blacks living in South Africa. As of 1999, there was still a small but steady flow of Zimbabweans into South Africa in search of better paid employment.

In 2000 there were 656,000 migrants living in Zimbabwe, including refugees. The net migration rate that year was -0.2 migrants per 1,000 population. The government views the migration levels as satisfactory.

[8]ETHNIC GROUPS

Africans make up 98% of the total population in Zimbabwe and are mainly related to the two major Bantu-speaking groups, the Shona (about 82% of the population) and the Ndebele (about 14%). Of the former group, the Korekore predominate in the north; the Zezuru are in the center around Harare; the Karanga are in the south; the Ndau and Manyika in the east; the Kalanga in the west; the Rozwi are spread throughout the country. The various clans of the Ndebele, more recent immigrants from the south, occupy the area around Bulawayo and Gwanda. Other groups account for 11% of the African populace and include the Tonga near Kariba Lake, and the Sotho, Venda, and Hlengwe along the southern border.

Whites make up 1% of the non-African population. Europeans are almost entirely either immigrants from the UK or South Africa or their descendants; those from South Africa include a substantial number of South African Dutch (Afrikaner) descent. There are small groups of Portuguese, Italians, and other Europeans. Asians and peoples of mixed ancestry make up the remaining 1%.

[9]LANGUAGES

The Shona speak dialects of the same Bantu language, Shona. There are six major dialects: Karanga, Zezuru, Korekore, Manyika, Ndau, and Kalanga. The Ndebele speak modified versions of Ndebele (or Sindebele), which belongs to the Nguni group of southeast Bantu languages.

English, the official language, is spoken by most Europeans and by an increasing number of Africans.

[10]RELIGIONS

Historically, Christianity, brought into the region by Portuguese traders and Jesuit priests in the late 1500s, has been a dominant religion. About 60% to 70% of the total population belong to various Christian denominations, with the largest being Roman Catholic (between 17% and 27% of the population). Certain regions of the country have traditional links to specific denominations, based on "areas of interest," which were created by missionaries from groups such as the Catholics, Methodists, Anglicans, Dutch Reformed, and the Salvation Army. As a result, individuals will often claim adherence to their local denomination.

There is a small Muslim community, estimated at less than 1% of the population. They are primarily immigrants from South Asia, the Middle East, and North Africa. There are also small numbers of Greek Orthodox, Jews, Hindus, Buddhists, and atheists.

A good number of indigenous churches have developed from the mainstream Christian churches. The Zimbabwe Assembly of God adheres strictly to Christian tenets and opposes incorporation of traditional practices and beliefs. Other groups such as the Seven Apostles, provide a mixture of traditional religious practices with Christianity. An organization known as Fambidzano formed in the mid- 1970s to serve as a support coalition of indigenous churches. One of the goals of the organization is to provide continuing theological and biblical education for church leaders.

Belief in and practice of traditional religions is thought to be quite widespread, as it is sometimes practiced in conjunction with other established belief systems. The belief in and respect for traditional healers resulted in the organization of the Zimbabwe National African Traditional Healers' Association (ZINATHA), which provides licensing and regulation of healers.

In response to widespread belief in and fear of witchcraft, the government has initiated the Witchcraft Suppression Act (WSA), which prohibits the practice of witchcraft, but also calls for prosecution of those falsely accusing others of the practice or engaging in witch hunts. The act has helped protect those, particularly women, who have been falsely accused of witchcraft. However, members of ZINATHA are seeking an amendment to the law that would redefine certain terms. The Act defines witchcraft as "the use of charms and any other means or devices adopted in the practice of sorcery." The proposed amendment would refocus the law to prohibit any practices that are intended to cause harm.

Though relations between religious groups are generally amicable, some tensions exist between Christians and practitioners of traditional religions. In particular, Christian churches oppose traditional practices that allow polygamy and refuse the use of modern medicine. Some tension exists between the government and indigenous religions which refuse to participate in public health and vaccination programs because of religious beliefs in healing through prayer alone.

[11]TRANSPORTATION

In 2002, the National Railways of Zimbabwe, a public corporation, operated 3,077 km (1,912 mi) of rail lines, of which 313 km (194 mi) were electrified. Rail links exist with Zambia, Mozambique, Botswana, and the Republic of South Africa. Electrification of the railroads was begun following independence. There were 18,338 km (11,395 mi) of road in 2002, of which 8,692 km (5,401 mi) were classified as paved. In 2000, there were 285,500 registered motor vehicles, including 119,100 passenger cars, and 166,400 commercial vehicles.

The Mazoe and Zambezi rivers are used for transporting chrome ore from Harare to Mozambique. Important ports and harbors are at Binga and Kariba.

In 2001, there were 454 airports, 17 of which had paved runways. Zimbabwe operates domestic, regional, and European flights. Harare and Bulawayo are the principal airports. In 1997, total scheduled traffic included 938 million passenger-km (583 million passenger-mi) and 153 million freight ton-km (95 million freight ton-mi) of flight. Zimbabwe's passenger airline is Air Zimbabwe, and its international cargo airline is Affretair. In 2001, 494,500 passengers were carried on scheduled domestic and international airline flights.

12 HISTORY

Evidence of Stone Age cultures dating back 100,000 years has been found, and it is thought that the San people, now living mostly in the Kalahari Desert, are the descendants of Zimbabwe's original inhabitants. The remains of ironworking cultures that date back to AD 300 have been discovered. Little is known of the early ironworkers, but it is believed that they were farmers, herdsmen, and hunters who lived in small groups. They put pressure on the San by gradually taking over the land. With the arrival of the Bantu-speaking Shona from the north between the 10th and 11th centuries AD, the San were driven out or killed, and the early ironworkers were incorporated into the invading groups. The Shona gradually developed gold and ivory trade with the coast, and by the mid-15th century had established a strong empire, with its capital at the ancient city of Zimbabwe. This empire, known as Munhumutapa, split by the end of the century, the southern part becoming the Urozwi Empire, which flourished for two centuries.

By the time the British began arriving in the mid-19th century, the Shona people had long been subjected to slave raids. The once-powerful Urozwi Empire had been destroyed in the 1830s by the Ndebele, who, under Mzilikaze, had fled from the Zulus in South Africa. David Livingstone, a Scottish missionary and explorer, was chiefly responsible for opening the whole region to European penetration. His explorations in the 1850s focused public attention on Central Africa, and his reports on the slave trade stimulated missionary activity. In 1858, after visiting Mzilikaze, Robert Moffat, Livingstone's father-in-law, established Inyati Mission, the first permanent European settlement in what is now Zimbabwe.

To forestall Portuguese and Boer expansion, both the British government and Cecil Rhodes actively sought to acquire territory. Rhodes, whose fortune had been made through diamond mining in South Africa, became especially active in gaining mineral rights and in sending settlers into Matabeleland (the area occupied by the Ndebele people) and Mashonaland (the area occupied by the Shona people). In 1888, Lobengula, king of the Ndebele, accepted a treaty with Great Britain and granted to Charles Rudd, one of Rhodes's agents, exclusive mineral rights to the lands he controlled. Gold was already known to exist in Mashonaland, so, with the grant of rights, Rhodes was able to obtain a royal charter for his British South Africa Company (BSAC) in 1889. The BSAC sent a group of settlers with a force of European police into Mashonaland, where they founded the town of Salisbury (now Harare). Rhodes gained the right to dispose of land to settlers (a right he was already exercising de facto). With the defeat of the Ndebele and the Shona between 1893 and 1897, Europeans were guaranteed unimpeded settlement. The name Rhodesia was common usage by 1895.

Under BSAC administration, British settlement continued, but conflicts arose between the settlers and the company. In 1923, Southern Rhodesia was annexed to the crown; its African inhabitants thereby became British subjects, and the colony received its basic constitution. Ten years later, the BSAC ceded its mineral rights to the territory's government for £2 million.

After the onset of self-government, the major issue in Southern Rhodesia was the relationship between the European settlers and the African population. The British government, besides controlling the colony's foreign affairs, retained certain powers to safeguard the rights of Africans. In 1930, however, Southern Rhodesia adopted a land apportionment act that was accepted by the British government. Under this measure, about half the total land area, including all the mining and industrial regions and all the areas served by railroads or roads, was reserved for Europeans. Most of the rest was designated as Tribal Trust Land, native purchase land, or unassigned land. Later acts firmly entrenched the policy of dividing land on a racial basis.

In 1953, the Central African Federation was formed, consisting of the three British territories of Northern Rhodesia (now Zambia), Nyasaland (now Malawi), and Southern Rhodesia, with each territory retaining its original constitutional status. In 1962, in spite of the opposition of the federal prime minister, Sir Roy Welensky, Nyasaland and Northern Rhodesia withdrew from the federation with British approval. The federation disbanded in 1963. Southern Rhodesia, although legally still a colony, sought an independent course under the name of Rhodesia.

Political agitation in Rhodesia increased after the UK's granting of independence to Malawi and Zambia. The white-settler government demanded formalization of independence, which it claimed had been in effect since 1923. The African nationalists also demanded independence, but under conditions of universal franchise and African majority rule. The British government refused to yield to settler demands without amendments to the colony's constitution, including a graduated extension of the franchise leading to eventual African rule. Negotiations repeatedly broke down, and on 5 November 1965, Rhodesian Prime Minister Ian Smith declared a state of emergency. On 11 November, the Smith government issued a unilateral declaration of independence (since known as UDI). The British government viewed UDI as illegal and imposed limited economic sanctions, but these measures did not bring about the desired results. In December, the UN Security Council passed a resolution calling for selective mandatory sanctions against Rhodesia. Further attempts at a negotiated settlement ended in failure. In a referendum held on 20 June 1969, the Rhodesian electorate—92% white—approved the establishment of a republic.

The British governor-general, Sir Humphrey Gibbs, resigned on 24 June 1969. The Legislative Council passed the constitution bill in November, and Rhodesia declared itself a republic on 2 March 1970. The UK called the declaration illegal, and 11 countries closed their consulates in Rhodesia. The UN Security Council called on member states not to recognize any acts by the illegal regime and condemned Portugal and South Africa for maintaining relations with Rhodesia.

Problems in Rhodesia deepened after UDI, largely as a result of regional and international political pressure, African nationalist demands, and African guerrilla activities. Members of the African National Council (ANC), an African nationalist group, were increasingly subjected to persecution and arrest. Nevertheless, guerrilla activity continued. The principal African nationalist groups, besides the ANC, were the Zimbabwe African People's Union (ZAPU), and the Zimbabwe African National Union (ZANU).

A meeting took place in Geneva in October 1976 between the British and Smith governments and four African nationalist groups. Prominent at the meeting were Joshua Nkomo, the leader of ZAPU; Robert Mugabe, leader of ZANU; Bishop Abel Muzorewa of the ANC; and the Reverend Ndabaningi Sithole, former leader of ZANU. Nkomo and Mugabe had previously formed an alliance, the Patriotic Front. The conference was unable to find the basis for a national settlement; but on 3 March 1978, the Smith regime signed an internal agreement with Muzorewa, Sithole, and other leaders, providing for qualified majority rule and universal suffrage. Although Bishop Muzorewa, whose party won a majority in the elections of April 1979, became the first black prime minister of the country (now renamed Zimbabwe-Rhodesia), the Patriotic Front continued fighting.

Meanwhile, the British government had begun new consultations on the conflict, and at the Commonwealth of Nations Conference in Lusaka, Zambia, in August 1979, committed itself to seeking a settlement. Negotiations that began at Lancaster House, in England, on 10 September resulted in an

agreement, by 21 December, on a new, democratic constitution, democratic elections, and independence. On 10 December, the Zimbabwe-Rhodesian parliament had dissolved itself, and the country reverted to formal colonial status during the transition period before independence. That month, sanctions were lifted and a cease-fire declared. Following elections held in February, Robert Mugabe became the first prime minister and formed a coalition government that included Joshua Nkomo. The independent nation of Zimbabwe was proclaimed on 18 April 1980, and the new parliament opened on 14 May 1980.

Independence and Factionalism

Following independence, Zimbabwe initially made significant economic and social progress, but internal dissent became increasingly evident. The long-simmering rivalry erupted between Mugabe's dominant ZANU-Patriotic Front Party, which represented the majority Shona ethnic groups, and Nkomo's ZAPU, which had the support of the minority Ndebele. A major point of contention was Mugabe's intention to make Zimbabwe a one-party state. Mugabe ousted Nkomo from the cabinet in February 1982 after the discovery of arms caches that were alleged to be part of a ZAPU-led coup attempt. On 8 March 1983, Nkomo went into exile, but returned to Parliament in August.

Meanwhile, internal security worsened, especially in Matabeleland, where Nkomo supporters resorted to terrorism. The government responded by jailing suspected dissidents, using emergency powers dating from the period of white rule, and by military campaigns against the terrorists. The government's Fifth Brigade, trained by the Democratic People's Republic of Korea and loyal to Mugabe, was accused of numerous atrocities against civilians in Matabeleland during 1983. By early 1984, it was reported that many residents in Matabeleland were starving as a result of the military's interruption of food supplies to the area.

Armed dissidents continued to operate in Matabeleland until 1987, and food supplies in the area continued to be inadequate. A round of particularly brutal killings—men, women, and children—occurred late in the year. The violence abated after the two largest political parties, ZANU and ZAPU, agreed to merge in December 1987.

A growing problem, however, was the political instability of Zimbabwe's neighbors to the south and east. In 1986, South African forces raided the premises of the South African black-liberation African National Congress in Harare, and 10,000 Zimbabwean troops were deployed in Mozambique, seeking to keep antigovernment forces in that country from severing Zimbabwe's rail, road, and oil-pipeline links with the port of Beira in Mozambique. Although Beira is the closest port to landlocked Zimbabwe, because of the guerrilla war in Mozambique about 85% of Zimbabwe's foreign trade was passing through South Africa instead.

Despite its reputed commitment to socialism, the Mugabe government was slow to dismantle the socioeconomic structures of the old Rhodesia. Until 1990, the government's hands were tied by the Lancaster House accords. Private property, most particularly large white-owned estates, could not be confiscated without fair market compensation. Nevertheless, economic progress was solid and Zimbabwe seemed to have come to terms with its settler minority. There was only modest resettlement of the landless (52,000 out of 162,000 landless families from 1980 to 1990) and when white farmers were bought out, black politicians often benefited. Some 4,000 white farmers owned more than one-third of the best land.

In March 1992, a controversial Land Acquisition Act was passed calling for the government to purchase half of the mostly white-owned commercial farming land at below-market prices, without the right of appeal, in order to redistribute land to black peasants. However, the government continued to move slowly and not until April 1993 was it announced that 70 farms, totaling 470,000 acres, would be purchased. Unease among whites grew, as did fear of unemployment, already at around 40%. Economic conditions also threatened to derail the Economic Structural Adjustment Program (ESAP) designed by the IMF and the World Bank. ESAP pressed for a market-driven economy, reduction of the civil service, and an end to price controls and commodity subsidies.

Meanwhile, in the March 1990 elections, Mugabe was reelected with 78.3% of the vote. The Zimbabwe Unity Movement (ZUM) candidate, Tekere, received about 21.7% of the vote. For parliament, ZANU-PF got 117 seats; ZUM, two seats; and ZANU-Ndonga, one seat. There was a sharp drop in voter participation, and the election was marred by restrictions on opposition activity and open intimidation of opposition voters. At first, Mugabe insisted that the results were a mandate to establish a one-party state. In 1991, however, growing opposition abroad and domestically, even within ZANU-PF, forced him to postpone his plans. Sensing an erosion of political support, Mugabe restricted human and political rights, weakened the Bill of Rights, placed checks on the judiciary, and tampered with voters' rolls and opposition party financing. The government also suspended the investigation into the 1982–87 Matabeleland Crisis, a decision that prompted a November 1993 reprimand by the OAU's Human Rights Commission.

As the economy sputtered, political opposition grew. In January 1992, Sithole returned from seven years of self-imposed exile in the United States. In July, Ian Smith chaired a meeting of Rhodesian-era parties seeking to form a coalition in opposition to Mugabe. Sithole and his ZANU-Ndonga Party, the United African National Congress, the largely white Conservative Alliance, and Edgar Tekere's ZUM were included. Students, church leaders, trade unionists, and the media began to speak out. In May 1992 a new pressure group, the Forum for Democratic Reform, was launched in preparation for the 1995 elections. Parliamentary and presidential elections in 1995 and 1996 though officially won by ZANU-PF, were discredited by opposition boycotts and low voter turnout. Then in 1997, a homegrown pro-democracy coalition was launched from the constituency for constitutional reform—the National Constitutional Assembly (NCA). The birth of the NCA dovetailed with the growing radicalization of the Zimbabwe Confederation of Trade Unions (ZCTU) and its transformation from a collective bargaining agent for organized urban industrial labor into a broad-based political opposition movement representing a wide spectrum of civil society, the Movement for Democratic Change (MDC). The official launch of the MDC at Rufaro Stadium on 11 September 1999 was followed by the first Congress at which Morgan Tsvangirai was elected president, and Gibson Sibanda his deputy. NCA supporters embraced the MDC as a vehicle for implementing the new constitution should the government be amenable to it.

The MDC's first test came in February 2000 at a national referendum for constitutional changes strongly pro-regime. On 12-13 February, voters soundly rejected the proposals much to the chagrin of the ruling party. The results signalled that ZANU-PF was not invincible, and they catapulted Morgan Tsvangirai and the MDC into a leading position heading into the 24-25 June parliamentary elections. Again threatened, Mugabe crackdowned on the opposition. In the run-up to and aftermath of the elections, 34 people were killed including Tsvangirai's driver and a poll worker who were killed in a gasoline-bomb attack. Officially, but without the sanction of international observers, ZANU-PF claimed 62 of 120 elective seats in the House of Assembly, with the MDC taking 57 seats with a turnout of 60% of elibible voters.

The credibility the regime was further damaged in the March 9-11 2002 presidential polls, the conduct of which was declared

fraudulent by the opposition and—with the exception of the AU and SADC—by the international community. Officially, Mugabe garnered 53.8% of the vote to 40.2% for Tsvangirai while others claimed 6.0%. The government prevented as many voters as possible in urban districts favorable to the MDC from registering, reduced the number of urban polling stations by 50% over the 2000 elections, added 664 rural polling stations, conducted a state media barrage, and intimidated the opposition. By some reports, 31 people were killed in January and February and 366 tortured. The opposition mounted a legal challenge to the results while the Commonwealth suspended Zimbabwe for one year.

By mid-2003, the country faced multiple crises. Owing to negative impacts of land grabbing, squatting, and repossessions of large white farms under the government's fast-track land reform program, some 400,000 jobs had been lost in commercial agriculture. Combined with a 90% loss in productivity in large-scale farming since the 1990s, some 5.5 million people in a population of 11.6 million were in need of food aid. Inflation had reached 228% and a fuel crisis threatened the nation. Strikes and stay-aways crippled production, prompting ever more severe repression by the government. More than 30% of the adult population was infected with the AIDS virus.

Given the devastating social impact of these issues, internal and diplomatic pressures were mounting for Mugabe to abandon his survival strategy in favor of a quick and clean exit strategy. One such move afoot was to offer the MDC a form of transitional government in exchange for cooperation in amending the constitution to allow a managed presidential succession and immunity from prosecution for the president and his followers in their retirement. However, there appeared to be relunctance on the part of Tsvangirai's supporters to offer amnesty to a regime that had committed in excess of 550,000 cases of human rights violations ranging from murder, abduction and rape to arson.

13 GOVERNMENT

Under the constitution of 18 April 1980, independent Zimbabwe had a bicameral parliament consisting of a house of assembly with 100 members, 20 of whom were elected by white voters, and 80 by persons on the common voters' roll, which included all voters except whites. The upper house, or senate, had 40 members, 14 of whom were chosen by the 80 assembly members elected from the common roll, 10 by the 20 white assembly members, 10 by the council of chiefs, and 6 nominated by the president on the advice of the prime minister. The racial basis of parliament could not be amended until 1987 unless by unanimous vote of parliament; amendment afterward needed only a 70% vote of the assembly. During the first 10 years of independence, the declaration of rights in the constitution could be amended only by a unanimous vote of the assembly; amendment of other clauses required a 70% majority. In August 1987, as soon as the constitution allowed, the separate representation for whites in parliament was abolished and the 20 seats were temporarily filled by representatives selected by the other 80 members.

After the 1990 elections, the two houses of parliament were merged into a single chamber of 150 members—120 elected by popular vote serving for five years, 10 traditional chiefs, eight provincial governors, and 12 members appointed by the president. A constitutional change created an executive presidency and abolished the office of prime minister. ZANU leader Robert Mugabe assumed the presidency on 1 December 1987. Amidst controversy, he was reelected in March 1990, March 1996, and March 2002.

There is universal suffrage from age 18. The next presidential elections were scheduled for March 2006 and legislative elections were scheduled for June 2005.

14 POLITICAL PARTIES

The Rhodesian Front Party, which dominated politics from its formation in March 1962 until the establishment of majority rule in 1979, advocated racial separation, division of land on a racial basis, and the protection of the Rhodesian whites. The party won all 20 Assembly seats reserved for whites in both the 1979 and 1980 elections, and in 1981, it changed its name to the Republican Front Party (RFP). Ian Smith, who served (1964–79) as prime minister, remained as party leader until his suspension from Parliament in 1987. He was succeeded by Mark Partridge. The name of the party had previously been changed again to the Conservative Alliance Zimbabwe (CAZ). The CAZ won 15 of the 20 seats allotted to whites in the 1985 elections.

The principal black parties in Zimbabwean politics originated in the struggle for independence along ethnic lines. The Zimbabwe African People's Union (ZAPU) was formed in December 1961 and led by Joshua Nkomo. It was split in July 1963 by the creation of the Zimbabwe African National Union (ZANU), led by the Reverend Ndabaningi Sithole, and later by Robert Mugabe. ZAPU's constituency was eventually reduced to the Ndebele minority, while ZANU gained wide support among the Shona ethnic group. Both ZAPU and ZANU took up arms against the government and in 1976 allied themselves in the Patriotic Front (PF).

After Bishop Abel Muzorewa accepted the Smith government's proposal for an internal constitutional settlement in 1978, his followers, now known as the United African National Council (UANC), emerged as the major party. In elections on 17–21 April 1979, the UANC captured a majority of 51 seats in the new Assembly, and Muzorewa became the nation's first black prime minister. The elections, however, were boycotted by the PF, which continued its armed opposition to the government.

Under British auspices, a new constitutional settlement obtained PF approval in 1979, and the elections of 27–29 February 1980 were contested by nine parties, including ZANU-Patriotic Front, led by Robert Mugabe, and ZAPU (which registered under the name Popular Front). Of the 80 Assembly seats elected from the common rolls, ZANU-Patriotic Front took 57, Popular Front (or ZAPU) 20, and UNAC 3. In the July 1985 elections, ZANU-PF won 63 seats, PF-ZAPU, 15. After much enmity and bitterness during most of the 1980s, ZAPU and ZANU finally agreed to merge in late 1987 under the name of ZANU-PF and the merger was consummated in December 1989.

President Mugabe declared his intention to make Zimbabwe a one-party state by 1990. He regarded his party's victory in the 1990 elections as a mandate to proceed with his plans to establish ZANU-PF as the only legal party. He was soon turned away from that scheme by strong pressure from creditor governments abroad and a chorus of opposition domestically, including from within ZANU-PF. Zimbabwe got caught up in the general press throughout tropical Africa for greater decentralization of power and competitive party politics.

New parties began to emerge in the late 1980s and early 1990s in preparation for the expected elections in 1995. Tekere's Zimbabwe Unity Movement (ZUM) contested the 1990 elections with some success. The UANC, still led by Muzorewa, merged with ZUM in January 1994. In January, longtime Mugabe rival Sithole returned from exile and created his own party, also using the ZANU rubric of ZANU-Ndonga or sometimes ZANU-Sithole.

In March 1993, former Chief Justice Enoch Dumbutshena launched the Forum Party, an outgrowth of the pressure group, Forum for Democratic Reform. The CAZ is still active, as is the Democratic Party, which has emerged from a split within ZUM.

In 1996 elections for Executive President, Robert Mugabe, the longtime ruler of Zimbabwe, won 93% of the vote, while his party, the Zimbabwe African National Union-Patriotic Front,

won 98% of the available seats in elections held a year earlier. However, in both elections it was widely accepted that the result had been predetermined. The Zimbabwe government made little pretense of conducting a free and fair election.

Parliamentary elections were scheduled for April 2000, but were postponed until June. Two new strong political parties were formed to challenge Mugabe's ZANU-PF. The United Democratic Front (UDF) party was launched by Lupi Mushayakarara, former Rhodesian leader Ian Smith, Abel Muzorewa, and Ndabaningi Sithole, a pack of leaders that Mugabe dismissed as "ghosts of the past." A more formidable opponent emerged in the form of the Movement for Democratic Change (MDC) led by Morgan Tsvangirai. The MDC successfully campaigned against a government-sponsored draft constitution in the national referendum held in February 2000 with the government securing 45% of the national referendum votes against 55% for the opposition. The opposition argued that the draft constitution further entrenched executive rule allowing Mugabe to dissolve cabinet and parliament, and to rule by decree. Led by the MDC, opposition parties won nearly half of the seats in the House of Assembly in the June 2000 elections.

Challenges to the future viability of the MDC include leadership, credibility on the streets, articulation of position on contentious issues, and resource base. It remains to be seen whether the MDC can transform itself in a sustainable way from a broad-based civic movement opposed to Mugabe into an organized political entity representing and voicing the interests of a defined constituency all the while contesting power.

[15]LOCAL GOVERNMENT

Each of the eight provinces of Zimbabwe is administered by a provincial commissioner appointed by the central government. Local services are provided by city, town, and rural councils. The Ministry of Local Government, Rural and Urban Planning is charged with ensuring the establishment of local authorities where necessary and local adherence to legislation.

[16]JUDICIAL SYSTEM

The legal system is based on Roman-Dutch law and has been influenced by the system of South Africa. A four-member Supreme Court, headed by the chief justice, has original jurisdiction over alleged violations of fundamental rights guaranteed in the constitution and appellate jurisdiction over other matters. There is a High Court consisting of general and appellate divisions. Below the High Court are regional magistrate's courts with civil jurisdiction and magistrate's courts with both civil and criminal jurisdiction. Before independence, separate African courts had jurisdiction over cases involving traditional law and custom. Beginning in 1981, these courts were integrated into the national system.

The chief justice of the High Court is appointed by the president upon recommendation of the Judicial Service Commission. The Commission also advises the president on the appointment of the other judges.

In 1990 the Customary Law and Local Courts Act established a unitary court system made up of headmen's courts, chiefs' courts, magisterial courts, the High Court, and the Supreme Court. Under this system, customary law cases can be appealed through all levels to the Supreme Court.

The constitution provides for the right to a fair trial and the judiciary rigorously enforces this right. However, under Mugabe, the judiciary's reputation for independence from the executive branch has been compromised as the executive has refashioned the courts to conform with its dictates. Nevertheless, the High Court ruled in favor in several of the MDC's elections petitions alleging violence and intimidation that obstructed the election process.

[17]ARMED FORCES

After independence, a new army was formed by integration of the former Rhodesian Security Force and the two guerrilla armies, ZANLA (the military wing of ZANU) and ZIPRA (the military wing of ZAPU). Many former ZIPRA members, however, began deserting to the insurgents' ranks in 1982 to protest government treatment of their former leader, Joshua Nkomo.

Regular armed forces numbered around 36,000 in 2002. The army had 32,000 troops including a Presidential Guard. Armaments included 40 main battle tanks. The air force had 4,000 personnel with 54 combat aircraft and 32 armed helicopters. Paramilitary forces included the Zimbabwe Republic Police Force, with 19,500 members, and the Police Support Unit with 2,300 members. Defense expenditures for 2001 were $350.6 million or 3.8% of GDP. Zimbabwe provided as many as 8,500 soldiers for the defense of the Democratic Republic of the Congo.

[18]INTERNATIONAL COOPERATION

Zimbabwe became a UN member on 25 August 1980 and belongs to ECA and all the non-regional specialized agencies except IMO. It is also a member of the African Development Bank, the Commonwealth of Nations, G-77, the AU, the Southern African Development Community (SADC), and the Preferential Trade Association (PTA) for eastern and southern Africa. Zimbabwe is a signatory of the Law of the Sea and a member of the WTO. Zimbabwe was suspended from Commonwealth participation for one year following the March 2002 presidential elections.

[19]ECONOMY

Zimbabwe has developed one of the most diverse economies in Africa. It has abundant agricultural and mineral resources and a well-developed industrial sector and infrastructure. Average annual growth during the first post-independence decade was 2.9%, but declined by 6.5% in 2001. Problems abound, with an inflation rate of over 100% and the unemployment rate above 60% in 2001. A small white elite continues to dominate economic resources, but repatriation of white farms caused the flight of white capital in 2000, and by 2003, the land reform program had created chaos and violence. Inflation seriously threatened the gold mining and tobacco industries.

The government remained committed to the 1991–95 Economic Structural Adjustment Program (ESAP), despite severe hardships the Program caused average Zimbabweans. Central to this program was the reduction of the civil service by 25% with some 32,000 jobs to be eliminated by 1994. Although Zimbabwe recovered from the effects of the devastating 1991–92 drought, which caused a decline of between 8% and 9% in the GDP, thousands remained chronically dependent on food support. During 2003, many of Zimbabwe's population struggled to afford basic commodities as inflation rose. The African Development Bank and the IMF granted loans to Zimbabwe in 1999 and 2000, but Zimbabwe's external debt had already risen to $5 billion in 2001, and civil unrest threatened the ruling government of Robert Mugabe. High budget deficits, inflation, and the HIV/AIDS pandemic prevent economic stability. As of 2002, the IMF's program with Zimbabwe remained suspended because the country was not complying with the IMF's conditions, and Zimbabwe had not made payments to the IMF since 2001. The World Bank also suspended programs in 2000 due to Zimbabwe's falling into arrears on payments. Mugabe's greater exercise of control over the economy did not portend well for the future in 2003.

[20]INCOME

The US Central Intelligence Agency (CIA) reports that in 2001 Zimbabwe's gross domestic product (GDP) was estimated at $28 billion. The per capita GDP was estimated at $2,450. The annual growth rate of GDP was estimated at -6.5%. The average inflation rate in 2001 was 100%. The CIA defines GDP as the value of all final goods and services produced within a nation in a given year and computed on the basis of purchasing power parity (PPP) rather than value as measured on the basis of the rate of exchange. It was estimated that agriculture accounted for 11% of GDP, industry 14%, and services 75%. Foreign aid receipts amounted to about $12 per capita and accounted for approximately 2% of the gross national income (GNI).

The World Bank reports that in 2001 per capita household consumption (in constant 1995 US dollars) was $384. Household consumption includes expenditures of individuals, households, and nongovernmental organizations on goods and services, excluding purchases of dwellings. It was estimated that for the same period private consumption grew at an annual rate of 2%. Approximately 20% of household consumption was spent on food, 21% on fuel, 3% on health care, and 15% on education. The richest 10% of the population accounted for approximately 40.4% of household consumption and the poorest 10% approximately 2.0%. It was estimated that in 1999 about 60% of the population had incomes below the poverty line.

[21]LABOR

In 2000, the labor force was estimated at 5.5 million. Approximately 66% of the workforce is engaged in agriculture, 24% in services, and 10% in industry. Growing unemployment remains a serious problem as new jobs fail to keep pace with the number of new job seekers; the unemployment rate in 2001 was about 60%.

In 1981, the Zimbabwe Congress of Trade Unions (ZCTU) was formed as an umbrella organization for all trade unions and to promote the formation of a single trade union for each industry. As of 2002, about 25% of the salaried workforce were members of the 31 unions which formed the ZCTU. Spontaneous strikes and lockouts are banned. Government-mandated worker committees carry out many functions performed by unions elsewhere, and annual wage increases are mandated for all workers.

Since independence, a priority of the government's wage policy has been reduction of the huge variation in earnings among workers, partly by increasing minimum wages and by controlling increases in higher wage brackets. The monthly minimum wage in 2002 ranged from about $14 for agricultural workers to $30 in the manufacturing sector. Although children under the age of 15 are legally banned from employment, child labor is widespread in all aspects of the economy. Workplace safety and health continue to be problems. There are no general standards for the safety of the work environment. The government sets standards and enforces them on an inconsistent basis.

[22]AGRICULTURE

In 1998, Zimbabwe had 3.2 million hectares (7.9 million acres) of arable land, covering 8% of the country's total land area. Most of what is now central Zimbabwe was sparsely populated when Europeans first settled into the region, gradually transforming the bush into fertile farmland. About 4,500 whites own and operate farms that cover one-third of Zimbabwe's most productive farmland. In 2001, agriculture accounted for 18% of GDP and 41% of exports.

In April 2000, some 35,000 guerilla veterans of Mugabe's Bush War revolution began expropriating hundreds of white-owned farms, frequently assaulting and occasionally murdering farmers. The farmland occupation cost millions of dollars in crop damage. Mugabe had promised to give each landless veteran Z$50,000 as well as a monthly pension, but there was no money in the budget for it. Zimbabwe's High Court ordered police to evict the squatters from white farms, but the order was not enforced. Mugabe gave an implied approval of the confiscation by publicly declaring all white Zimbabweans as enemies of the state. The mainly white Commercial Farmers Union of Zimbabwe had been willing to negotiate redistribution of much of the farmland owned by whites, but Mugabe and the ruling ZANU-PF party were recalcitrant to settle. Previous land confiscations ordered by Mugabe have typically resulted in farmland left fallow or under the control of corrupt government officials.

Since 1991, Zimbabwean agriculture has undergone a fundamental transition away from artificial producer and consumer prices, which were set far below world market levels. Many commercial farms changed from corn, cotton, and oilseed production to tobacco and horticultural activities because the government refused to permit producer prices to keep pace with rising input prices. About 63% of the economically active population was engaged in agriculture in 1999.

In the early 1990s, drought severely affected the output of every crop except tobacco. Corn, wheat, cotton, oilseed, coffee, and sugar outputs all declined by at least 75%. Tobacco production in 2001 was 172,111 tons. Corn production in 1999 totaled only 1,520,000 tons, down from 2,609,200 tons in 1996. In years with adequate rainfall, Zimbabwe is one of Africa's largest corn exporters.

Quantities of cotton both for export and to supply domestic textile manufacture sharply expanded before the most recent drought. In 1999, cotton production totaled 103,000 tons. Marketed production figures of other crops in 1999 were wheat, 320,000; sorghum, 88,000; soybeans, 107,000; peanuts, 113,000; coffee, 10,000; and sunflower seeds, 30,000. Rice, potatoes, tea, and pyrethrum are also grown.

[23]ANIMAL HUSBANDRY

In 2001, some 5,752,000 head of cattle, 2,968,000 goats, 600,000 sheep, 604,000 hogs, 108,000 donkeys, and 27,000 horses were held. Chickens numbered about 20 million. Livestock raising is an important industry, which has been helped by increased diversification initiated after 1965. In 2001, beef production totaled 102,000 tons; pork, 26,000 tons; and goat meat, 13,000 tons. Fresh milk production from cows totaled 310,000 tons.

[24]FISHING

There is some commercial fishing on Kariba Lake. Rural Zimbabweans fish the smaller lakes and rivers. The total catch in 2000 was estimated at 13,114 tons, with dagaas accounting for 80%.

[25]FORESTRY

About 49% of Zimbabwe's land area is estimated to be forest, but this classification included scattered tree savanna and considerable areas of grassland likely to be reforested in the foreseeable future. Forestry is gaining importance in Zimbabwe. There are hardwood forests in the western part of the country and in the Victoria Falls area. About 100,000 tons of teak, mahogany, and mukwa (kiaat) are cut annually. Roundwood production totaled 9.2 million cu m (324.8 million cu ft) in 2000, with about 88% used as fuel wood. Sawn wood production that year was 386,000 cu m (13.6 million cu ft). Softwood afforestation projects have been undertaken in the eastern districts to supply local needs heretofore met by imports; however, the loss of woodlands may be as high as 1.5% per year.

[26]MINING

Mining was Zimbabwe's leading industry in 2002, contributing 27% of export trade. The chief minerals were coal, gold, copper, nickel, tin, and clay, and Zimbabwe was a world leader in the production of lithium minerals, chrysotile asbestos, and ferrochromium, with more than half of the world's known chromium reserves. Zimbabwe was self-sufficient in most minerals, producing 35 commodities from 1,000 mines, mostly small, and exporting 90% of its mineral output. The total value of mineral production exceeded $500 million per year, and the mining sector employed 60,000 people in formal operations; another 100,000–300,000 were thought to be informally employed intermittently in panning for gold. Of total exports of $1.92 billion in 1999, mineral and manufactured metal exports accounted for $550.8 million, down from $736.6 million in 1995.

The most important mineral was gold, valued at $194 million in 2000, down from $244 million in 1999. Gold was the second-leading export commodity ($230 million), followed by ferroalloys ($166.5 million), nickel ($48.1 million), asbestos ($35.8 million), iron and steel ($12.5 million), black granite as dimension stone, copper, diamond, coal, chromite, tin, and silver. Exports of polished granite were expected to reach $100 million in 2000. Steel production was the second-leading industry in 2002, and the manufacture of cement, chemicals, and fertilizers ranked fourth, fifth, and sixth, respectively.

The year 2000 was a difficult one for Zimbabwe and its mining sector, with a contracting economy, high unemployment, and a 60% inflation rate. The high costs of domestic borrowing, a severe shortage of fuels and spare parts, a foreign currency shortage, and military support for the civil war in Congo started to damage operations, and forced several small mines to close. Moreover, the state-sanctioned expropriation of commercial farmlands threatened to spill over to the mining sector, and the high incidence of HIV/AIDS—25% of the 15–49-year-old population was infected—added substantially to the mining sector's labor costs, through absenteeism, lost productivity, medical treatment, and skill replacement.

Production in 2000 declined by 17%–60% in nine major commodities: chromite, coal, copper, diamond, gold, iron ore, nickel, phosphate, and silver. The gold sector was one of the most affected sectors of the industrial economy in 2000—three major mines and several small operations, including the Connemara, the Eureka, and the Venice mines, closed—and gold production declined for the first time in 20 years. Output was 22,070 kg, down from 27,666 in 1999. Ashanti Goldfields Co. Ltd., of Ghana, had remaining measured and indicated mineral resources at Freda-Rebecca of 15.8 million tons (2.6 grams per ton of gold), of which 5.8 million tons (2.4 grams per ton of gold) were proved and probable. Ashanti was also exploring the nearby RAN gold-copper property.

Output of other major minerals included chromite (gross weight), 725,000 tons; asbestos, 145,000 tons, down from 165,000 in 1996; mine copper concentrate (metal content), 2,104 tons, down from 10,000 in 1996; nickel, 8,160 tons, down from 11,164 in 1999 and 12,963 in 1997; lithium minerals (gross weight), 41,957 tons, down from 49,833 in 1997; granite, 130,000 tons, up from 109,903 in 1997; diamond, 16,678 carats, down from 421,307 in 1997; iron ore (metal content), 225,000 tons, down from 300,000 in 1999; and marketable phosphate rock concentrate, 110,000 tons, down from 126,000 in 1999. The Madziwa nickel mine was closed down in 2000, the Mhangura Copper Mines were near depletion, and Munyati Copper Mines Ltd. suspended operations in 2000, following its abandoned sale. In the late 1960s and early 1970s, copper replaced gold and asbestos as the most valuable mineral, but its production has not kept pace with other minerals. Zimbabwe also produced iron ore, palladium, platinum, rhodium, selenium, silver, tin, barite, hydraulic cement, clays (including montmorillonite bentonite and fire clay), emerald, feldspar, graphite, kyanite, limestone, magnesite, mica, nitrogen, phosphate rock, quartz (including silica sand), sulfur, talc, and vermiculite. National PGM metal production fell by 80% from 1998. No antimony, lead, zinc, or iron oxide pigments was produced in the past several years.

Gold panning was legal, but, by the Gold Trade Act, the Reserve Bank of Zimbabwe had a monopoly on purchasing and exporting of all gold and silver produced in the country. The revised code also permitted unlimited foreign exchange to companies that exported more than 75% of their production, and mining companies were allowed to keep 5% of their export earnings, to buy imported raw materials. Coal deposits in the Hwange area were substantial.

Excess government intervention in the economy and in state-run industries has been a major contributor to the growing number of closed mines and suspended projects, undermining the ability of the mining sector to generate more than 25% of export earnings. The government has been making efforts to privatize its interests in the energy, mining, and rail sectors, and to loosen its foreign exchange rules. Although the short-term outlook was not favorable, the natural resource endowment and a well-developed infrastructure remained in place.

[27]ENERGY AND POWER

Zimbabwe relies heavily on hydroelectricity and coal for its energy needs. Wood is also still important. Petroleum accounts for only a small percentage of Zimbabwe's total energy consumption, but provides most motor fuels. A pipeline from the Mozambique port of Beira to Mutare provides the majority of Zimbabwe's refined petroleum and diesel oil; the rest comes from South Africa. Mobil's recent exploration in the Zambezi Valley has showed some promise for locating natural gas reserves, but not for oil. Coal reserves in Zimbabwe were estimated at about 809 million tons at the beginning of 1998. Production in 1994 totaled 5.5 million tons, with much of that amount going to the coal-fired Hwange plant for electricity production. In 1982, a plant producing ethanol from sugarcane opened and now produces some 20% of motor fuel requirements. The use of solar energy is increasing. As of 2000, the government planned to electrify over 500 districts and rural service points using solar energy.

Power production was virtually all from coal-burning thermal plants until the construction of a 666,000 kW hydroelectric power project at Kariba Gorge on the Zambezi River, begun in 1955 as a joint undertaking with Zambia and the UK. Electrical production is shared with Zambia. In 2000, Zimbabwe produced 6.4 billion kWh of electricity, of which 53.3% was from fossil fuels and 46.7% from hydropower. Consumption of electricity in 2000 was 10.5 billion kWh. Installed capacity in 2001 was 1,881,000 kW.

[28]INDUSTRY

Zimbabwe has a substantial and diverse manufacturing base, which is partly a legacy of the international sanctions imposed over the five years prior to independence. Industry accounted for only 14% of GDP in 2000, however. Manufacturing was at its lowest level in 15 years in 2000 due to civil unrest. Food and beverages, minerals processing, chemical and petroleum products, and textiles account for the majority of the value added by manufacturing. Lower levels of consumer demand because of high prices have affected producers of many household goods, clothing, footwear, drink, and tobacco products.

The Zimbabwe Iron and Steel Corporation (ZISCO) was operating at 30% in 1996, and supplied 60% of local need. The Zimchem chemical refinery processes a range of chemical

products. Cement is produced in large quantities. Zimbabwe also has a substantial cotton and textile industry. The textiles industry has lost some 17,000 jobs in recent years to foreign competition from South Africa, which used subsidies, export incentives, and tariff protection to support its textiles industry. The gold mining industry faced collapse and closure in 2000 because of a lack of foreign exchange. Gold output dropped by half in that year, and 46,000 jobs were in peril. The tobacco industry was also in danger of foreclosure due to farm repatriation. As of 2002, the dire condition of the economy (a severely problematic balance of payments situation, devaluation of the currency, desperate foreign currency shortage, high inflation, very high interest rates, a fall in exports, and fuel shortages) was damaging the operations and viability of the manufacturing, construction, and mining sectors, in addition to agriculture. In 2000, manufacturing contracted at least 10.5%.

[29]SCIENCE AND TECHNOLOGY

Much of Zimbabwe's research effort is directed at improvements in agriculture. The government's budget for agricultural research is administered by the Agricultural Research Council which is headquartered in Harare and operates seven research institutes, eight research and experiment stations, and the National Herbarium and Botanic Garden. In Harare, at the Blair Research Laboratory, simple, innovative technologies are being developed to improve Zimbabwe's water supply and sewage disposal. Other research organizations, all in Harare, include the Geological Survey of Zimbabwe, the Institute of Mining and Metallurgy, and the Public Health Laboratory. The National University of Science and Technology, founded in 1990 at Bulawayo, has faculties of industrial technology and applied sciences. The University of Zimbabwe, founded in 1955 at Harare, has faculties of agriculture, engineering, medicine, science, and veterinary science. Degrees in agriculture and polytechnic studies are offered by seven colleges. In 1987–97, science and engineering students accounted for 24% of college and university enrollments.

[30]DOMESTIC TRADE

Harare and Bulawayo are the country's principal distribution centers. They are linked by rail and road to smaller towns that serve as centers for their immediate rural areas. Head offices of most of the large companies are in one or the other of the two cities. There are supermarkets and department stores in Harare as well as few newer shopping centers offering a wider variety of goods. Many products are locally produced. Kwe Kwe serves as a processing and distribution center for livestock, tobacco, steel and chrome. Mutare is a regional trading center. A chaotic, controversial land reform program and uncontrolled inflation have hindered the domestic trade and economy.

Business hours are generally from 8 AM to 5 PM Monday through Saturday. Banks are open from 8:30 AM to 2 PM Monday–Friday, except on Wednesday, when they close at noon. Saturday banking hours are from 8:30 to 11 AM.

[31]FOREIGN TRADE

Due to violence in 2000, the annual tobacco auction that usually provides 30% of Zimbabwe's foreign exchange earnings had less than 20% of its normal sales volume and sold bales at prices 15% lower than usual. Unmanufactured tobacco from Zimbabwe (30% of total exports) typically accounts for about 11% of the world's export market in that category.

Gold had been the second-largest export commodity, but gold revenues were down by almost 50% in 2000 due to high inflation rates in Zimbabwe and low world market prices for gold.

Other important exports include cotton (9.2%), iron and steel (9.2%), sugar (4.7%), and nickel (4.4%).

In 1999 Zimbabwe's imports were distributed among the following categories:

Consumer goods	6.8%
Food	4.5%
Fuels	11.3%
Industrial supplies	39.1%
Machinery	26.4%
Transportation	11.3%
Other	0.6%

Principal trading partners in 1999 (in millions of US dollars) were as follows:

COUNTRY	EXPORTS	IMPORTS	BALANCE
South Africa	301	919	-618
United Kingdom	182	142	40
Germany	150	113	37
Japan	135	88	47
United States	110	101	9
China (inc. Hong Kong)	107	63	44
Malawi	73	8	65
Italy	67	24	43
Netherlands	66	30	36
Mozambique	63	14	49

[32]BALANCE OF PAYMENTS

Zimbabwe's imports grew by an average of 11% between 1988 and 1998, reflecting a relaxation of import controls and the inflow of capital goods needed for investment, but declined rapidly after 1998. The rapid rise of the current account deficit since 1989 was caused primarily by the surge in imports from the creation of the Open General Import License (OGIL) list of items possible for importation without first obtaining a foreign exchange allocation from the government. With huge pent-up demand and future uncertainty about the program, importers rushed to take advantage of the opportunity, often hoarding several years' supply of items, which caused the trade deficit to balloon. After 1997, the amount of imports leveled off, and dropped rapidly in 1998. Due to the government's disastrous land reform programs, the commercial sector, as the traditional source of exports and foreign exchange, has suffered considerably.

The US Central Intelligence Agency (CIA) reports that in 2001 the purchasing power parity of Zimbabwe's exports was $2.1 billion while imports totaled $1.5 billion resulting in a trade surplus of $600 million.

The International Monetary Fund (IMF) reports that in 1998 Zimbabwe had exports of goods totaling $1.96 billion and imports totaling $1.8 billion. The services credit totaled $383 million and debit $712 million. The following table summarizes Zimbabwe's balance of payments as reported by the IMF for 1998 in millions of US dollars.

Current Account	**-425**
Balance on goods	158
Balance on services	-329
Balance on income	-294
Current transfers	40
Capital Account	**284**
Financial Account	**-26**
Direct investment abroad	…
Direct investment in Zimbabwe	…
Portfolio investment assets	…
Portfolio investment liabilities	…
Other investment assets	…
Other investment liabilities	…
Net Errors and Omissions	**80**
Reserves and Related Items	**86**

[33]BANKING AND SECURITIES

Zimbabwe has a relatively well-developed financial sector, in sub-Saharan Africa, second only to that of South Africa. The Reserve

Bank of Zimbabwe (RBZ) administers all monetary and exchange controls and is the sole bank of issue. The Zimbabwe Development Bank was established in 1983 as a development finance institution.

Five commercial banks, and ten merchant banks operate in Zimbabwe. Commercial banks include Barclays, Standard Chartered, Stanbic, the Zimbabwe Banking Corporation, and the Commercial Bank of Zimbabwe. Merchant banks include the Merchant bank of Central Africa, First Merchant Bank, Standard Chartered Merchant Bank, Syfrets Merchant Bank, National Merchant Bank of Zimbabwe. Commercial banks are obliged to maintain a statutory deposit ratio of 20%. The Post Office Savings Bank is an important savings institution. High inflation rates in the late 1990s prompted the government to print $250 million worth of Zimbabwean dollars in order to keep the state running, instead of depreciating the currency itself.

The International Monetary Fund reports that in 2001, currency and demand deposits—an aggregate commonly known as M1—were equal to $2.4 billion. In that same year, M2—an aggregate equal to M1 plus savings deposits, small time deposits, and money market mutual funds—was $3.3 billion. The money market rate, the rate at which financial institutions lend to one another in the short term, was 21.52%. The discount rate, the interest rate at which the central bank lends to financial institutions in the short term, was 57.2%.

The Zimbabwe Stock Exchange (ZSE), with floors in Harare, deals in government securities and the securities of many privately owned companies. The stock exchange opened in 1946. Until 1993, it was insignificant as a source of new capital, but the government allowed foreign investment through the ZSE, and by September 1995 the net foreign inflow exceeded US$125 million. In 1997, the value of shares traded more than doubled, but in 1998, there was an 88% decline in the value of shares traded because of social unrest and high interest rates. 2001 proved to be a banner year, however, with market capitalization at a soaring all-time high of just under $8 billion, and trading valued at $1.5 billion. The ZSE Industrial Index was up 158% for the year, at 46,351.9, despite the severe economic slowdown caused by President Robert Mugabe's policies.

34 INSURANCE

Insurance companies must be registered with and licensed by the Registrar of Insurance, make security deposits with the treasury, file annual financial reports, and observe other government regulations. Principal types of insurance written are life, fire, automobile, employers' liability, and accident. Automobile third-party liability is compulsory. There were some 50 insurance companies doing business in Zimbabwe in the mid-1980s.

In 1996, insurance companies continued to complain about the persistence of regulations that they considered to be inappropriate in the liberalized environment. Two foreign-owned insurance companies were reported to be holding out against government localization requirements against which a deadline of 1 August 1993, for 51% local shareholding had been set. The requirement on insurance companies and pension funds to invest 55% in government securities was also felt to be too high. In 2001, $153 million was written in life insurance premiums.

35 PUBLIC FINANCE

Zimbabwe derives its principal revenues from income taxes, sales tax, customs and excise duties, and interest, dividends, and profits. Principal categories of expenditure are education, defense, debt service, and agriculture. Budgets for the 1970s and the 1980s were generally in deficit. Escalating fiscal deficits in the 1980s led to the implementation early in 1991 of an extensive reform program, which focused on fiscal deficit reduction and monetary reforms. A severe drought in 1992, however, set back the program; the deficit rose to more than 10% of GDP in 1993, and 15% of GDP in 2000. In 1999, an estimated one-third of the total budget was spent on troops sent to the Congo. Pay rises from 60% up to 90% were given to the civil service and the army, and he gave himself an even bigger raise.

The US Central Intelligence Agency (CIA) estimates that in 2000 Zimbabwe's central government took in revenues of approximately $2.5 billion and had expenditures of $2.6 billion. Overall, the government registered a deficit of approximately $100 million. External debt totaled $5 billion.

The following table shows an itemized breakdown of government revenues and expenditures. The percentages were calculated from data reported by the International Monetary Fund. The dollar amounts (millions) are based on the CIA estimates provided above.

REVENUE AND GRANTS	100.0%	2,500
Tax revenue	86.5%	2,162
Non-tax revenue	10.0%	249
Capital revenue	2.1%	53
Grants	1.5%	37
EXPENDITURES	100.0%	2,600
General public services	5.1%	132
Defense	7.1%	184
Public order and safety	6.2%	160
Education	24.2%	629
Health	8.1%	211
Social security	18.2%	474
Housing and community amenities	4.4%	113
Recreation, cultural, and religious affairs	0.1%	2
Economic affairs and services	6.8%	176
Interest payments	19.9%	519

36 TAXATION

The corporate tax rate in 2003 was 30% plus a 3% AIDS levy, down from a flat rate of 36.8%. A 5% levy is imposed on the net profits of banking institutions. New projects or enterprises in designated growth point area are taxed at 15% for five years. Other tax concessions are available for export manufacturers. Dividends paid to a Zimbabwean company are not taxable, but dividends paid to a foreign company are subject to 15% withholding if the company is stock exchange-listed, and 20% otherwise. Listed securities are exempt from capital gains tax, which is otherwise 20%. Withholding rates may be reduced or eliminated in double taxation agreements. Zimbabwe has tax treaties with at least 12 countries, including the United Kingdom, France, Germany, the Netherlands, Sweden, Canada, South Africa, Poland, Malaysia, Bulgaria, and Mauritius.

The primary tax on individuals is an income tax, which is based on a graduated scale of rates: 0%, 20%, 25%, 30%, 35%, and 40%.

A sales tax, imposed at the retail stage, is applied to most goods except for food. In 2002, sales tax rates were 15% and 25%, generally up from rates of 10%, 15% and 20% in 1999. The government plans to introduce a value-added tax (VAT) system. There are excise duties on alcoholic beverages, cigarettes, and tobacco. Other taxes include a betting tax, and stamp, transfer, and estate duties.

37 CUSTOMS AND DUTIES

Zimbabwe uses the GATT system of tariff codes. Imports are subject to duty, import tax, and surtax. Capital goods are exempt from all three. Duties mostly range between 15% and 20% but can go as high as 60%. The surtax is 10% and sales tax is charged the importer as the end-user. The customs duty for textiles is 5% and the duty for clothes is 15%.

Zimbabwe is a member of the 14-nation Southern African Development Community (SADC), which was formed to promote "regional integration," and the 22-nation Preferential

Trade Area (PTA) of Eastern and Southern Africa, which provides reduced duties on trade between member countries.

[38]FOREIGN INVESTMENT

From independence in 1980 until 1991, the government was very defensive toward foreign investment, subjecting each proposal to careful scrutiny and requiring foreign investors to get permission from the Foreign Investment Center for the development of any new enterprise in Zimbabwe. Enterprises could be 100% foreign owned, especially in priority areas, but there was (and is) in effect a strong preference for joint ventures with at least 30% local participation.

In 1991 there was some revision of the regulations but the emphasis on indigenization remained at least as strong as the emphasis on the need to attract foreign investment. There is a long list of reserved sectors, but priority areas are offered a schedule of tax and tariff exemptions and incentives. Incentives are aimed at encouraging capital investments, the transfer of technology, the utilization of local raw materials, the development of rural areas, the use of labor-intensive methods, and the hiring of local personnel. Industries geared toward exporting that meet EPZ requirements receive tax holidays and customs free trade. In 1992, as part of a structural reform program under the IMF's Enhanced Structural Adjustment Facility (ESAF), the Zimbabwe Investment Centre (ZIC) was established as a one-stop shop for investment approval. In 1995, disbursements under the ESAF program were suspended for failure to meet IMF targets, and in 1996, the government substituted a second plan, the Zimbabwe Program for Economic and Social Transformation (ZIMPREST), whose operations investors have found much less satisfactory. By the late 1990s, political turbulence and the government's defiance of the IMF had greatly increased investor risk, and brought foreign direct investment flows to a standstill.

In 1998, foreign direct investment (FDI) in Zimbabwe totaled over $444 million; by 2001, FDI in-flow had fallen to $5.4 million. There has been a comparable decline in foreign portfolio investment, reflected in the transformation of Zimbabwe's capital account balance, from a surplus in 1995 equal to 7.1% of GDP to a deficit in 2002 equal to 6.5% of GDP. The lack of foreign currency in the country has made investment even less attractive because of the near-impossibility of converting earnings out of the rapidly depreciating local currency, which the government in any cases restricts. The suspension of IMF funding, with its negative implications about the credit-worthiness of the country, has limited most business transactions to a cash basis. The situation was worsened in June 2003, when the IMF suspended Zimbabwe's voting rights in the organization for failure to make effective efforts to repay arrears of about $305 million to the fund. Zimbabwe's total arrears increased from $700 million at the end of 2001 to $1.5 billion at the end of 2002. Somewhat ironically, the Zimbabwe Stock Exchange (ZSE), founded in 1896 and open to foreign investment since 1993, has been the best- or second-best-performing emerging market stock exchange since 1999, propelled by inflation rates that in 2003 were reaching 300%.

Most foreign investment in Zimbabwe has roots in the colonial era, such as the mining conglomerate Anglo-American of Zimbabwe (AMZIM), and the timber company Lonrho, long the country's two largest investors. In 2001 Lonrho sold its timber holdings in Zimbabwe to Brotherhood Holdings Ltd. for a cash payment of $275 million. AMZIM, after selling off a number of subsidiaries, announced in June 2003 that it was relocating its headquarters to South Africa. Government policy allows squatters to take over, at times forcefully, white-owned commercial farms. When Zimbabwe was Rhodesia, white farmers, constituting less than 1% of the population, controlled over one-third of the land. Under Zimbabwe's investment regime investments in agriculture were discouraged and underutilized land was subject to fair-value purchase by the government for redistribution to family farmers. This policy primarily affected the 50% of the 11 million ha of agricultural estates created prior to independence. The United States provided some funding for a land-for-purchase program from 1980 to 1997, but by 1998 the government had rejected this gradualist approach as too slow. By 2003, over 4,000 white-owned farms had been taken against the will of the owners.

[39]ECONOMIC DEVELOPMENT

A three-year transitional development plan was adopted for 1982–85. It called for investments in the public sector and assumed an average net growth rate of 8% per year. Manufacturing was to receive 23% of total investment, transport 14%, and agriculture 13%. Total investment fell 30% short of this goal. The Five-Year Development Plan for 1986–90 called for an annual growth rate of 5.1%, some 60% from public-sector investment and 40% from foreign sources. Education, defense, and debt service were the largest categories of government spending. During the 1990s, the International Monetary Fund (IMF) supported Zimbabwe's balance of payments, but in 1999 President Robert Mugabe declared that he would sever ties with the development fund. The president was not willing to "save" the economy under a structural adjustment plan because it would have effectively bankrupted the government. In 2000, economic development slid backwards as inflation spiraled, industries died, and agricultural production fell; but in terms of leveling the distribution of wealth between blacks and whites, it was a red-letter year.

Mugabe's radical land reform program, poor management of the economy, and interference with the judiciary have combined to prevent further investment and development. Shortages of food, fuel, and foreign exchange marked the early 2000s. The IMF adopted a declaration of noncooperation for Zimbabwe in 2002, and suspended its technical assistance to the country, due to the nonpayment of arrears. In 2003, the IMF suspended Zimbabwe's voting and related rights. That year, inflation stood at 270%, and economic and social conditions had deteriorated, including a rise in unemployment and poverty, and a worsening of the HIV/AIDS pandemic in the country. In February 2003, the government launched a National Economic Revival Program (NERP) designed to stabilize the economy.

[40]SOCIAL DEVELOPMENT

The Ministry of Labour, Manpower Planning and Social Welfare deals with child welfare, delinquency, adoption, family problems, refugees, the aged, and public assistance. There are some government and industrial pension programs. Voluntary welfare organizations providing facilities for the aged, the handicapped, and care of children receive some government assistance. Workers' compensation is provided to all private-sector employees except domestic workers; government employees are covered under a state plan.

In 1993, a social security system was introduced; it provides old age, disability, and survivor's pensions. The program covers all employees between the ages of 16 and 65. Retirement is normally allowed at age 60. Free health care is provided for low-income families (about 75% of the population). Maternity benefits provide 70% of regular earnings for 90 days. Workers compensation insurance is provided for private sector employees. The State Disability Act provides coverage to public sector employees.

Despite some legislative advances, women are bound by traditional customs which are discriminatory in areas of property ownership and inheritance. Sexual harassment in the workplace is prevalent. Domestic violence and abuse is common, and is on the rise due to economic stress and high unemployment. Rape,

including politically motivated assaults, remain a huge and underreported problem. There are hundreds of thousands of orphans due to the large number of deaths from HIV/AIDS.

There are numerous reports of human rights violations. Abuses included police killings, beatings, and torture, violation of privacy rights, and persecution of journalists. The government has generally failed to take action against those responsible for human rights abuses.

[41]HEALTH

All health services are the responsibility of the Ministry of Health, which covers 50% of total health care expenditures provided by local authorities (with Ministry of Health grants), mission churches (also with grants), and industrial organizations and private services. The government has declared its intention to provide free medical services for all. Prior to independence, facilities for Africans were free, but these were greatly inferior to those available to Europeans. Zimbabwe has been focusing on building and/or upgrading rural health care centers and district hospitals and expanding rural health programs, such as immunization, control of diarrheal diseases, training of health care workers, and improving the supply and affordability of essential drugs. The local pharmaceutical industry is well developed. The Ministry of National Supplies operates the Government Medical Stores, which procures goods on behalf of the Ministry of Health. There were four tiers of health care delivery in Zimbabwe as of 1992: 56 rural hospitals and 927 health centers (public and private) providing preventive and curative services; 55 district hospitals; 8 provincial and 4 general hospitals; and 5 central hospitals located in major cities. As of 1999, there were an estimated 0.1 physicians and 0.5 hospital beds per 1,000 people. About 85% of the population had access to health care services in 1992. In 2000, 85% of the population had access to safe drinking water and 68% had adequate sanitation.

As of 2002, the crude birth rate and overall mortality rate were estimated at, respectively, 24.6 and 24 per 1,000 people. As of 2000 about 54% of married women (ages 15 to 49) were using contraception. The fertility rate was 3.8 births per woman in 2000. Infant mortality was 69 per 1,000 live births in the same year, and life expectancy was only 40 years. Maternal mortality rates in 1998 were high with an estimated 695 per 100,000 live births in 1998 and the disease pattern for mothers and children was one of mainly preventable diseases. The government of Zimbabwe paid for 80% of the routine immunizations in 1995. The immunization rates for children under five in 1997 were as follows: diphtheria, pertussis, and tetanus, 78%; polio, 79%; measles, 73%; and tuberculosis, 82% in 1994.

Guinea worm incidence has decreased from 1,570 cases in 1991 to 257 in 1995. Commonly reported diseases were malaria (877,734 cases in 1994) and measles (5,619 in 1995). Tuberculosis has been a major health problem (562 reported cases per 100,000 people in 1999). Local campaigns are under way to control schistosomiasis, which affects a large percentage of the African population. In 1989–95, 16% of children under five years old were considered malnourished.

The AIDS epidemic is among the worst in the world. At the end of 2001, the number of people living with HIV/AIDS was estimated at 2.3 million (including 33.7% of the adult population) and deaths from AIDS that year were estimated at 200,000. HIV prevalence in 1999 was 25 per 100 adults. Demographic surveys project that AIDS may increase child mortality rates nearly threefold by the year 2010 in Zimbabwe.

[42]HOUSING

In rural areas, Africans live in villages and on farms in housing that is mainly of brick or mud and stick construction with thatch or metal roofs. The villages are usually small (except for the massive protected villages), with fewer than 100 inhabitants. Urban housing is generally of brick. According to the latest available information for 1980–88, total housing units numbered two million, with 4.2 people per dwelling.

The Zimbabwe National Association of Housing Cooperatives (ZINAHCO) is an umbrella organization of over 1,000 national housing cooperatives. The organization was established as a means of providing advice to member groups on dealing with local and national authorities and to offer training in building techniques. In 2003, ZINAHCO was working to change urban building standards which dictate that hook-ups to public services must be in place before an owner may begin to build a home. The Cooperatives argue that for many of the urban poor living in slum shacks, it is more appropriate to first allow for the construction of permanent structures with communal utility services. Residents can then install utilities at a later date, as they can afford to do so.

[43]EDUCATION

Projected adult illiteracy rates for the year 2000 stand at 7.3% (males, 4.5%; females, 10.1%). A unitary system of education under the Ministry of Education has replaced the dual system of separate educational facilities for Africans and non-Africans formerly maintained by the Rhodesian government. Education is free and compulsory for eight years between the ages of 7 and 15. Secondary education lasts for six years.

In 1995, expenditure on education was estimated to account for 6.9% of GDP. In 1998 there were 2,507,098 students in 4,706 primary schools with 64,538 teachers. In the same year, general secondary schools had 30,482 teachers and a total enrollment of 847,296 students. The pupil-teacher ratio at the primary level was 41 to 1 in 1999. In the same year, 80% of primary-school-age children were enrolled in school, while 42% of those eligible attended secondary school. The government has developed a strong vocational school and apprenticeship system.

The University of Zimbabwe provides higher education on a multiracial basis. Other universities include the National University of Science and Technology and the Africa University. In 1996, there were 46,673 students in all higher-level institutions.

[44]LIBRARIES AND MUSEUMS

The National Free Library of Zimbabwe was founded in 1943 in Bulawayo as a national lending library and center for interlibrary loans. It has over 100,000 volumes. Also in Bulawayo is the Public Library, with 100,000 volumes. Other libraries include the Harare City Library, with 200,000 volumes, the Turner Memorial Library in Mutare, the Library of Parliament, and libraries in more than a dozen smaller towns. The National Archives of Zimbabwe, located in Harare, receives a copy of every book published in Zimbabwe, as does the Bulawayo Public Library. There were more than 150,000 registered public library users using 76 public libraries holding 1.1 million volumes in 1989. The library at the University of Zimbabwe is the largest in the country, with 500,000 volumes in the main library and branches. The Parliament of Zimbabwe holds a collection of 115,000 volumes.

In 1990, 100,000 people visited Zimbabwe's 11 museums. The Zimbabwe Museum of Natural History (1901) at Bulawayo has geologic, ethnographic, historical, and zoological collections. Located in Harare are the Zimbabwe Museum of Human Sciences, with archaeological, historical, zoological, and other collections, the National Gallery of Zimbabwe, which displays works of national, regional, and European art, and the Queen Victoria Museum. There is a military museum in Gweru and a children's museum in Marondera.

[45]MEDIA

The Ministry of Information, Posts and Telecommunications provides telephone, telegraph, and postal services. In 1997, there were 212,000 main telephone lines. In 2001 there were an additional 111,000 cellular phones in use.

Radio Zimbabwe broadcasts over 2 AM and 3 FM channels and government-produced television programs are broadcast from Harare and Bulawayo. In total there were 7 AM and 20 FM radio stations in 1998. In 1997, there were 16 television stations. In 2000 there were 362 radios and 30 television sets for every 1,000 people. About six Internet service providers served 30,000 subscribers in 1999.

There are a number of independent and government-owned newspapers in the country. The *Herald* (2002 circulation, 122,166) and the *Chronicle* (74,032) are owned by the Mass Media Trust (MMT), a holding company affiliated with the ZANU-PF. Though circulation figures were not available at this printing, *The Daily News*, an independent publication, is reported to have the largest circulation in the country. Major independent weeklies include *The Financial Gazette*, *The Independent*, and *The Standard*.

The constitution provides for free expression, but allows for legal limitations in the name of defense, public safety, public order, state economic interest, public morality, and public health. There is said to be a high degree of self-censorship employed by the media, though an increasingly independent press is sometimes critical of the government.

[46]ORGANIZATIONS

The government encourages the development of agricultural and other cooperatives, which are seen as a means of improving the subsistence economy. The Zimbabwe National Chamber of Commerce has many branches. The Consumer Council of Zimbabwe is located in Harare. The Africa regional office of Consumers International is in Belgravia.

The Zimbabwe Medical Association and the Zimbabwe Scientific Association serve as both professional associations and educational/research organizations. The Wildlife Society of Zimbabwe is an educational and activist group for conservation and environmental issues. The Zimbabwe Association for Human Rights was established in 1994. Active groups for women's rights and social development include the Kunwana Women Association, the Musasa Project, the Zimbabwe Association of University Women, and the Zimbabwe Women's Bureau. Amnesty International and the Red Cross have national chapters.

National youth organizations include Youth for Christ, the Zimbabwe National Students Union, Zimbabwe Student Christian Movement, the Boy Scouts Association of Zimbabwe, The Girl Guides Association of Zimbabwe, and YMCA/YWCA.

[47]TOURISM, TRAVEL, AND RECREATION

Tourist attractions include Victoria Falls and the Kariba Dam on the Zambezi River, numerous wildlife sanctuaries and game reserves, including Hwange National Park, the eastern highlands, the Matobo Hills, and the Zimbabwe ruins near Masvingo. There are safari areas in the Zambezi Valley below the Kariba Dam, and at Tuli, and resort, camping, and fishing facilities. South African visitors still account for the largest share of the tourist trade and political progress in that country brightens the outlook for tourism in Zimbabwe. Tourists not from Commonwealth countries are expected to have both passports and visas. Anti-malarial pills are recommended.

Tourism receipts for 2000 totaled approximately $125 million. In that year approximately 1,868,412 tourists visited Zimbabwe. There were 5,206 hotel rooms with 9,427 beds and a 29% occupancy rate.

According to 2002 US government estimates, the cost of staying in Harare is about $138 per day. A stay at Victoria Falls may cost about $325 per day.

[48]FAMOUS ZIMBABWEANS

The country's former name, Rhodesia, was derived from Cecil John Rhodes (1853–1902), whose company administered the area during the late 19th and early 20th centuries.

Lobengula (1833–94), king of the Ndebele, whose grant of the minerals concession in his territory to Rhodes in 1888 led to European settlement, headed an unsuccessful rebellion of his people against the settlers in 1893. Prominent African nationalist leaders are Joshua Nkomo (1917–99), leader of ZAPU; Bishop Abel Muzorewa (b.1925) of the United Methodist Church, who became the nation's first black prime minister in 1979; and ZANU leader Robert Gabriel Mugabe (b.1924), who became prime minister after independence. Ian Smith (b.1919) was prime minister from 1964 to 1979. Many of the early works of the British novelist Doris Lessing (b.1919) are set in the Rhodesia where she grew up.

[49]DEPENDENCIES

Zimbabwe has no territories or colonies.

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INDEX TO COUNTRIES AND TERRITORIES

This alphabetical list includes countries and dependencies (colonies, protectorates, and other territories) described in the encyclopedia. Countries and territories described in their own articles are followed by the continental volume (printed in *italics*) in which each appears. Country articles are arranged alphabetically in each volume. For example, Argentina, which appears in *Americas*, is listed this way: Argentina—*Americas*. Dependencies are listed here with the title of the volume in which they are treated, followed by the name of the article in which they are dealt with. In a few cases, an alternative name for the same place is given in parentheses at the end of the entry. The name of the volume *Asia and Oceania* is abbreviated in this list to *Asia*.

Adélie Land—*Asia:* French Pacific Dependencies: French Southern and Antarctic Territories
Afars and the Issas, Territory of the—*Africa:* Djibouti
Afghanistan—*Asia*
Albania—*Europe*
Algeria—*Africa*
American Samoa—*Asia:* US Pacific Dependencies
Andaman Islands—*Asia:* India
Andorra—*Europe*
Angola—*Africa*
Anguilla—*Americas:* UK American Dependencies: Leeward Islands
Antarctica—*United Nations:* Polar Regions
Antigua and Barbuda—*Americas*
Arctic—*United Nations:* Polar Regions
Argentina—*Americas*
Armenia—*Europe*
Aruba—*Americas:* Netherlands American Dependencies: Aruba
Ashmore and Cartier Islands—*Asia:* Australia
Australia—*Asia*
Austria—*Europe*
Azerbaijan—*Asia*
Azores—*Europe:* Portugal

Bahamas, The—*Americas*
Bahrain—*Asia*
Bangladesh—*Asia*
Barbados—*Americas*
Basutoland—*Africa:* Lesotho
Bechuanaland—*Africa:* Botswana
Belarus—*Europe*
Belau—*Asia:* Palau
Belgium—*Europe*
Belize—*Americas*
Benin—*Africa*
Bermuda—*Americas:* UK American Dependencies
Bhutan—*Asia*
Bolivia—*Americas*
Bonin Islands—*Asia:* Japan (Ogasawara Islands)
Borneo, North—*Asia:* Malaysia
Bosnia and Herzegovina—*Europe*
Botswana—*Africa*
Bouvet Island—*Europe:* Norway
Brazil—*Americas*
British Antarctic Territory—*Americas:* UK American Dependencies
British Guiana—*Americas:* Guyana
British Honduras—*Americas:* Belize
British Indian Ocean Territory—*Africa:* UK African Dependencies
British Virgin Islands—*Americas:* UK American Dependencies
Brunei Darussalam—*Asia*
Bulgaria—*Europe*
Burkina Faso—*Africa*
Burma—*Asia*: Myanmar
Burundi—*Africa*

Caicos Islands—*Americas:* UK American Dependencies
Cambodia—*Asia*
Cameroon—*Africa*
Canada—*Americas*
Canary Islands—*Europe:* Spain
Cape Verde—*Africa*
Caroline Islands—*Asia:* Federated States of Micronesia; Palau
Carriacou—*Americas:* Grenada
Cayman Islands—*Americas:* UK American Dependencies
Central African Republic—*Africa*
Ceuta—*Europe:* Spain
Ceylon—*Asia:* Sri Lanka
Chad—*Africa*
Chile—*Americas*
Chilean Antarctic Territory—*Americas:* Chile
China—*Asia*
Christmas Island (Indian Ocean)—*Asia:* Australia
Christmas Island (Pacific Ocean)—*Asia:* Kiribati
Cocos Islands—*Americas:* Costa Rica
Cocos (Keeling) Islands—*Asia:* Australia
Colombia—*Americas*
Columbus, Archipelago of—*Americas:* Ecuador (Galapagos Islands)
Comoros—*Africa*
Congo—*Africa*
Congo, Democratic Republic of (former Zaire)—*Africa*
Cook Islands—*Asia:* New Zealand
Coral Sea Islands—*Asia:* Australia
Corn Islands—*Americas:* Nicaragua
Costa Rica—*Americas*
Côte d'Ivoire—*Africa*
Croatia—*Europe*
Cuba—*Americas*
Curaçao—*Americas:* Netherlands American Dependencies: Netherlands Antilles
Cyprus—*Asia*

Czech Republic—*Europe*
Czechoslovakia—*Europe*: Czech Republic; Slovakia

Democratic Republic of Congo (former Zaire)—*Africa*
Denmark—*Europe*
Diego Garcia—*Africa:* UK African Dependencies: British Indian Ocean Territory
Diego Ramirez Island—*Americas:* Chile
Djibouti—*Africa*
Dominica—*Americas*
Dominican Republic—*Americas*
Dubai—*Asia:* United Arab Emirates
Dutch Guiana—*Americas:* Suriname

Easter Island—*Americas:* Chile
East Germany—*Europe:* German Democratic Republic
East Timor—*Asia*
Ecuador—*Americas*
Egypt—*Africa*
El Salvador—*Americas*
England—*Europe:* United Kingdom
Equatorial Guinea—*Africa*
Eritrea—*Africa*
Estonia—*Europe*
Ethiopia—*Africa*

Falkland Islands—*Americas:* UK American Dependencies (Malvinas)
Faroe Islands—*Europe:* Denmark
Federated States of Micronesia—*Asia*
Fiji—*Asia*
Finland—*Europe*
Former Yugoslav Republic of Macedonia—*Europe*
Formosa—*Asia:* Taiwan
France—*Europe*
French African Dependencies—*Africa*
French American Dependencies—*Americas*
French Guiana—*Americas:* French American Dependencies
French Pacific Dependencies—*Asia*
French Polynesia—*Asia:* French Pacific Dependencies
French Somaliland—*Africa:* Djibouti
French Southern and Antarctic Lands—*Asia:* French Pacific Dependencies
Fujairah—*Asia:* United Arab Emirates

Gabon—*Africa*
Galapagos Islands—*Americas:* Ecuador
Gambia—*Africa*
Georgia—*Europe*
German Democratic Republic (GDR)—*Europe*: Germany
Germany—*Europe*
Germany, East—*Europe:* Germany
Germany, Federal Republic of (FRG)—*Europe*: Germany
Germany, West—*Europe:* Germany
Ghana—*Africa*
Gibraltar—*Europe:* United Kingdom
Gilbert Islands—*Asia:* Kiribati
Graham Land—*Americas:* UK American Dependencies: British Antarctic Territory
Great Britain—*Europe:* United Kingdom
Greece—*Europe*
Greenland—*Europe:* Denmark
Grenada—*Americas*
Grenadines—*Americas:* Grenada; St. Vincent and the Grenadines
Guadeloupe—*Americas:* French American Dependencies
Guam—*Asia:* US Pacific Dependencies
Guatemala—*Americas*
Guiana, British—*Americas:* Guyana
Guiana, Dutch—*Americas:* Suriname
Guiana, French—*Americas:* French American Dependencies
Guinea—*Africa*
Guinea-Bissau—*Africa*
Guinea, Portuguese—*Africa:* Guinea-Bissau
Guyana—*Americas*

Haiti—*Americas*
Heard and McDonald Islands—*Asia:* Australia
Honduras—*Americas*
Honduras, British—*Americas:* Belize
Hong Kong—*Asia:* China
Howland, Baker, and Jarvis Islands—*Asia:* US Pacific Dependencies
Hungary—*Europe*

Iceland—*Europe*
Ifni—*Africa:* Morocco
India—*Asia*
Indochina—*Asia:* Cambodia; Laos; Vietnam
Indonesia—*Asia*
Inner Mongolia—*Asia:* China
Iran—*Asia*
Iraq—*Asia*
Ireland—*Europe*
Ireland, Northern—*Europe:* United Kingdom
Irian Jaya—*Asia:* Indonesia
Israel—*Asia*
Italy—*Europe*
Ivory Coast—*Africa:* Côte D'Ivoire

Jamaica—*Americas*
Jammu and Kashmir—*Asia:* India; Pakistan
Jan Mayen Island—*Europe:* Norway
Japan—*Asia*
Johnston Atoll—*Asia:* US Pacific Dependencies
Jordan—*Asia*
Juan Fernandez Island—*Americas:* Chile

Kampuchea—*Asia*: Cambodia
Kashmir—*Asia:* India; Pakistan
Kazakhstan—*Asia*
Kazan Islands—*Asia:* Japan (Volcano Islands)
Kenya—*Africa*
Khmer Republic—*Asia:* Cambodia
Kiribati—*Asia*
Korea, Democratic People's Republic of (DPRK)—*Asia*
Korea, North—*Asia:* Korea, Democratic People's Republic of
Korea, Republic of (ROK)—*Asia*
Korea, South—*Asia:* Korea, Republic of
Kuwait—*Asia*
Kyrgyzstan—*Asia*

Laccadive, Minicoy, and Amindivi Islands—*Asia:* India: Lakshadweep
Lakshadweep—*Asia:* India
Lao People's Democratic Republic—*Asia*
Laos—*Asia*: Lao People's Democratic Republic
Latvia—*Europe*
Lebanon—*Asia*
Leeward Islands—*Americas:* UK American Dependencies; Antigua and Barbuda; St. Kitts and Nevis
Lesotho—*Africa*
Liberia—*Africa*
Libya—*Africa*
Liechtenstein—*Europe*

Line Islands—*Asia:* Kiribati
Lithuania—*Europe*
Luxembourg—*Europe*

Macau—*Asia:* China
Macedonia, Former Yugoslav Republic of—*Europe*
Macquarie Island—*Asia:* Australia
Madagascar—*Africa*
Madeira—*Europe:* Portugal
Malagasy Republic—*Africa:* Madagascar
Malawi—*Africa*
Malaya—*Asia:* Malaysia
Malaysia—*Asia*
Malden and Starbuck Islands—*Asia:* Kiribati
Maldive Islands—*Asia:* Maldives
Maldives—*Asia*
Mali—*Africa*
Malta—*Europe*
Malvinas—*Americas:* UK American Dependencies (Falkland Islands)
Mariana Islands—*Asia:* US Pacific Dependencies
Marquesas Islands—*Asia:* French Pacific Dependencies: French Polynesia
Marshall Islands—*Asia*
Martinique—*Americas:* French American Dependencies
Matsu Islands—*Asia:* Taiwan
Mauritania—*Africa*
Mauritius—*Africa*
Mayotte—*Africa:* French African Dependencies
Melilla—*Europe:* Spain
Mexico—*Americas*
Micronesia, Federated States of—*Asia:* Federated States of Micronesia
Midway—*Asia:* US Pacific Dependencies
Moldova—*Europe*
Monaco—*Europe*
Mongolia—*Asia*
Montserrat—*Americas:* UK American Dependencies: Leeward Islands
Morocco—*Africa*
Mozambique—*Africa*
Muscat and Oman—*Asia:* Oman
Myanmar—*Asia*

Namibia—*Africa*
Nauru—*Asia*
Navassa—*Americas:* US
Nepal—*Asia*
Netherlands—*Europe*
Netherlands American Dependencies—*Americas*
Netherlands Antilles—*Americas:* Netherlands American Dependencies
Nevis—*Americas:* St. Kitts and Nevis
New Caledonia—*Asia:* French Pacific Dependencies
New Guinea—*Asia:* Papua New Guinea
New Hebrides—*Asia:* Vanuatu
New Zealand—*Asia*
Nicaragua—*Americas*
Nicobar Islands—*Asia:* India
Niger—*Africa*
Nigeria—*Africa*
Niue—*Asia:* New Zealand
Norfolk Island—*Asia:* Australia
North Borneo—*Asia:* Malaysia
Northern Ireland—*Europe:* United Kingdom
Northern Mariana Islands—*Asia:* US Pacific Dependencies
Northern Rhodesia—*Africa:* Zambia
North Korea—*Asia:* Korea, Democratic People's Republic of
North Vietnam—*Asia:* Vietnam
Northwest Territories—*Americas:* Canada
Norway—*Europe*
Nosy Boraha and Nosy Be—*Africa:* Madagascar
Nyasaland—*Africa*: Malawi

Ocean Island—*Asia:* Kiribati (Banaba)
Ogasawara Islands—*Asia:* Japan (Bonin Islands)
Okinawa—*Asia:* Japan
Oman—*Asia*
Outer Mongolia—*Asia:* Mongolia

Pacific Islands, Trust Territory of the—*Asia:* Federated States of Micronesia; Marshall Islands; Palau; US Pacific Dependencies
Pakistan—*Asia*
Pakistan, East—*Asia:* Bangladesh
Palau—*Asia*
Palmyra Atoll—*Asia:* US Pacific Dependencies
Panama—*Americas*
Papua New Guinea—*Asia*
Paracel Islands—*Asia:* China (Xisha Islands)
Paraguay—*Americas*
Peru—*Americas*
Peter I Island—*Europe:* Norway
Petit Martinique—*Americas:* Grenada
Philippines—*Asia*
Phoenix Islands—*Asia:* Kiribati
Pitcairn Island—*Europe:* United Kingdom
Poland—*Europe*
Polar Regions—*United Nations*
Portugal—*Europe*
Portuguese Timor—*Asia:* East Timor
Puerto Rico—*Americas:* United States

Qatar—*Asia*
Queen Maud Land—*Europe:* Norway
Quemoy Islands—*Asia:* Taiwan

Ras al-Khaimah—*Asia:* United Arab Emirates
Réunion—*Africa:* French African Dependencies
Rhodesia—*Africa:* Zimbabwe
Río Muni—*Africa:* Equatorial Guinea
Romania—*Europe*
Ross Dependency—*Asia:* New Zealand
Ruanda-Urundi—*Africa:* Burundi; Rwanda
Russia—*Europe*
Rwanda—*Africa*
Ryukyu Islands—*Asia:* Japan

Sabah—*Asia:* Malaysia
St. Christopher—*Americas:* St. Kitts and Nevis
St. Christopher and Nevis—*Americas:* St. Kitts and Nevis
St. Helena—*Africa:* UK African Dependencies
St. Kitts—*Americas:* St. Kitts and Nevis
St. Kitts and Nevis—*Americas*
St. Lucia—*Americas*
St. Pierre and Miquelon—*Americas:* French American Dependencies
St. Vincent and the Grenadines—*Americas*
Sala y Gómez Island—*Americas:* Chile
Samoa—*Asia*
Samoa, American—*Asia:* US Pacific Dependencies
Samoa, Western—*Asia:* Samoa
San Ambrosio Island—*Americas:* Chile
San Andrés and Providentia—*Americas:* Colombia
San Felix Island—*Americas:* Chile

San Marino—*Europe*
São Tomé and Príncipe—*Africa*
Sarawak—*Asia:* Malaysia
Sa'udi Arabia—*Asia*
Scotland—*Europe:* United Kingdom
Senegal—*Africa*
Serbia and Montenegro—*Europe*
Seychelles—*Africa*
Sharjah—*Asia:* United Arab Emirates
Sierra Leone—*Africa*
Sikkim—*Asia:* India
Singapore—*Asia*
Slovakia—*Europe*
Slovenia—*Europe*
Society Islands—*Asia:* French Pacific Dependencies: French Polynesia
Solomon Islands—*Asia*
Somalia—*Africa*
Somaliland, French—*Africa:* Djibouti
South Africa—*Africa*
South Arabia, Federation of—*Asia:* Yemen
Southern Rhodesia—*Africa:* Zimbabwe
Southern Yemen—*Asia:* Yemen
South Georgia—*Americas:* UK American Dependencies: Falkland Islands
South Korea—*Asia:* Korea, Republic of
South Vietnam—*Asia:* Vietnam
South West Africa—*Africa:* Namibia
Spain—*Europe*
Spanish Guinea—*Africa:* Equatorial Guinea
Spanish Sahara—*Africa:* Morocco
Spratly Islands—*Asia:* Vietnam
Sri Lanka—*Asia*
Sudan—*Africa*
Suriname—*Americas*
Svalbard—*Europe:* Norway
Swan Islands—*Americas:* US
Swaziland—*Africa*
Sweden—*Europe*
Switzerland—*Europe*
Syria—*Asia*

Tahiti—*Asia:* French Pacific Dependencies: French Polynesia
Taiwan—*Asia*
Tajikistan—*Asia*
Tanganyika—*Africa:* Tanzania
Tanzania—*Africa*
Thailand—*Asia*
Tibet—*Asia:* China
Timor, East—*Asia*
Tobago—*Americas:* Trinidad and Tobago
Togo—*Africa*
Tokelau Islands—*Asia:* New Zealand
Tonga—*Asia*
Transkei—*Africa:* South African Homelands
Trinidad and Tobago—*Americas*
Tristan da Cunha—*Africa:* UK African Dependencies: St. Helena
Trust Territory of the Pacific Islands—*Asia:* Federated States of Micronesia; Marshall Islands; Palau; US Pacific Dependencies
Tuamotu Islands—*Asia:* French Asian Dependencies: French Polynesia
Tunisia—*Africa*
Turkey—*Asia*
Turkmenistan—*Asia*
Turks and Caicos Islands—*Americas:* United Kingdom American Dependencies
Tuvalu—*Asia*

Uganda—*Africa*
Ukraine—*Europe*
Umm al-Qaiwain—*Asia:* United Arab Emirates
Union of Soviet Socialist Republics (USSR)—*Asia:* Azerbaijan; Kazakhstan; Kyrgzstan; Tajikistan; Turkmenistan; Uzbekistan; *Europe*: Armenia; Belarus; Estonia; Georgia; Latvia; Lithuania; Moldova; Russia; Ukraine
United Arab Emirates (UAE)—*Asia*
United Arab Republic—*Africa:* Egypt
United Kingdom (UK)—*Europe*
United Kingdom African Dependencies—*Africa*
United Kingdom American Dependencies—*Americas*
United Kingdom Asian and Pacific Dependencies—*Europe:* United Kingdom
United States (US)—*Americas*
United States Pacific Dependencies—*Asia*
Upper Volta—*Africa:* Burkina Faso
Uruguay—*Americas*
Uzbekistan—*Asia*

Vanuatu—*Asia*
Vatican—*Europe*
Venezuela—*Americas*
Vietnam—*Asia*
Vietnam, North—*Asia:* Vietnam
Vietnam, South—*Asia:* Vietnam
Virgin Islands, British—*Americas:* UK American Dependencies
Virgin Islands of the US—*Americas:* United States
Volcano Islands—*Asia:* Japan (Kazan Islands)

Wake Island—*Asia:* US Pacific Dependencies
Wales—*Europe:* United Kingdom
Wallis and Futuna—*Asia:* French Asian Dependencies
Western Sahara—*Africa*: Morocco
Western Samoa—*Asia*: Samoa
West Germany—*Europe:* Germany, Federal Republic of
West Irian—*Asia:* Indonesia
Windward Islands—*Americas:* Dominica; St. Lucia; St. Vincent and the Grenadines

Xisha Islands—*Asia:* China (Paracel Islands)

Yemen, People's Democratic Republic of (PDRY)—*Asia*: Yemen
Yemen, Republic of—*Asia*
Yemen Arab Republic (YAR)—*Asia*: Yemen
Yugoslavia—*Europe:* Serbia and Montenegro
Yukon Territory—*Americas:* Canada

Zaire—*Africa*: Congo, Democratic Republic of
Zambia—*Africa*
Zimbabwe—*Africa*