



THE AFRICAN LETTER

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OBSERVING TELECOMMUNICATIONS MARKET IN AFRICA

THE NEED FOR AFRICAN COUNTRIES TO BUILD EFFECTIVE
COMMUNICATION NETWORK IS SO URGENT OPPORTUNITIES
ARE BOUND TO OPEN UP FOR COMPANIES IN THE
COMMUNICATION INDUSTRY.

Most African governments are now more convinced than ever of the importance of efficient telecommunications for economic development. There are indeed many plans on the drawing boards in various African cities waiting for implementation. The problem has been the lack of money for the project. The general feeling is that donor countries and financial institutions may reconsider "telecommunications" in Africa once again. Consolidation and relatively modest expansion of existing systems will be the main source of work in the next couple of years. The continent also offers some exciting longer term possibilities. However, authorities are becoming increasingly cost conscious, one growing sector could be the supply of refurbished equipments. The authorities that do find themselves in the position to invest in substantial new systems are increasingly choosing digital equipment.

Some of the year's encouraging news is on the international front. The Pan-African Telecommunications Network (Panaftel). Already half of its 120-odd planned links to establish direct transmission by microwave, satellite and cable between African countries are in place. A further 14 routes are rescheduled for completion before the end of 1986.

Finance has been found for 22 connections — manufacturers of radio relay systems must watch the market. There are also 216 telecommunication schemes valued at \$1,692m — adopted for inclusion in the 1984-88 second-phase program of the UN Transport and Telecommunication Decade in Africa.

Rural systems are also, a high priority. Many African countries are in the market for telephone exchange equipment worth at least \$125 million until 1988. Guinea, for example, hopes to inject \$90m. Congo also wants to extend and rehabilitate urban telephone networks and exchanges, costing \$35m. A project funded by Italy and Sweden and costing \$27m, will help Ethiopia to procure 62,000 automatic switching lines and 2,800 older manual lines.

GHANA'S ECONOMIC OUTLOOK IMPROVES

Ghana's economy has encountered major difficulties in recent years. For a decade (1974-84) the economy deteriorated severely. It experienced a structural breakdown. In all, the country suffered from social, economic and political collapse. The second return to power of Flt. Lt. Jerry Rawlings has meant a brighter outlook for Ghana's troubled economy. The stunning achievement of finance secretary, Dr. Botchway to attract European donors, as well as IMF and World Bank money into the country, has meant more effective policy-making and implementation than Ghana has seen, since independence.

Companies should anticipate a spate of swift decisions aimed at solving crucial economic problems, including the rehabilitation of the existing infrastructure, finding solutions to power shortages; an increase in the production of agricultural products and minerals.

While the authorities are pursuing a policy of "self reliance" or "self sufficiency" in order to erect new social and economic structures, they will allow businesses a free hand in the private sector. Already, an investment guide published in 1981 shows the willingness of the PNDC to welcome foreign businesses.

Opportunities are in agriculture, mining, and railroad network, and the rehabilitation of the existing structure.

IN OTHER MATTERS

- Some \$5 million worth of mining equipment will be bought in the next few months as part of the rehabilitation programs geared towards the mining industry.

- The 1984/85 cocoa crop is expected to be some 180,000 tonnes. The 1983/84 crop was put at 158,000 tonnes.

BOOKER T. WASHINGTON FOUNDATION RECEIVES GRANT TO HELP U.S. - AFRICA TRADE

The BOOKER T. WASHINGTON FOUNDATION in Washington D.C. has received a grant of \$1.5 million to help U.S. small and minority-owned businesses establish joint ventures with African businesses. The grant was provided by the U.S. Overseas Private Investment Corporation (OPIC) and U.S. Agency for International Development (USAID). The BTW will coordinate the program through an office to be set up in Abidjan. The organization will concentrate on the West African market.

For further information, write,
200 K Street N.W. Washington, D.C. 20006

INSIDE - BUSINESS OPPORTUNITIES IN GUINEA

AS THE GUINEAN GOVERNMENT SETS OUT TO
REHABILITATE THE COUNTRY'S INDUSTRY,
OPPORTUNITIES IN TRANSPORTATION,
COMMUNICATION AND AGRICULTURE OPEN UP.

.....see pp 106

BENIN

FOURTH ROAD PROJECT. Resurfacing 169 kilometres of the Igolo-Cotonou-Hillaconji road. The project is financed by the International Development Association (IDA), and the OPEC Fund for International Development. Bidding open to World Bank member countries, Switzerland and Taiwan. Details, on payment of CFA 75,000 plus CFA 15,000 for postage from Ministère de l'Équipement et des Transport (Direction des Routes et Ouvrages d'Art), BP 351, Cotonou. Bids must be drawn up in French with four copies. CD 14 December.

GUINEA

RICE DEVELOPMENT PROJECT. Supply of the following to Organization Nationale pour le Développement de la Riziculture (Onader) under articles and conditions of sales no. 6 - Onader: 1) 890 tonnes of compound fertiliser; 2) 50 tonnes of urea; 3) 50 tonnes of simple superphosphate; 4) six tonnes of ammonium sulphur coating; 6) 1,000 sack; and, under articles and conditions of sales no. 7 - Onader: 1) one road tractor, one semi-trailer; and 2) one light diesel pick-up. The project is financed by the International Development Association and the African Development Bank. Details, on payment of US\$ 150, from Ministère de l'Agriculture, Onader, BP 583, Conakry; Euroconsult, Beaulieustraat 22, 6814 DV Arnhem, Netherlands; or Louis Berger, 71 rue Fondary, 75015 Paris, France. CD not stated.

IVORY COAST

RURAL ELECTIFICATION PROJECT. ADVANCE NOTICE. Installation of low-and-medium tension power lines for the Araignee centre at Man, in the following lots: 103) 180 kilometres of 33- and 19-k V medium-tension lines and 70 kilometres of 220/440-V low-tension lines, including electrification of 30 villages; 105) 140 kilometres 33- and 19-K V medium-tension lines and 45 kilometres of 220/440-V low-tension lines, including electrification of 30 villages; a) 105) 140 kilometres 33- and 19-k V medium-tension lines and 45 kilometres of 220/440-V low-tension lines, including electrification of 20 villages. Tender documents available from 15 September for 103, 15 October for 104 and 105, and 1 May 1985 for 106. The project is partly-financed by the World Bank. Details on payment of CFA 25,000 a lot by crossed cheque payable to L'Énergie Electrique de la Côte d'Ivoire (EECI) - from EECI, 91 BP 1345, Abidjan. CD not stated.

SEYCHELLES

HOSPITAL EQUIPMENT. Supply of the following equipment to Victoria referral hospital: general office furniture, ward furniture and equipment; diagnostic equipment; hollow-ware neonatal equipment; anaesthetic, surgical and electro-medical equipment; operating theatre instruments; laboratory equipment; catering and refrigeration equipment. The project is financed by the African Development Bank (AfDB) and bidding is open to natural and legal persons of its member states. Goods must be produced in member state countries. Details - on payment of SR 500 or US\$77 payable by bankers draft to National Consultancy Services, Investment House, Mont Fleuri, PO Box 31, Victoria. The dossier may be inspected through the general manager at the above address or at AfDB headquarters in Abidjan, Ivory Coast or AfDB regional offices in Nairobi. Tenders using registered post or airfreight must inform the general manager by telex indicating place, date and time of posting. Tenders outside Seychelles should be sent by airmail. Bids must be in English. CD 28 December.

CAMEROON

EXTENSION. Extension of Organisation Africaine de la Propriété Intellectuelle (OAPI) in three lots: 1) equipment supply for microfilm laboratory; 2) supply of mini-computers and installation of information processing system, and 3) supply of printing press equipment. The project is financed by the EEC and European Development Fund. Bidding open to EEC member countries and African, Caribbean and Pacific (ACP) member states signatory to Lomé 2. Bids must be drawn up in English or French. CD 17 December.

CD.....closing date.

EGYPT

INSTRUMENTS. Tender no. 355 G8/666. Supply of instruments for electronics repair centre. Details on payment of E£30 from Purchases & Supplies Department, Egyptian National Railways, over Shoubra Subway, Shoubra, Cairo. CD 12 December.

HYDRAULIC TOWER VEHICLE. Tender no. 724/84. Supply of hydraulic tower vehicle for use on roads and on 1435-millimetre-gauge railways, and for repairs to 600-V direct-current tram network. Details on payment of E£27 from Purchases Department, Alexandria Passenger Transport Authority, 3 Aflaton Street, Shataby, Alexandria. CD 22 December.

CHAD

ROAD WORKS. Tender no. 2157. Supply of materials and personnel to upgrade and maintain 560 kilometres of the Ndjamenia-Sarh road. Work will last about 36 months. The EEC has been asked for finance. Details, on payment of ECU 87 or the equivalent, from Direction des Travaux Publics, BP 436, Ndjamenia, or any EEC information office. CD 7 December.

EQUATORIAL GUINEA

COCOA REHABILITATION PROJECT. GENERAL PROCUREMENT NOTICE. Supply of vehicles and equipment, farm chemicals, short term consultancy services for project evaluation, a feasibility study, cocoa propagation, drying and pest control. The government has applied for a US\$12. million International Development Association (IDA) credit from another co-financier. Details from Ministro de Agricultura, Ganaderia & Desarrollo Rural Malabo. CD not stated.

ETHIOPIA

AGRICULTURE & TRANSPORT REHABILITATION. Supply of office and workshop equipment and vehicle parts for the following tenders: 1) office equipment including typewriters, calculators, duplicators, filing cabinets and wire stitching machines; 2) vehicle spares for Nissan models; 3) vehicle spares for Land-Rover series 2 and 3 models; 4) vehicle spares for Toyota models; 5) vehicle spares for Suzuki models; 6) vehicle spares for Toyota models; 7) tyres and tubes for Nissan, Land-Rover and Toyota vehicles, and 8) workshop equipment. The supply is financed by the International Development Association (IDA) and

International Fund for Agriculture Development (IFAD). Details, on payment of £15 for each package/tender, from Crown Agents, East African Department, 4 Millbank, London SW1P 3JD, UK, telex 916205, telephone 01 2227730. Reference number BB4R/Ethiopia Q1983/442; tender number should all be quoted. CD 1 December.

ZIMBABWE

URBAN DEVELOPMENT PROJECT. GENERAL PROCUREMENT NOTICE. Urban development project comprising the following: off-site infrastructure for servicing about 11,500 residential sites in Harare, Bulawayo, Mutare and Masvingo; community facilities including primary schools, clinics, community halls and administration offices for the residential areas; traffic management improvements and public transportation facilities in Harare, in-service training programmes and related equipment and vehicles for technician-level staff in all urban authorities; studies, vehicles and equipment for development of Urban transport policies, traffic safety measures, transportation data management, consultant support, vehicles and equipment to the project towns and executing ministries for project implementation. The World Bank has approved financing for the project, which is being co-financed by the societies of Zimbabwe. The project will start at end-1984 and will be carried out over six years. Details from Permanent Secretary local government & Town planning Ministry, Harare. CD not stated.

MADAGASCAR

SANITATION WORKS. Tender no. Madagascar/14 First phase sanitation works at Antanarivo comprising 1) supply of equipment for rainwater pumping station; 2a) civil works for rainwater pumping station; 2b) dikes with bridges and canals; 5b) assembly of heater pipes, and 8) urban sanitation works. The project is financed by the International Development Association. Details from Ministère de Travaux Publics, de l'Urbanisme & de l'Habitat, Anosy, Antanarivo. CD 15 December.



PROSPECTS FOR PROFITS

GUINEA

The Next Five Years

- New government shifts to the West.
- Opportunities for Transportation, Communication and the Agricultural Industry
- Impressive market

Investment

With the passing of an era in Guinea, and the dawning of an age where private enterprise seems to be the new watchword, Colonel Conte has just signed a new investment code aimed at stimulating economic activity.

The code provides significant new guarantees for investors wanting to participate in the new government's economic development program; existing investors can benefit from the code's provision in any expansion or modernization they may be considering. The code guarantees against nationalization and proposes repatriation of capital and profits. Foreign companies can now acquire property and exploitation rights on the same basis as Guineans. Key factors for approval of foreign investments are that it should satisfy national needs, enhance the value of national resources by local processing and increase the national value added. They should also create jobs, provide training and promote less developed regions.

Transport Needs

Totalling 245,857 sq. km. Guinea possesses only 14,000 km. of road "network" and 1,100 km. of railways. The short-term resurrection of Guinea's agricultural sector and indeed development, depends upon the rapidity with which the country eases the transportation dilemma — an opportunity for firms in the construction industry.

Jean Lefebvre of France has already been awarded contract for the 127 km. Guekedou-Seredou portion of highway worth \$96m. Finance is coming from a group of Arab OPEC countries. All indicators predict that there are more projects of this nature on the drawing board. The country is also looking into the rehabilitation of the railway system.

In addition to road and rail projects, the authorities are giving top priority to agro-industry projects, the building of a new port near Conakry and the development of power production.

Guinea's finances are projected to enjoy a considerable boost from the newly started Aredor alluvial diamond exploitation scheme. The project is expected to begin yielding 250,000 carats, a year soon, with maximum production of one million at 90 per cent gem quality.

The Mitergni-Nimba iron ore scheme is likely to proceed in the near future. (Shareholders are Guinea 50 per cent; Japan, Nigeria, France, Spain, Romania; with U.S. steel as the managing partner). Bauxite is of course mined, and contributes heavily to the economy. There is also prospecting for oil. The World Bank and Canada are financing onshore exploration near the border with Sierra Leone.

Currency

Decision-makers in Guinea are debating as to what step should be taken to provide the country with a strong currency.

Presently, the national currency, the SYLI, is weak and inconvertible. The only solution, is to replace the SYLI. There are speculations that, the present government will return to the CFA franc zone. But there are those who believe that Guinea must maintain a sovereign currency. Guinea's monetary decision is likely to be made public after the conclusion of ongoing talks with the IMF.

Social Dynamics

The social tension that beset Guinea during the Sekou Toure regime seems to be vanishing. The subsequent blossoming of free expression, however, has obliged the new government to speed up judicial reforms so badly needed to assure citizens their rights. The government has abolished the "people's tribunals" instituted by the former regime and has adopted a new penal code, the presumption of innocence until proven guilty and the right of appeal. With the system in place, the deposed elite, without doubt, are to be tried for repression, brutality and corruption.

Politics

The seven month old government of Colonel Lansana Conte has moved to restore democratic freedoms. The first pronouncements of the government, following the April 3, coup d'etat, strongly hinted that Guinea was to be liberalised. The process has begun.

Under the old regime, the government reserved the right to check all bank accounts and there was a stern limit on cash withdrawal. Now, the CMRN gives bank customers the right to privacy and to take out as much money as they wish. The government has announced the freedom of anyone to own property, both inside and outside the country, and to remit such property within the framework of government regulation. The military authorities have eliminated the government payment of taxes in kind in rural areas; these taxes were unpopular during the Toure years. In addition, the new government has abolished administrative obstacles to the free movement of Guineans within their own country. Guineans can also travel abroad freely.

The Conte government has abolished all existing ideology courses in schools and has expressed its willingness to accept foreign technical assistance.

Since 3rd April, most Guineans who left during the reign of Sekou Toure, are returning home. The military regime can also count on the return of Guinean teachers who fled the country. Already, over 200,000 people have returned.

Economy

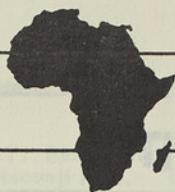
Outlook for business is encouraging, although the country's economic situation deteriorated considerably under the former regime. Problems to be dealt with are: an underdeveloped infrastructure, poor transportation system, galloping inflation, structural problems and incoherent agricultural policy.

Many industries are at a standstill because of irregular and insufficient supplies of imported spare parts and raw materials.

The external debt is estimated at \$1,600m. Much of it is guaranteed suppliers' credit. \$900m of this is re-schedulable according to some IMF officials. There is also approximately \$450m owed to the Eastern bloc, for which separate rescheduling arrangements need to be made.

It is rumoured in both Conakry and Washington that the government and IMF will agree on a stabilization program. This will clear the way for a club of Paris debt rescheduling in 1985.

Already the World Bank is discussing with the government on an \$18m credit to finance imports necessary to begin structural adjustment and rehabilitation. IDA may also contribute \$5.4m for a power master plan; an \$8.9m technical assistance credit for management, including investment programming and project identification; a \$10m livestock development credit; and a \$5.5m water supply credit.



EXECUTIVE BRIEFING

NORTH AFRICA



Tunisia: The last two large dams in the current five-year plan will go to tender in spring 1985. SNC International of Montreal which designed one of the dams has produced financing proposals to back a construction bid from a consortium of Canadian companies. Total cost of project is US \$48m.

Oil Law — There is a new law aimed at encouraging the development of small oil discoveries. The new incentives will not apply to existing concessions. Details of the law will be available in 1985.

Morocco: Grain supply tenders are to be called soon.

- Offers have been invited for the renovation of grain silos at Safi and Casablanca ports. Morocco has withdrawn its representatives from the OAU. Before the OAU meeting (Nov. 12-15) King Hassan repeated his threat to withdraw from the OAU, if Western Saharan secessionists take up a seat at the summit in Addis Ababa.

Libya: Transmark, the UK firm, has submitted its report on the third phase of a French study on the organization of a planned rail network. The French company Transmark was hired to provide a second opinion.

Algeria: The US chemical bank has withdrawn from an 11-member syndicate bidding for the mandate to raise a \$500 million Euroloan for Algeria. Two other US institutions, Chase Manhattan Bank and Bank of America have declined to join the syndicate.



SOUTHERN AFRICA

Botswana: USAID and Eximbank are to back General Electric company's bid for a contract to provide locomotives to the Botswana government with \$25m. General Electric Canada, the principal competitor, is also being backed by the Canadian government.

Mozambique: About \$200-\$250m of bilateral debt has been rescheduled under an agreement with Western creditors. Repayments will be over eleven years, beginning in June 1990. - Eneias Comiche, the Deputy Finance Minister, has been appointed to head the foreign investment promotion office set up to support foreign investment initiative.

Zambia: The Bank of India is to take a 20% stake in Indo-Zambia Bank, which is due to start operations in the first week of December.

Zaire: The Brazilian firm; Constructora Andrade Gutierrez, is reported to have won a contract to build and equip a mineral refinery at Kilo.

- Cometra oil company of Belgium — a member of a three-member consortium engaged in offshore oil exploration, has given a U.S. concern an option to buy its interest in Zaire. The company holds a 17.72% share in concession including the Mibale, Lukami and Libwa fields.

EAST AFRICA



Ethiopia: A \$40m trade agreement with Jordan for 1985 has been signed.

Kenya: Kenya Airways, which is seeking replacement for its fleet of three Boeing 707's and one 720 has been offered a deal by Banque Indosuez. The bank wants to arrange a financing package for Kenya Airways should it decide to buy from Airbus. In the U.S. however, the Eximbank is prepared to offer funding, should KA buy Boeing.



WEST AFRICA

Nigeria: The Buhari government has warned that it will revoke import licences issued for industrial raw materials or general goods if they remain unclaimed two weeks after being issued. The order does not affect licences of World Bank projects.

- Brazil is to supply Nigeria with a \$500m package of manufactured goods and raw materials over a 12-month period. In return, Nigeria is to increase the shipments of crude oil to Brazil by about 40,000 b/d.

Sierra Leone: A new system for allocating foreign exchange is operating on an interim basis. However, formal approval by the IMF, has not been received.

Ivory Coast: Rice imports will drop sharply this year from 450,000 to 280,000 tonnes in 1983. The cost of imports will drop from \$95.3m to \$60.6m in 1983.

- The contracts of 116 striking flight crew of Air Afrique have been cancelled by an Industrial Relations court. No notice of compensation was given.

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