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This paper provides background information to the staff report for the 1976 Article XIV consultation discussions with Niger, which was circulated as SM/77/1' on January 11, 1977.

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INTERNATIONAL MONETARY FUND

NIGER

Recent Economic Developments

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Approved by the African Department and the Exchange and  
Trade Relations Department

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List of Abbreviations

BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest
BDRN	Banque de Développement de la République du Niger
BIAO	Banque Internationale pour l'Afrique de l'Ouest
CCCE	Caisse Centrale de Coopération Economique
CCP	Comptes Courants Postaux
CEAO	Communaute Economique de l'Afrique de l'Ouest
CFDT	Compagnie Française pour le Développement des Fibres Textiles
CN	Crédit du Niger
CNCA	Caisse Nationale de Crédit Agricole
CND	Conseil National de Développement
COMINAK	Compagnie Minière d'Akouta
COPRO-NIGER	Société Nigérienne de Commercialisation et de Production
CPCT	Caisse de Prêts aux Collectivités Territoriales
CSPPN	Caisse de Stabilisation des Prix des Produits du Niger
EC	European Economic Community
FAC	Fonds d'Aide et de Coopération
FAEC	French Atomic Energy Commission
FED	European Development Fund
FNI	Fonds National d'Investissement
ImF	Impôt du minimum Fiscal
INRAN	Institut de Recherches Agronomiques
NIGELEC	Société Nigérienne d'Electricité
NITEX	Société Nigérienne des Textiles
OFREMIG	Office de Recherches Minières et Géologiques
ONAREN	Office National des Ressources Nigériennes
ONERSOL	Office de l'Energie Solaire
OPT	Office des Postes et Télécommunications
OPVN	Office des Produits Vivriers du Niger
ORTN	Office de Radiodiffusion et Télévision du Niger
SOMAIR	Société des Mines de l'Air
SONARA	Société Nigérienne de Commercialisation de l'Arachide
SONICHAR	Société Nigérienne de Charbon
UMOA	Union Monétaire Ouest Africaine
UNCC	Union Nigérienne de Crédit et de Coopération
UNTN	Union Nationale des Travailleurs du Niger

NIGER - Basic Data

Area, population, and GDP per capita

Area	1,267,000 square kilometers
Population: Total (1975)	4.6 million
Growth rate	2.7 per cent
Density	3.6 persons per square kilometer
GDP per capita (1975)	SDR 109.9

Gross domestic product at 1972 prices

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
	(Index: 1972 = 100) 1/			
Rural sector	69	88	80	105
Mining	109	129	150	184
Industry and services	119	103	119	122
Commerce	98	105	116	128
Government	96	100	98	113

Total GDP  
(in billions of CFA francs)

Annual percentage change

Consumer price index (African consumption): 1972 = 100

Treasury cash operations

	<u>1973/74</u>	<u>1974/75</u>	<u>1975/76</u> Prov	<u>1976/77</u> 2/ Budget
	(In billions of CFA francs)			
Revenue	15.5 3/	20.6	25.7	32.2
of which: Uranium 1/	(1.0)	(2.5)	(4.5)	(8.0)
Current expenditure	13.3	15.3	20.0	23.3
Other operations (net)	0.1	1.0	-0.1	-0.6
Current surplus	2.1	6.3	5.6	8.3
Investment expenditure	2.7	3.5	4.0	10.9
External grants	0.5	0.8	1.5	--
Overall surplus or deficit (-)	-0.1	3.6	3.1	-2.0
Financing				
Banking sector	-1.0	-3.6	-3.7	2.0
Other domestic sources	1.1	-0.6	0.6	--

NIGER - Basic Data (concluded)

Monetary survey (end of period)

(In billions of CFA francs)

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u> <sup>1/</sup>
Foreign assets (net)	11.9	10.7	11.0	14.8
Domestic credit	9.1	13.8	17.1	23.8
Claims on public sector (net)	(-3.4)	(-7.2)	(-11.5)	(-10.5)
Claims on private sector	(12.5)	(21.0)	(28.5)	(34.3)
Money	13.6	17.6	20.1 )	
Time deposits	1.9	2.7	2.2 )	32.3

(Percentage change)

Domestic credit	25.5	52.5	23.4	39.5
of which: Private sector	(16.7)	(68.3)	(36.1)	(20.2)
Money and quasi-money	20.2	31.0	9.8	44.8

Balance of payments

(In millions of SDRs)

	<u>1973</u>	<u>1974</u> <sup>1/</sup>	<u>1975</u> <sup>1/</sup>	<u>1976</u> <sup>1/</sup>
Exports, t o.b	83.7	71.3	102.5	97.6
Imports, c.i.f.	-117.3	-160.9	-138.6	-146.6
Trade balance	-33.6	-89.6	-36.1	-49.0
Services (net)	-3.0	-17.3	-14.6	-24.3
Balance on goods and services	-36.6	-106.9	-50.7	-73.3
Unrequited transfers (net)	57.3	98.6	44.2	49.4
Nonmonetary capital (net)	-2.3	17.3	8.1	38.1
Monetary capital	-0.5	-0.1	3.8	-4.1
Errors and omissions	-15.1	-12.1	--	--
Overall surplus or deficit (net)	2.9	-4.2	5.3	10.1
Net reserves (increase -)	-2.9	4.2	-5.3	-10.1

Gross official foreign reserves  
(end of period)

	<u>42.0</u>	<u>37.2</u>	<u>42.9</u>	<u>69.5</u> <sup>4/</sup>
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Relations with the Fund

Quota	SDR 13 million, of which the equivalent of SDR 2.1 million has been paid in gold (proposed. SDR 16 million)
Par value	Not yet established
Intervention currency and rate	French franc; CFAF 50 = F 1
SDR/local currency equivalent	SDR 1 = CFAF 288.70 (December 30, 1976)
Use of Fund resources	None
Net cumulative allocation of SDRs	SDR 4.4 million
Holdings of SDRs (January 31, 1977)	99.0 per cent of net cumulative allocation
Eligible for Trust Fund assistance	0.346 per cent of total

<sup>1/</sup> Staff estimates or projections.

<sup>2/</sup> Includes additional receipts from uranium.

<sup>3/</sup> Includes CFAF 1.3 billion in direct budgetary support from France.

## I. National Income and Production

Niger is one of the largest landlocked countries in Africa, with an area of 1,267,000 square km and a population of 4.5 million. The great bulk of the country consists of desert, while the remainder is essentially Sahelian grassland. Agriculture and nomadic livestock raising are the major economic activities in the rural sector, providing livelihood for most of the population and together accounting for about half of the gross domestic product (GDP); in normal years agricultural products provide more than half of Niger's export receipts. Uranium mining, which started on a large scale in 1971, has contributed significantly in recent years to the growth of the mining sector, of GDP, and of exports, and has helped soften the impact of the protracted drought on the economy. With the return of favorable weather since 1974 and a continued strong performance of the mining sector, growth has resumed and is estimated to have reached a record level in 1976.

### 1. Gross domestic product

Official estimates for Niger's GDP are available only through 1972. On the basis of these data and the sectoral production and other indices, the staff has constructed a series of GDP for the years 1973-76 (Table 1). During 1973, the worst year of the drought, output in the agriculture and the livestock sectors was severely curtailed, and the value of commercial activities and government services declined somewhat, owing to the depressed state of the economy. Notwithstanding the strong performance in the industrial and mining sectors and in nongovernment services during 1973, real GDP declined by 14 per cent. With improved weather conditions during 1974, the production of food crops (mainly millet and sorghum) and cash crops (groundnuts, cotton, and cowpeas) increased, and the livestock sector advanced markedly (Table 2). In the industrial sector, the value of agricultural processing was only about 41 per cent of its level in 1973, reflecting essentially sharp declines in the processing of cash crops. With continued rises in the output of the mining sector and expansion in commercial and government services, total real GDP grew by 10.5 per cent in 1974. Nevertheless, a large food deficit persisted throughout most of the country and was met by large-scale emergency food and financial aid from abroad.

Along with insufficient and untimely rains during the planting season in 1975, there was a sudden emergence of disease and pests, which virtually destroyed the groundnut crop and further reduced the output of cereals. The livestock sector, on the other hand, grew much faster in 1975 than in the year before, owing in part to the reconstitution program which was initiated in 1974. Most other sectors of the economy experienced growth during the year, but as this barely made up for the decline in the agricultural sector, real GDP increased by only 1.1 per cent to CFAF 104 billion. On the basis of available preliminary data, the staff has estimated an 18.7 per cent rise in overall GDP to CFAF 124 billion in



Table 1. Niger: Gross Domestic Product, 1972-76

(Index 1972 = 100)

	Weights (1972)	1972	1973	1974	1975	1976
<u>Agriculture, forestry, and fishing</u>	<u>36.6</u>	<u>100</u>	<u>71</u>	<u>99</u>	<u>86</u>	<u>120</u>
Subsistence crops	28.0	100	80	96	94	131
Cereals	(24.4)	(100)	(69)	(98)	(74)	(115)
Other	(3.6)	(100)	(156)	(189)	(226)	(240)
Cash crops	8.6	100	41	63	59	86
Groundnuts (unshelled)	(5.5)	(100)	(30)	(50)	(16)	(48)
Cotton (unginned)	(0.1)	(100)	(67)	(133)	(150)	(167)
Cowpeas	(2.5)	(100)	(64)	(92)	(152)	(174)
Other	(0.5)	(100)	(30)	(50)	(16)	(48)
<u>Livestock</u>	<u>19.3</u>	<u>100</u>	<u>64</u>	<u>66</u>	<u>70</u>	<u>76</u>
Cattle	10.0	100	52	55	59	61
Sheep and goats	2.5	100	78	77	83	91
Other	6.8	100	78	77	83	91
<u>Industry, transportation, construction, and services</u>	<u>23.1</u>	<u>100</u>	<u>119</u>	<u>103</u>	<u>119</u>	<u>122</u>
Agricultural processing	8.2	100	118	48	74	67
Groundnuts	(6.6)	(100)	(102)	(30)	(50)	(16)
Cotton	(0.2)	(100)	(67)	(44)	(89)	(100)
Cowpeas	(1.4)	(100)	(200)	(128)	(185)	(304)
Energy	0.5	100	119	133	143	152
Other	14.4	100	119	133	143	152
<u>Mining</u>	<u>1.4</u>	<u>100</u>	<u>109</u>	<u>129</u>	<u>150</u>	<u>184</u>
<u>Commerce</u>	<u>14.2</u>	<u>100</u>	<u>98</u>	<u>105</u>	<u>116</u>	<u>128</u>
<u>Government</u>	<u>5.4</u>	<u>100</u>	<u>96</u>	<u>100</u>	<u>98</u>	<u>113</u>
Total GDP index	100.0	100	86	95	96	114
GDP at 1972 prices <sup>1/</sup>		108.7 <sup>2/</sup>	93.5	103.3	104.4	123.9
Consumer price index		106	112	115	126	132
GDP at current market prices <sup>1/</sup>		137	104.7	118.8	131.5	163.5

Source: Staff estimates based on data given in Table 2.

1/ In billions of CFA francs

2/ Official estimates.

Table 2. Niger: Volume of Production, 1972-76

	1972	1973	1974	1975	1976
<u>(In thousands of tons)</u>					
<u>Major subsistence crops 1/</u>					
Millet	919	627	883	581	1,000
Sorghum	208	126	219	254	300
Rice	32	46	30	29	30
Cassava	95	156	201	176	200
Sugar cane	54	78	75	135	135
Onions	20	29	44	71	71
<u>Major cash crops 1/</u>					
Groundnuts (unshelled)	260	77	129	42	125
Cotton (unginned)	6	4	8	9	10
Cowpeas	144	92	133	219	250
<u>(In thousands of head)</u>					
Total cattle offtake	462	242	254	275	280
Total sheep and goat offtake	3,202	2,485	2,469	2,660	2,926
<u>(In millions of CFA francs)</u>					
Government (wages and salaries) <u>2/</u>	5,182	4,954	5,202	5,092	5,849
Commerce <u>3/</u>	2,414	2,374	2,541	2,805	3,080
<u>(In metric tons)</u>					
Uranium production	867	948	1,117	1,305	1,500
<u>(In millions of kilowatt hours)</u>					
Electricity (high voltage)	21	25	28	30	32

Source: Data provided by the Nigerien authorities.

1/ The calendar year is here taken as a proxy for the crop season, which normally runs from October 1 to September 30 (see Table 1). Processing and marketing of cash crops take place within the calendar year following that of production.

2/ At 1972 prices.

3/ At 1972 prices. Estimates for commerce are derived from the total of fiscal duties on imports and the internal turnover tax.

1976, owing largely to an unprecedented advance in the agricultural sector. The sluggishness of the industrial sector stemmed from a large decline in agricultural processing, due essentially to a low level of groundnuts available for processing.

## 2. Agricultural production

Crop cultivation is confined to a strip of land in the southern part of the country where the annual rainfall varies between 350 and 850 mm. The working methods are simple, and the use of high-yielding seeds and other modern inputs is limited. Under normal circumstances, food crop production increases at the same pace as population, at about 2.7 per cent per year, and an increase in production is mostly due to favorable weather conditions, more intensive cultivation, and, to a lesser extent, increases in areas under cultivation. The difficulties that Niger has encountered in the agricultural sector were compounded in 1975/76 (October-September) by an emergence of disease and rodents which destroyed a large part of the output. The struggle against parasites cost CFAF 250 million in 1976. The overall crop loss was estimated at 300,000 tons, worth CFAF 7 billion, but the food deficit, largely cereals, was estimated at 200,000 tons.

### a. Food crops

The principal food crops, mainly for subsistence, are millet and sorghum. Millet is usually grown with groundnuts and beans without fertilizer. Developments in output of millet and sorghum depend largely on weather conditions and intensive cultivation rather than acreage. During the 1973/74 season, which was worst hit by the drought, acreage under millet cultivation declined by 8.5 per cent, while output declined by 32 per cent (Table 2 and Appendix Table I). In 1974/75, when the weather improved, acreage increased by 11 per cent, while output rose by 40.8 per cent. Similar developments are also noted for sorghum. The production of these staples has thus fluctuated widely from year to year, with that of millet reaching 581,000 tons in 1975/76--a level 37 per cent below that obtained in 1972/73. It is expected that output will reach 1 million tons for millet and 300,000 tons for sorghum in 1976/77, levels not achieved since the 1960s. The production of some other crops, such as rice, sugar cane, and cassava, has been at about the same level as in pre-drought years, due to the fact that most of these crops are cultivated in irrigated areas in the southern part of the country.

As a result of the sharp drop in food production, Niger has experienced repeated food shortages and has required sizable international assistance and imports of foodstuffs to avert widespread starvation. Between October 1973 and September 1974, when the effects of the drought were the most severe, some 185,000 tons of foodstuffs were imported from various sources by the Office des Produits Vivriers du Niger (OPVN), the state marketing institution for food crops. Despite improvements in food production in the following years, additional imports, though at a lower

level than in 1974, were needed to make up for the prevailing food deficit.

In recent years, the Government's food production efforts, which are ultimately expected to lead to self-sufficiency, have been aimed at controlling water resources by developing irrigated areas, drilling wells, and providing fertilizer at subsidized costs. The modernization of farming methods has been attempted mainly through specialized institutions such as the Union Nigérienne de Crédit et de Coopération (UNCC), which not only organizes farmers into producers' cooperatives but also trains their members in modern production methods. Efforts are being made to develop intensive cultivation by introducing draft animals, fertilizers, and pesticides. Other organizations aiming at fostering better production methods include mutual societies and training centers for young farmers (Centres de Formation des Jeunes Agriculteurs).

b. Cash crops

Groundnuts, cotton, and cowpeas are the most important cash crops produced in Niger. They provide the raw materials for the manufacturing sectors and generate a major part of export receipts.

Groundnuts, which are cultivated mainly in the regions around Zinder and Maradi in the southern part of the country, constitute the main cash and export crop. Yields, which amounted to 622 kilos per hectare in 1972/73, dropped to 211 kilos in 1973/74 and, after an improvement in 1974/75 (504 kilos per hectare), reached an unprecedented low level of 131 kilos per hectare in 1975/76. While the decline in output from 260,000 tons in 1972/73 to 77,000 tons in 1973/74 was due mainly to the adverse effects of the drought, developments during 1975/76 were due to the virtual destruction of the seeds and crop by disease and rodents, and output fell to a mere 42,000 tons of unshelled groundnuts. As a result, the oil mills, which process most of the groundnuts into oil for export, had to operate at a fraction of installed capacity, and additional groundnuts were imported from Nigeria and Senegal to the oil mills. With the return of improved weather conditions and better disease and pest control, output during the 1976/77 crop season is expected to rise threefold to 125,000 tons, which is still less than half the level obtained in 1972/73 (Table 2).

To make up for the destruction of the groundnut seeds, 10,000 tons of seeds were imported from Senegal, with financing provided by the European Development Fund (FED). Niger's annual seed requirements are estimated at about 40,000 tons, and a national plan for the development of seedlings has already been established and will be financed by the French Fonds d'Aide et de Coopération (FAC); one objective is to develop a seed variety which would increase yields considerably. With seeds imported from Senegal, yields reached as much as 1,000 kilos per hectare. The initial cost of seeds and subsequent seedling germination has been

estimated at around CFAF 150 million in 1976. As part of this program, the UNCC has been placed in charge of managing germination centers.

Additional efforts are being made in urging growers to adopt better cultivation techniques and to make greater use of selected seeds such as long cycle (110-120 days) and short cycle (90-100 days) seeds imported from the United States and various other types imported from Nigeria and Senegal.

Niger's climate and soil are only marginally suitable for cotton production, and its cultivation is mainly confined to scattered valleys with favorable ecological and hydrological conditions in the province of Tahoua. Production in this area accounts for over four fifths of total cotton output. It is estimated that the annual productive capacity is 20,000 tons of unginned cotton; hence, cotton is not likely to become a major crop in Niger.

Except for 1973/74, total cotton acreage has increased steadily, from 15,000 hectares in 1972/73 to 17,000 hectares in 1975/76. Growth in output has also remained steady, rising from 6,000 tons of unginned cotton in 1972/73 to 9,000 tons in 1975/76, with average yields rising from 400 kilos per hectare in 1972/73 to 529 kilos per hectare in 1975/76. Irrigated cultivation, which represents about 8 per cent of total area under cotton cultivation and provides 13 per cent of total cotton production, was partly responsible for the relatively good performance of the cotton sector.

Cowpeas (niébé) are produced on a wide area ranging between 715,000 hectares and 914,000 hectares. Output has followed the trend of other major agricultural products, falling from a level of 144,000 tons in 1972/73 to 92,000 tons in 1973/74, before rising to a record level of 219,000 tons in 1975/76. Output is expected to rise further by 14 per cent to 250,000 tons in 1976/77 as a result of improved weather conditions and continued use of pesticides. It should be noted that during the 1975/76 production season, when many seeds and crops were decimated by disease and predators, the output of cowpeas rose by about 65 per cent as a result of increased extension services provided to the farmers in the area of pest control, with a view to meeting the strong demand in Nigeria, where most of the output is exported after processing.

### 3. Marketing arrangements for agricultural products

#### a. Producer price policies

Producer prices are determined each year, usually just before harvest time, by a committee comprising officials from all ministries and those from the institutions in charge of purchasing and marketing agricultural commodities. In recent years producer prices have been kept relatively stable as a means of stabilizing producers' income (Table 3). At the

same time, the selling prices of imported as well as locally produced essential commodities have been kept low, as a means of maintaining producers' real income. On the whole, the most noticeable increases in producer prices took place during 1973/74, when severe production deficits occurred. However, in light of the seriousness of the shortages that occurred at that time, necessitating emergency food aid from abroad, producer prices could have been raised much higher. After 1973/74 producer prices have been kept virtually unchanged, except in 1976/77, when the producer price for cowpeas was lowered from CFAF 40 to CFAF 30 per kilo.

Table 3. Niger: Producer Prices for Major Agricultural Products,  
1972/73-1976/77

(In CFA francs per kilo)

	1972/73	1973/74	1974/75	1975/76	1976/77
Millet	20.0	27.5	25.0	25.0	25.0
Sorghum	17.0	21.5	20.0	20.0	20.0
Rice	21.5	30.0	35.0	35.0	35.0
Groundnuts (unshelled)	16.0	19.0	40.0	40.0	40.0
Cotton	32.0	37.0	47.0	47.0	47.0
Cowpeas	27.5	35.0	40.0	40.0	30.0

Source: Data provided by the Nigerien authorities.

b. Foodstuff marketing

The marketing of foodstuffs is regulated by the Office des Produits Vivriers du Niger (OPVN), which was also in charge of the relief food effort during the drought years. The main objectives of OPVN, an official entity founded in 1970, are to ensure remunerative prices for producers and to avoid sharp fluctuations in prices for consumers. Fair prices are ensured to the consumer by buying foodstuffs in surplus areas and selling them in areas where food shortages exist. Purchases from farmers at officially set prices are made either directly, through cooperatives, or through approved private traders. OPVN sells these commodities to wholesale outlets and realizes a commission on the sales.

- 3 -

In normal years, OPVN markets an average of 50,000 tons of cereals; however, with the catastrophe that hit the agricultural sector in recent years, marketed output of cereals has declined sharply, reaching 15,000 to 20,000 tons during 1974/75 and 1975/76. These developments have necessitated the import of cereals from Upper Volta and Mali, which was prefinanced by OPVN out of its own resources.

Despite the intervention of OPVN in the pricing and distribution network, there still exist wide discrepancies between official prices and prevailing market prices. While OPVN is committed to sell a 100 kilo bag of millet at CFAF 3,000 throughout the country, retail prices in early Autumn 1976 had reached CFAF 5,000 in most stores in Niamey and CFAF 10,000 in Agadez.

Until the end of 1975/76 OPVN had the marketing monopoly of cowpeas, which had proven to be very profitable. It marketed 14,000 tons of cowpeas in 1974/75 and 30,000 tons in 1975/76. The profits derived from the marketing of cowpeas more than offset deficits on other operations. The marketing of cowpeas has been transferred to the Société Nigérienne de Commercialisation de l'Arachide (SONARA), and, since the volume of emergency food aid has become negligible, financial difficulties for OPVN are expected to re-emerge.

Presently, OPVN's financing consists largely of its own resources, banking system advances (which are fully guaranteed by the Government), and occasional grants from the Fonds National d'Investissement (FNI) for the improvement of rice production and marketing.

The marketing of imported foodstuffs and other essential goods is performed by the Société Nigérienne de Commercialisation et de Production (COPRO-NIGER), which, like OPVN, is instrumental in holding in check pressures on prices of widely consumed imported items such as sugar, salt, green tea, wheat flour, milk, and tomato paste. The activities of COPRO-NIGER are described in full below under the section dealing with commerce.

### c. Marketing of export crops

In order to protect, as much as possible, producers' income from sharp annual variations resulting from fluctuations in world market prices, a special stabilization fund, the Caisse de Stabilisation des Prix des Produits du Niger (CSPPN), was established in 1960. Its resources are derived from contributions by the various marketing institutions and from indirect taxes on exports.

#### (1) Groundnuts

The marketing of groundnuts abroad and the supplying of groundnuts to local oil pressing mills is handled by a mixed enterprise, the Société Nigérienne de Commercialisation de l'Arachide (SONARA). A description of SONARA's activities is found in SM/75/135, pp. 43-44.

SONARA purchases groundnuts from UNCC and from private marketing agents, who buy directly from the farmers at the minimum producer price in force. Since 1974 the official producer prices for groundnuts have been maintained at CFAF 55 per kilo shelled and CFAF 40 per kilo unshelled. SONARA pays a commission to the agents and to UNCC for their services; the latter receives CFAF 3 per kilo of shelled groundnuts and CFAF 2.4 per kilo of unshelled groundnuts. The coefficient of conversion of unshelled groundnuts into shelled groundnuts is estimated by SONARA to be 2/3, which, under the present price differential between shelled and unshelled (CFAF 15 per kilo), does not make it worthwhile for the farmers to shell their groundnuts. In 1976/77 about 75 per cent of all groundnuts purchased by SONARA are likely to be unshelled.

The Government has recently requested that first priority be accorded to providing groundnut oil mills with inputs. Most of the crude oil and cake is exported by the processors, but a small proportion is reserved to meet domestic demand. Of the 1975/76 crop, which was decimated by rodents, only 3,600 tons of shelled groundnuts were purchased by SONARA, and none of that crop was available for export in that year. However, there was a 20,000 ton carry-over from 1974/75, of which 13,000 tons were exported and 7,000 tons were sold to the oil mills. In addition, the oil mills were able to purchase 3,600 tons out of the 1975/76 crop of 5,000 tons of shelled groundnuts (Appendix Table II). However, this was not enough to supply the mills, and they were forced to operate at a fraction of their capacity of 105,000 tons.

SONARA's financial condition has been under severe pressure since 1973/74, when output was most seriously affected by the drought. In that year gross operating receipts and expenditure fell by more than half, and net profits fell from CFAF 234 million to only CFAF 57 million (Table 4). Despite improvements in receipts in 1974/75, sharp increases in marketing costs and management problems emerged as SONARA attempted to diversify into fields unrelated to groundnuts, and led for the first time to a deficit of CFAF 1.5 billion. This forced SONARA to resort to bank borrowing to strengthen its financial position, and accordingly interest payments rose from CFAF 57 million in 1973/74 to CFAF 439 million in 1974/75. The overall loss in 1974/75 has yet to be covered by a transfer from the CSPPN, which maintains that this loss was not attributable to the marketing of groundnuts and thus could not be covered by the CSPPN fund. Sales effected to the oil mills during 1975/76 were made below cost prices, and this worsened the already precarious financial condition of SONARA.

Recently the Government took several important measures to strengthen SONARA's financial position. In September 1976 it increased by CFAF 400 million, to a total of CFAF 700 million, its capital subscription. Furthermore, SONARA received through the CSPPN an amount of CFAF 600 million, representing the counterpart of the STABEX grant in July 1976 for the recent shortfall in groundnut exports. In addition, SONARA's debt toward the CSPPN in an amount of CFAF 1.5 billion, pertaining to the 1971/72 and



Table 4. Niger: Profit and Loss Accounts of the Société Nigérienne de Commercialisation de l'Arachide (SONARA), 1971/72-1974/75 <sup>1/</sup>

(In millions of CFA francs)

	1971/72	1972/73	1973/74	1974/75
<u>Receipts</u>	<u>7,445.0</u>	<u>6,407.8</u>	<u>2,818.2</u>	<u>5,584.3</u>
Gross sales	7,297.6	6,236.0	2,560.6	5,091.2
Investment and other income	147.4	171.8	257.6	493.1
<u>Expenditures</u>	<u>7,113.6</u>	<u>6,047.6</u>	<u>2,726.5</u>	<u>7,074.0</u>
Purchasing and marketing costs <sup>2/</sup>	5,244.8	4,042.0	1,500.6	5,803.2
Administrative and general operating expenses <sup>3/</sup>	424.8	493.9	520.2	536.0
Interest payments	26.8	22.6	57.3	439.1
Amortization and depreciation	72.2	126.4	148.4	295.7
Contribution to CSPPN <sup>4/</sup> and subsidies for agricultural inputs	1,345.0	1,362.7	500.0	--
<u>Gross profits</u>	<u>331.4</u>	<u>360.2</u>	<u>91.7</u>	<u>-1,489.7</u>
<u>Corporate taxes</u>	<u>117.2</u>	<u>126.2</u>	<u>35.0</u>	<u>--</u>
<u>Net profits</u>	<u>214.2</u>	<u>234.0</u>	<u>56.7</u>	<u>-1,489.7</u>

Source: Data provided by SONARA.

<sup>1/</sup> Financial year: October 1-September 30.

<sup>2/</sup> Crop purchases, changes in stocks, buyers' commissions, indirect taxes, processing and storage, transport, and insurance costs.

<sup>3/</sup> Including sales commissions.

<sup>4/</sup> Caisse de Stabilisation des Prix des Produits du Niger.

1972/73 seasons, had been written off at the request of the Government. At the same time, the Government transferred to SONARA some CFAF 2.2 billion to reimburse it for having provided seeds since 1965. The main long-term measure consists in transferring the monopoly of the marketing of cowpeas, a very profitable commodity, from OPVN to SONARA with effect from the 1976/77 crop season; some marketing of cowpeas was handled by SONARA in 1975/76.

## (2) Cotton

As in the case of groundnuts, the marketing of cotton and its price structure follow procedures set forth in annually promulgated laws. Purchases of cotton from the producers are made by the cooperatives, the UNCC, and the Compagnie Française pour le Développement des Fibres Textiles (CFDT). However, over nine tenths of total purchases from producers is done by UNCC. All marketed cotton is delivered to the CFDT for ginning. Ginned cotton is in turn sold by CFDT, both in export markets and to the Société Nigérienne des Textiles (NITEX), the local textile industry.

Average producer prices have remained at CFAF 47 per kilo since 1974/75, despite a 47 per cent increase in average realized f.o.b. prices between 1974/75 and 1975/76 and a 19 per cent increase in prices to domestic textile mills (Appendix Table III).

## 4. Relations between the CSPPN and marketing institutions

The functions of CSPPN involve mainly the stabilization of cotton and groundnut prices, and its resources consist largely of export taxes on shelled groundnuts, an export tax of 4 per cent levied on the f.o.b. export value of the output of oil mills, and disbursements by SONARA of the difference between export prices of groundnuts and ceiling prices. At present the liquidity position of the CSPPN remains healthy, largely on account of the large reserves accumulated in the late 1960s and early 1970s and the receipts from SONARA. This comfortable position has recently made it possible for the CSPPN to extend a CFAF 250 million loan (at a charge of 2.5 per cent) to SONARA to finance its marketing operations. As noted above, SONARA's debt vis-à-vis the CSPPN for the 1971/72 and 1972/73 years of CFAF 1.5 billion has recently been written off at the request of the Government. The losses of SONARA of CFAF 1.5 billion for 1974/75 have not been made up by the CSPPN, because it claims that they were not attributable to marketing problems but rather to managerial problems and the extension of SONARA's activities into fields not related to crop marketing.

The CSPPN has also provided financial aid to other mixed enterprises, such as COPRO-NIGER, which received a loan of CFAF 600 million in 1975 for the purchase of sugar at a time when sugar prices were rising in world markets. Loans have also been extended to the textile industry (NITEX) and the cement factory, when they were experiencing financial difficulties.

Despite all these financial operations, the financial situation of the CSPPN has been further strengthened by the surplus of CFAF 50 million experienced during 1975/76. Funds of the CSPPN have traditionally been deposited with the Banque de Développement de la République du Niger (BDRN) and the Caisse Nationale de Crédit Agricole (CNCA).

The statutes of the CSPPN are currently being reviewed, and it is expected that changes may occur in the near future.

##### 5. Animal husbandry

Animal husbandry, which provides employment for one fifth of the total population, is one of the main economic activities in the rural sector. Most of the population engaged in this activity are nomadic herdsman, who raise livestock along traditional lines and account for the bulk of total production.

Animal husbandry has been one of the sectors worst hit by the drought, especially in 1973, when the cattle population declined by almost 50 per cent and that of sheep and goats declined by more than 22 per cent (Appendix Table IV). During that same year total cattle offtake declined by 47.6 per cent, while that of sheep and goats dropped by 22.4 per cent (Table 2). As weather conditions improved and natural pasture reappeared, livestock population grew at a much faster annual rate than that envisaged in the government-sponsored reconstitution program described below. The rate of growth of the offtake slowed down considerably in 1976, as a consequence of the Government's ban on exports of animals of reproductive age and efforts at promoting the reconstitution of the livestock sector.

The five-year reconstitution program, which started in earnest in 1974, aimed at bringing about a minimum growth rate of 2.7 per cent per year until the end of the program. One of the main features of the program consists ultimately in limiting the size of the livestock population with reference to its level in 1972. Hence, by the end of the program, the cattle population should be allowed to reach no more than 65 per cent of its 1972 level, compared with 85 per cent for sheep, 100 per cent for goats, and 90 per cent for camels. During this entire period, cattle offtake is forecast to remain at 11 per cent, while that of sheep and goats would be kept at 35 per cent.

It was decided that, as a minimum, the Government should provide five head of cattle to each of the 70,000 families that had lost all of their herd, on a loan basis. Once the breeders had qualified for this loan by showing evidence of loss and had committed themselves to proper breeding methods based on the advice of extension officials and cooperatives, they were supplied with the needed livestock. Initially, the Government had intended to make the herdsmen repay this loan in cash as a way of inducing them to operate in the monetized sector. However, more recent thinking is that this will be impracticable, and the reimbursement

is now expected to be effected in kind (i.e., in equal number of offspring of the cattle received) over an eight-year period, including a four-year grace period. So far, no herdsmen have reached the reimbursement stage. The Government has also changed its initial plan to keep nomad breeders sedentary and is concentrating rather on better ways to improve their livestock-raising habits. To ensure the success of the program outlined above, the Government intends to build, for demonstration purposes, large ranches of 10,000 hectares in each of the seven regions of the country, with each being stocked with 1,000 cows of reproductive age. Furthermore, new regulations concerning movements of livestock throughout the country will be stipulated in order to limit overgrazing, as had happened in the past. Cattle routes will be improved with wells, and natural pasturelands will be upgraded; private ranching will also be encouraged. In addition, the Government is about to establish modern livestock improvement centers, especially for fattening animals before slaughtering; the FED, the CNCA, and the Federal Republic of Germany have agreed to provide the necessary financing. Presently, Niger, within the directives of the Lake Chad Basin Commission (with headquarters in N'Djaména) and the Conseil de l'Entente's Communauté Economique de Bétail et de Viande (with headquarters in Ouagadougou), is undertaking market surveys for meat and cattle and is developing methods of prophylaxis for its livestock population.

The total cost of the overall reconstitution program is estimated at CFAF 25 billion. From 1974 to date, CFAF 1.1 billion has been granted to breeders to finance the purchase of animals. Of this amount, the FED provided CFAF 450 million, the CSPPN CFAF 250 million, and the Governments of Niger, Algeria, and the Federal Republic of Germany CFAF 150 million each. To finance the building of the large government-owned breeding stations, the Niger Government recently received an aid grant of CFAF 2.5 billion from the Government of Saudi Arabia and a commitment of CFAF 350 million from the Federal Republic of Germany. FAC and FED have also provided CFAF 133 million and CFAF 230 million, respectively. The U.S. AID has agreed in principle to finance one of the ranch management projects.

#### 6. Industry, transportation, construction, energy, and services

About 50 industries have been created in Niger since independence in 1960, half of which are located in Niamey. The Government's objectives in this area are, on the one hand, to promote import substitution activities to meet domestic demand for consumer goods and, on the other hand, to establish agro-based industries which process domestic inputs, such as groundnuts and livestock, primarily for export. According to staff estimates, output of the industrial sector (which for presentational purposes here also includes transportation, construction, energy, and services) rose by 19 per cent in 1973 but declined by 13 per cent in 1974, reflecting the effects of the drought, particularly on agricultural processing industries. Growth of over 15 per cent was achieved in 1975, but, as a result of the new setback in agricultural output in the later part of

that year, which had repercussions on processing industries in 1976, the overall rate of growth of the industrial sector was cut back to 2.5 per cent. The processing of groundnuts was especially affected, as the lack of inputs almost brought grinding to a halt.

#### a. Industry

The bulk of manufacturing in Niger consists of agro-industries, such as food processing and the leather industry. Processing for the local market is concentrated on basic foodstuffs, cereals, flour, milk, and other beverages. Groundnut processing, which is divided into two stages, dominates the agro-industries oriented toward exports. The first stage involves the shelling of groundnuts, which is undertaken by farmers, SONARA, and the oil mills, but the current price differential between shelled and unshelled groundnuts does not provide the farmer with an incentive to undertake this work. SONARA operates three shelling plants, which can shell up to 90,000 tons of groundnuts per year.

The second stage of processing is undertaken by three oil mills. They have a processing capacity of 105,000 tons of groundnuts per year. The principal product is crude oil, but some groundnut cake is also produced. Most of the output is for export, although a part is reserved for domestic use. Since government policy is to encourage the export of groundnut products, and since recent crops have been quite small, SONARA's prime activity has been supplying the mills. When production recovers to pre-drought levels, SONARA will be engaged once again in exporting shelled groundnuts.

Other notable processing activities center on cotton, cowpeas, hides and skins, and meat. Two firms dominate the leather industry, with a capacity to treat 800,000 skins annually.

Mixed enterprises,<sup>1/</sup> of which there are about 30, represent the most important component of the industrial sector. In all, these enterprises employ about 2,000 Nigeriens (or about 7 per cent of all wage earners in the nonagricultural sector) and account for 70 per cent of total exports, 42 per cent of total imports, 100 per cent of groundnut shelling and cement production, 85 per cent of energy generation, and 60 per cent of transportation. (They also account for about two thirds of the financial institutions.) These enterprises are under the control of the Direction de la Tutelle, within the Ministry of Economic Affairs, Industry, Commerce, and Tourism. Appendix Table V lists all important mixed enterprises, their gross sales for 1974/75, as well as their profits; of the

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<sup>1/</sup> In Niger there exists no legal definition of a mixed enterprise, and the term is applied by the authorities even to enterprises where the Government has only a small equity participation. Appendix Table V lists the percentages of the Government's participation in various enterprises at the time of their establishment.

20 firms listed, 7 experienced losses amounting to CFAF 1.7 billion during that fiscal year.

To foster and guide industrial development, in March 1974 the Government updated the investment code, which was first introduced in the mid-1960s. The code clarifies the role that both domestic and foreign investment should play in the overall economic development of the country. Under the provisions of the code, private investment by Nigerien citizens is encouraged, and a number of small-scale industries have already been set up to manufacture blankets, mattresses, and sandals, while foreign investment has been most prominent in the mining sector.

In addition to the contribution of modern enterprises to industrial production, cottage industries represent a significant component of the industrial sector. About 25,000 Nigeriens are artisans, and their activity is concentrated in the production of cloth, pottery, jewelry, leather, and wood products. Art work is being manufactured for export and is receiving government support. The work is being consolidated around the National Museum in Niamey.

#### b. Transportation

Niger is a landlocked country with 5,500 km of borders. Its communication network is very limited, and its outlets to the sea are through Cotonou, Lagos, Port Harcourt for river transportation, Abidjan, and Lomé. Niger is represented on the board of directors of the Port of Cotonou and is a member of the West and Central African Port Association.

Road transportation is being given great priority in the three-year development plan (see Chapter III), with a total investment budget of CFAF 55 billion, of which CFAF 30 billion will be public investments and the balance private investments. When Niger became independent in 1960, it possessed a total of 50 km of surfaced roads. By the end of 1975 the road network totaled 1,507 km of surfaced roads, 2,073 km of primary non-surfaced roads, and about 3,500 km of secondary nonsurfaced roads.

The current road building program is an ambitious one; the first part will consist of completing the Niamey-Zinder road (903 km), the construction of which started in 1968. The last stretch will run from Tchadoua to Takiéta (144 km) and should be completed by the end of 1978. The European Development Fund (FED) is contributing CFAF 4.1 million to this effort. The second goal of the road building program is the construction of a road from Agadez to Zinder and then to Gouré. The Zinder-Gouré portion (157 km) will be built in two parts: Zinder-Myrriah (20 km) with the help of a Canadian loan; and the second part, Myrriah-Gouré (137 km), with a loan from the FED. The Government is also hoping to initiate the construction of a road from Tahoua to Arlit via Agadez; this route de l'uranium, as it is called, will stretch 648 km and will lower transportation costs for the uranium mining industry by permitting

raw materials to be transported by truck on surfaced roads. Currently, Agadez is linked to the rest of the world by plane connections and by various unsurfaced roads. It is anticipated that 94,000 tons of cargo will be transported on the road in 1978 and up to 168,000 tons annually by 1985. Various other road projects are to be undertaken within the next three years, but they are concerned principally with the widening and improvement of existing roads.

Rail transportation does not exist in Niger, but its international trade depends on the railways of neighboring countries. Thus, groundnuts are exported to Parakou (Bénin) by truck and then to Cotonou by train. Another route used is Niger-Kano by truck and then to Lagos by train. CFAF 615 million have been allocated to study the possible construction of a railway system in Niger; of primary interest is building a line from Parakou to Niamey and from Niamey to Ouagadougou. The exact route to be followed is under discussion, and the outcome will depend upon a decision to exploit certain phosphate deposits on the Niger-Bénin border.

River transport is hampered by the lack of dock and signal facilities on the Niger River. Currently, the river is navigable only seven months of the year, but it is believed that the construction of a dam at Kandadji, close to the Mali border, would render it navigable year-round; such a dam has been considered for many years, but thus far no decision on its construction has been made. Under the three-year development plan, the sum of CFAF 1.6 billion will be spent on river transportation.

Air transportation is important for Niger, given its large area and limited road network. Under the three-year development plan, a total of CFAF 5.5 billion is expected to be spent on this sector. The principal projects are as follows: the enlargement of Niamey Airport to accommodate modern air traffic; the extension of the runway at Agadez Airport, and the resurfacing of runways at the airports in Maradi, N'Guigmi, Diffa, and Maïné-Soroa.

c. Energy and water

Electric power in Niger is generated by diesel plants, the Société Nigérienne d'Electricité (NIGELEC), a mixed enterprise, is responsible for its production and distribution. In 1975 electricity consumption increased by 7 per cent (volume) and by 21 per cent (value), and totaled CFAF 1.7 billion; the increase in 1974 was 4 per cent and 18 per cent, respectively (Appendix Table VI). Recently, a transmission line was inaugurated to supply Niamey with electricity generated at a hydro-electric facility in Nigeria. This has relieved some of the pressures on NIGELEC and has lowered electricity costs, which have been among the highest in the world. The average in 1975 was CFAF 31.5 per kwh. Even at that rate, a subsidy was implicit, with the state power company running at a loss. The uranium mines are large consumers of electricity, which up to now was produced by generators based on fuel oil. Since fuel oil

costs have risen since 1973 and the fuel oil must be transported over long distances to the mine sites, the Government has decided to exploit the coal deposits which have been found nearby. To this end, a mixed enterprise, Société Nigérienne de Charbon (SONICHAR), has been formed to mine the coal. The three-year development plan anticipates an expenditure of CFAF 13 billion to realize these plans.

Water is a very scarce resource in Niger, and agriculture is almost totally dependent on rainfall. The assurance of adequate water supply is a key element in increasing agricultural production. A number of steps are envisaged to this end. For example, additional wells are scheduled to be dug, and a number of small dams for irrigation as well as electricity generation are under study. Feasibility studies have been commissioned for a dam at the Kandadji site mentioned above.

#### 7. The mining sector

Large-scale mining of uranium was started in 1971 and uranium production has increased each year since then. Uranium mining has improved Niger's growth potential by making available to the Government substantial resources in the form of taxes and dividends; these resources are being used through the National Investment Fund for the development of other sectors of the economy. Its importance will undoubtedly increase in the medium term as production begins at a second mine; decisions are awaited concerning the exploitation of two other finds, and the search continues for others. Because of the location of the mines and the high capital intensity of the venture, uranium mining is largely an enclave-type industry, with few linkages to the rest of the economy and limited domestic employment effects.

Exploration and exploitation are carried out by mixed enterprises, and the Office National des Ressources Nigériennes (ONAREN), which was created in 1976 and absorbed URANIGER,<sup>1/</sup> manages the Government's interests in all mining operations.

The first uranium site to be developed, and the only one currently producing, is at Arlit, about 800 km northeast of Niamey. The Société des Mines de l'Aïr (SOMAIR) was formed to exploit the find, and originally Niger held about one sixth of its equity. Niger's equity was increased to about one third in September 1975. Production began in 1971 with an output of 410 tons. Output has risen each year and is estimated to have reached 1,600 tons in 1976; it is projected at 1,800 tons for 1977. The increase in 1977, and any further increase that may be forthcoming, will be attributable to improved processing techniques. The output is for export, and the French Atomic Energy Commission (FAEC) is the exclusive

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<sup>1/</sup> URANIGER had been formed in December 1974 to manage the Government's interest in uranium mining.



purchaser. Uranium prices are subject to negotiations between the FAEC<sup>1/</sup> and Niger, and are finally agreed upon after the close of each year. The price in 1974 was about CFAF 5,000 per kilo and was increased to CFAF 10,000 per kilo for 1975. In autumn of 1976 a price of CFAF 14,000 was being used for reference purposes until the completion of negotiations in the spring of 1977. Total government receipts on account of uranium production totaled CFAF 3.9 billion in 1975/76 (October-September) and are expected to reach CFAF 8 billion during 1976/77.

The Compagnie Minière d'Akouta (COMINAK) was established in January 1974 to exploit uranium mines at Akouta, about 10 km southwest of Arlit. Niger has 31 per cent participation, with the remaining equity being held by the FAEC (34 per cent), a Japanese consortium (25 per cent), and a Spanish firm (10 per cent). The complex involves a total investment of CFAF 43 billion, including the construction of a town and dwellings for the workers. Production is to start in 1978 with about 600 tons of uranium and is expected to reach 1,500-2,000 tons in 1979.

Before uranium production started on a large scale, cassiterite was the most important mineral in Niger. Annual production averaged about 126 tons during 1970-74, at a value of CFAF 176 million in 1974. As mentioned in the above section on energy, a coal deposit of about 4.5 million tons has been found close to Agadez, and SONICHAR, a mixed enterprise, has been created to mine the coal and produce thermal electricity power for SOMAÏR, COMINAK, and the town of Agadez. Phosphates were discovered in 1970 in the southwestern region of the country, but no decision has been taken about exploiting the site, since extraction costs are high and world market prices for phosphate have recently declined. Oil exploration is being undertaken by CONOCO and TEXACO in the Lake Chad area and in the northeastern part of the country. Some traces of oil were found around Lake Chad in 1975, and further search is under way.

## 8. Commerce

According to official national accounts data, commerce accounted for about 14 per cent of GDP in 1972. Based on the fiscal duties on imports and the internal turnover tax, it is estimated that growth in this sector declined in 1973 and expanded subsequently at about 9 per cent per year. Two markets for goods can be distinguished in Niger. The first deals with the sale of commodities for African consumption and consists of domestically produced food items such as millet, sorghum, and rice; basic household goods, and widely consumed imported items. The second market pertains to providing consumer goods for expatriates and other higher income groups in Niger, and luxury goods play a more important role.

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<sup>1/</sup> Previously, the French authorities also participated in these negotiations.

The Government is directly involved in importing and distributing goods. In particular, COPRO-NIGER, a mixed enterprise, has the exclusive right to import canned milk, green tea, sugar, salt, tomato paste, matches, cotton blankets, jute, sisal bags, and locally consumed cigarettes (primarily from Ivory Coast). COPRO-NIGER distributes these commodities to commercial firms as well as to retailers. As part of the price control mechanism, discussed in Chapter II, COPRO-NIGER determines a minimum price at which to sell to wholesalers and also computes allowable markups for retailers. Although it normally has a comfortable financial situation, COPRO-NIGER incurred a loss of CFAF 92 million in 1974/75 (October-September), compared to a profit of CFAF 241 million in 1973/74, primarily because of losses on sugar (Appendix Table VII). COPRO-NIGER has also recently suffered losses on salt and flour.

Other public bodies, such as SONARA and the OPVN, have marketing monopoly rights for certain agricultural products.

## II. Prices, Employment, and Wages

### 1. Prices

The Government's price and incomes policy seeks to provide basic foodstuffs and widely consumed imported commodities (e.g., salt, sugar, and wheat flour) at stable and, if possible, low prices and to assure that these prices are relatively uniform throughout the country. This policy has three major elements. First, agricultural producer prices have in general remained unchanged since the fall of 1974 (see Chapter I). Second, the exclusive right to import selected widely consumed commodities has been granted to a public enterprise, and prices of these items, as well as basic foodstuffs and other goods, are regulated through a price control mechanism. Customs duties on certain imported goods have been recently reduced. Third, minimum wage rates and civil service salaries have been held at levels set in 1974 and early 1975. Nevertheless, the recent agricultural setbacks have led to price increases, and pressure is building up for wage adjustments.

The price control mechanism is under the jurisdiction of the Ministry of Economic Affairs. The relevant legislation distinguishes among three classes of products. The first class consists of commodities that are to be sold at fixed prices; basic foodstuffs such as millet, sorghum, rice, and maize, selected import commodities, and a wide range of services are included in this group. The authorities can monitor these prices because OPVN is directly involved in supplying certain basic foodstuffs to retailers and COPRO-NIGER performs a comparable function for selected imported goods. The second class of goods comprises those produced by enterprises which benefit from provisions of the Investment Code, and their retail prices (prix homologués) are set by agreement between the Ministry of Economic Affairs and the enterprises. The third class of

goods covers imports, the prices of which are determined by the markups permitted; the markup rates were defined in the price control law of 1970 and have remained unchanged since then. With respect to petroleum, the Government has not permitted a rise in retail prices since early 1974, despite increases in the world price of crude oil, and oil companies have been forced to absorb any cost increases. The entire price control mechanism is under review, and thought is being given to expanding its scope.

The authorities have recently embarked on a retailing experiment, by opening a retail outlet (magasin témoin) in Niamey for selected widely consumed commodities. The experiment is intended to see whether the Government can be more successful at distributing certain goods and whether speculation can be reduced. Furthermore, prices are to be widely advertised, and it is hoped therefore that private stores which have failed in the past to respect fully government price guidelines will be forced through competition to bring their prices in line. As additional stores are opened around the country, the Government hopes to standardize prices nationally for individual commodities. Since internal freight costs are high, this policy will tend to redistribute income from urban to outlying centers.

Two price indices are calculated in Niger, and both indices are for consumer prices. The African consumer price index is based on the consumption patterns of unskilled workers' families, while the European price index is based on consumption patterns of French technical assistants and wealthy Africans. There is considerable uncertainty about their reliability because of the price control mechanism, and their composition is based on 1963 and 1964 consumption patterns in Niamey. As shown in Table 5, the African index rose by 9 per cent in 1975, compared to 3.5 per cent in 1974. Among the components of the index, the largest increase was in the cost of clothing (19 per cent) and the smallest increase in the cost of housing (3 per cent), as rents are controlled. Food prices rose by 8 per cent in 1975 and are believed to have risen more rapidly toward the end of the year and into 1976, reflecting poor harvests. The European price index rose by 11 per cent during 1975, whereas the increase was 8 per cent in 1974. The increase in the price of clothing was greatest (21 per cent), followed by household items (17 per cent), and food (14 per cent). The price of household help exhibited the smallest increase (2 per cent), reflecting the stability in minimum wage rates.

Table 5. Niger: Changes in Consumer Prices, 1972-75

(In percentage changes)

	1972	1973	1974	1975
African consumption	9.6	11.7	3.5	9.1
European consumption	2.0	2.3	7.8	10.6

Source: Appendix Table VIII.

## 2. Employment and wages

The labor force in Niger ranges from 2.3 to 2.7 million, according to limited employment data. Wage earners totaled 29,158 in 1975, up from 27,715 in 1974 (5 per cent) and from 24,440 in 1973 (13 per cent) (Appendix Table IX). In 1975 employment in the private sector rose by 4 per cent as compared to 6 per cent in the public sector. About 11,000 workers are members of nine labor unions. In 1960 the unions formed a general confederation of labor known as the Union Nationale des Travailleurs du Niger (UNTN). There are also three management associations in the country.

There are no unemployment statistics in Niger, but there are indications that the drought raised unemployment, particularly in urban areas. During the drought years, urban migration has tended to rise, as people moved into the cities in search of work and many have not returned to the countryside. With the return of more favorable weather conditions, unemployment has taken on a seasonal dimension, with farmers moving into towns after harvest in search of work, but returning to the countryside at the start of the crop season. Since unemployment is higher for unskilled workers, the Government has set up various training centers for them around the country. Similar training centers have been set up by SOMAÏR and COMINAK to prepare workers for the mining sector, although the total amount of employment in the uranium complexes is quite small. For skilled workers, unemployment has been concentrated recently in certain industries such as groundnut oil processing, which have been operating with large excess capacity because of the lack of inputs; in other industries such as construction, there are labor shortages.

Minimum wage rates in Niger are established for agricultural workers (the Salaire Minimum Agricole Garanti--SMAG) and for all other workers (the Salaire Minimum Interprofessionel Garanti--SMIG). According to recent estimates, the minimum wage legislation covers 1,025 workers in the

agricultural sector and 16,992 workers in the nonagricultural sector. In both sectors the minimum wage is determined by réunions consultatives, which are attended by representatives of labor, management, and Government, and recommendations for increases in the rates are based to a large extent on a minimum vital, which measures the average price of 47 commodities covering food, clothing, housing, energy, kitchen appliances, health services, and taxes. Price changes of these commodities are calculated through periodic surveys in local markets. In April 1974, following the change in government, the SMAG was raised from CFAF 26 to CFAF 42 per hour and the SMIG from CFAF 30 to CFAF 48 per hour. The minimum wage rates have been unchanged since then, as part of the government policy to maintain the purchasing power of workers through guaranteed prices for certain essential commodities. In light of recent price increases, pressures are building up, and it is likely that some increase in the minimum wages will probably be forthcoming. Salaries of government workers were last increased in January 1975, by an average of 5-15 per cent, with the highest increases concentrated in lower echelons. Large differences in salaries exist between workers in the private and public sectors; they are greater at professional levels and have been exacerbated by the demand by enterprises for Nigerien citizens to fill professional positions in line with the general indigenization efforts in the economy.

Workers are eligible for social security payments which cover compensations for on-the-job injuries, dependency allowances, and retirement payments. For the latter, contributions are made by both employers and employees, with the former paying 2.6 per cent of wages and the latter paying 1.4 per cent. Contributions for the other coverages are made entirely by employers.

### III. Development Planning

The present Government, when it assumed responsibility in 1974, set up a National Development Council (Conseil National du Développement--CND) in order to coordinate and revitalize the development effort. The first task of the CND was to assemble and scrutinize sectoral programs which had been prepared by technical ministries as input to a ten-year development plan and to set out clearly investment priorities in the framework of a three-year development plan (1976-78). During the 1974-75 period, however, the Government had to devote most of its attention to preparing and implementing emergency measures to ensure adequate food supplies to the population. The preparation of the three-year plan was thus somewhat delayed, and the document was issued in January 1976. Now that the technical ministries have been provided with sufficient guidelines to coordinate their development activities, the CND has started preparing a comprehensive ten-year development plan.

The three-year development plan (Table 6) does not set any macro-economic targets but proposes to allocate investment among the various

Table 6. Niger: Financing of Planned Investment Under the Three-Year Plan, 1976-78

(In billions of CFA francs)

	Domestic financing			Foreign financing			Total
	Government	Other public and private	Banking system	Bilateral aid	Multilateral aid	Private	
<u>Projects started before 1976</u>	--	--	--	4.4	2.0	32.0	38.4
Agriculture	--	--	--	0.9	0.7	--	1.6
Infrastructure	--	--	--	1.9	1.1	--	3.0
Human resources	--	--	--	1.4	0.1	--	1.5
Industry, mining, and commerce	--	--	--	0.2	0.1	32.0	32.3
<u>New projects in the three-year program</u>	18.3	13.9	0.8	30.1	38.1	33.9	135.1
Agriculture	1.8	--	0.1	12.9	14.6	--	29.4
Infrastructure	8.0	13.7	...	13.2	19.4	15.0	69.3
Human resources	6.2	--	--	3.2	3.6	0.2	13.2
Industry, mining, and commerce	2.3	0.2	0.7	0.8	0.5	18.7	23.2

Source: Le Programme Triennal, 1976-78.

sectors of the economy according to broad objectives which are stated as: self-sufficiency in food production, improvement of infrastructure, improvement of social services, and development of the mining sector. The program contains three lists of projects: (1) projects already started, on which an additional amount of CFAF 38.4 billion is to be spent during the three-year plan period; (2) projects to be undertaken during the 1976-78 period amounting to CFAF 135 billion; and (3) projects in the early stages of identification, for which expenditures have not been fully estimated. This third list may be considered as suggestions to private and foreign investors, rather than firm guidelines for an investment program.

The implementation of this investment program would raise investment share in GDP to about 25 per cent, as compared to about 10 per cent in the pre-drought period. The absence of precise national accounts data, as well as the very specific situation faced by Niger during the drought, makes it difficult to assess the feasibility of this program. However, it can be noted that the financing of the program can probably be secured and that obstacles to the implementation of the program would lie rather in the absorptive capacity of the country.

The program targets for domestic financing should be met easily, and the anticipated amount of foreign financing, although high, does not appear unrealistic. According to the program, foreign private financing will amount to CFAF 56 billion, of which CFAF 41 billion have already been secured, and the remaining CFAF 15 billion are to be supplied by foreign shareholders of the mining companies. The program also anticipates that foreign grants and loans from official sources will amount to CFAF 75 billion. The main contributors would be the European Development Fund (about CFAF 18 billion), the World Bank group (about CFAF 12 billion), the French Government (about CFAF 11 billion), and the German Government (about CFAF 9 billion). These and other contributors--the United States, Canada, Saudi Arabia--have already shown their willingness to contribute to Niger's development in the past. However, actual disbursements will not be forthcoming until work has started on the individual projects. According to the program, the Government will finance CFAF 18 billion, or 10 per cent of planned investment expenditures. This target should be met without straining public finance, since uranium revenue by itself will amount to about CFAF 25 billion and is to be spent exclusively on investment. The program also anticipates that the Nigerien banking system, besides its participation in the financing of COMINAK and SONICHAR, which has not been estimated, would contribute about CFAF 1 billion to other investment financing. It is, in fact, possible for the banking system to increase medium- and long-term credit during the period by much more than CFAF 1 billion, in view of the central bank's readiness to increase the amount available through its discount facilities. Participation of public agencies and mixed or private enterprises in the investment program is estimated to amount to CFAF 14 billion, of which virtually all is for SONICHAR. In all, according to the program, domestic savings, other than

budgetary, would amount to only 2 per cent of GDP--even less if account is taken of a likely foreign participation in the financing of SONICAR.

The projects listed in the program are in different stages of elaboration, and it is difficult to estimate the amount of planned expenditures in the various sectors that corresponds to projects already well identified. Planned investment in the agricultural sector amounts to 18 per cent of total investment. This amount reflects the goal set forth by the authorities of achieving self-sufficiency in basic foodstuffs while resuming traditional exports, and is to be spent on several types of projects. About 30 per cent is to be spent on productivity operations, which aim at increasing the output of a variety of crops in six areas, through the use of better inputs by the traditional farmers; about 15 per cent is for the herd reconstitution program, which is already well on its way; and about 7 per cent is to be spent on development schemes for specific crops, namely, groundnuts, millet, sorghum, cotton, and cowpeas. These various types of projects seem fairly simple and could certainly be implemented without long preliminary studies. The second part of planned investment in agriculture--about half the total amount--is distributed among irrigation projects (which will require a heavy concentration of investment); ranching operations (which will call for modern management techniques); and reforestation and various improvements in extension services. This second group of projects may need more time, as their implementation will be dependent upon the completion of studies and pilot projects.

Planned investment in infrastructure amounts to 42 per cent of total investment, and 60 per cent of it is for roads and bridges, 20 per cent for energy, 8 per cent for telecommunications, and 7 per cent for water supply, the remaining 5 per cent is distributed among administrative infrastructure, other transportation, and community amenities. The priority given to roads and bridges is explained by the physical features of the country, where most domestic transport is by road. Most planned investment in this category is for continuing the paving of the East-West axis and for paving the access road to uranium mining sites, which is part of the north-south Trans-Sahara road. The investment in energy represents primarily the development of the coal mines by SONICAR for the production and transmission of electricity to the uranium complexes. The rest of investment in infrastructure is divided among a number of medium- and small-scale projects, and it is difficult to assess which ones can be implemented during the period.

Planned investment in human resources amounts to 8 per cent of total. More than half of it is for education, about a third is for health, and the rest is divided among sports, information, and social services. Investment expenditure on education is about equally distributed among the three levels--primary, secondary, and higher--and consists mostly of new construction, improvement of existing buildings, and purchase of television equipment. Investment expenditures on health are mostly to build and



equip medium-sized medical facilities in rural areas. All projects in human resources seem therefore fairly simple to implement. On the other hand, financing of their recurrent charges may be more difficult and may lead to revisions in the allocation of public revenue between current and investment expenditures.

Planned investment in industry, mining, and commerce amounts to 32 per cent of total investment envisaged in the development program. Almost all of it corresponds to projects already in their implementation phase and is concentrated on the mining sector. Most of them could certainly be carried out during the program period.

#### IV. Public Finance

##### 1. Overall situation and Treasury cash operations

The Government's financial position improved considerably in 1974/75 and 1975/76 after deteriorating between 1971/72 and 1973/74, when climatic conditions inflicted a severe setback upon Niger's economy (Table 7). During the drought period total public expenditures declined in real terms (it should be noted that most relief operations were financed by foreign aid and were conducted outside the budget). The sluggishness of the economy was reflected in a slow growth of tax revenue, and the overall Treasury position deteriorated from a surplus of CFAF 803 million in 1971/72 to a deficit of CFAF 114 million in 1973/74. To finance this deficit and to provide deposit money banks with counterpart funds for investment prefinancing operations, the Treasury drew down its deposits with the BCEAO by CFAF 1.7 billion and "borrowed" CFAF 1.1 billion from non-banking domestic sources, mostly by deferring payments. This deterioration halted in 1974/75, and the Government's position continued to improve rapidly in 1975/76.

In 1974/75 increases in uranium revenue and increases in other taxes due to economic recovery brought about an increase of 50 per cent in total current revenue. Despite higher global expenditures, the Treasury position moved into a surplus of CFAF 3.6 billion. The Treasury was thus able to restore its position with the central bank and to increase its position with the deposit money banks by CFAF 1.2 billion. In 1975/76 expenditures grew more rapidly than revenue, and the overall government surplus declined to CFAF 1.5 billion. The Treasury, however, improved its position vis-à-vis the banking system by CFAF 3.8 billion, as its resources were increased by Saudi Arabian funds, by a transfer from the stabilization fund, and by increased deposits from various public and semipublic agencies. As of September 1976 Treasury deposits amounted to CFAF 11.5 billion and were equivalent to six months of current expenditures at their projected 1976/77 level.

Table 7. Niger: Treasury Cash Operations, 1971/72-1975/76<sup>1/</sup>

(In millions of CFA francs)

	1971/72	1972/73	1973/74	1974/75 <sup>2/</sup>	1975/76 <sup>2/</sup>
<u>Central government surplus or deficit</u> <sup>3/</sup> (-)	-725.0	-1,197.6	-2,163.5	3,628.5	1,453.7
<u>Transfers from parastatal organizations</u>	200.0	250.0	200.0	--	241.2
<u>External grants</u>	1,328.2	1,000.0	1,850.0	--	1,450.4
<u>Overall Treasury surplus or deficit (-)</u>	803.2	52.4	-113.5	3,628.5	3,145.3
<u>Financing</u>	-803.2	-52.4	113.5	-3,628.5	-3,145.3
Nonbanking sector	493.3	635.7	1,124.0	-641.0	643.9
Deposits from public bodies	(422.3)	(802.3)	(60.8)	(100.1)	(477.6)
Other deposits at the Treasury	(0.6)	(-218.5)	(65.2)	(303.5)	(400.3)
Treasury advances	(0.4)	(12.5)	(-11.5)	(--)	(. )
Customs duty bills	(21.3)	(73.8)	(97.9)	(-213.2)	(-234.0)
Treasury bills	(--)	(--)	(--)	(--)	(--)
French Treasury	(-1.4)	(-8.1)	(5.4)	(-2.5)	(. )
Other operations	(50.1)	(-26.3)	(906.2)	(-828.9)	(. )
Banking sector	-1,296.5	-688.1	-1,010.5	-2,987.5	-3,789.2
Cash balances	(58.0)	(-69.2)	(-176.2)	(22.7)	(76.4)
Deposits with postal system	(-131.8)	(124.8)	(3.5)	(-241.3)	(112.3)
Deposits with central bank	(-1,232.7)	(-743.7)	(1,662.2)	(-1,568.9)	(-102.9)
Deposits with deposit money banks	(10.0)	(--)	(-2,500.0)	(-1,200.0)	(-3,875.0)
<u>Memorandum item:</u>					
Deposit money banks' prefinancing of projects	496.0	133.0	171.0	1,826.0	-225.0

Source. Treasury, Balance Générale des Comptes du Grand-Livre

<sup>1/</sup> Fiscal year ended September 30.

<sup>2/</sup> Preliminary

<sup>3/</sup> Includes French budgetary support through 1973/74.

Until 1973 the Treasury used to keep its deposits with the central bank. It shifted its policy in 1973/74, and over the three-year period 1973/74-1975/76 deposited a considerable part of its funds with the deposit money banks rather than with the central bank, despite an interest differential in favor of the latter institution. Deposits with deposit money banks increased by CFAF 7.6 billion in three steps: CFAF 2.5 billion in 1973/74; CFAF 1.2 billion in 1974/75; and CFAF 3.9 billion in 1975/76. Although the Treasury deposits with the central bank also rose, by CFAF 1.6 billion in 1974/75 and CFAF 103 million in 1975/76, this merely offset the 1973/74 drawing down of these deposits, and by the end of September 1976 deposits with the central bank were at their end-September 1973 level. The transfers of Treasury funds to deposit money banks during that three-year period were intended to ward off any contractionary effects of budgetary surpluses. However, the enhanced liquidity position of deposit money banks allowed them to increase the amount of nondiscountable paper in their portfolios and did little to augment the credit provided for productive investment purposes. This policy course has been abandoned, and fiscal policy itself is to become more expansionary. The budget prepared for fiscal year 1976/77 calls for a deficit of CFAF 2 billion, brought about by a stepping-up of investment expenditures and a tax cut. This deficit will be financed by the banking system, as the Government intends to draw upon existing balances.

## 2. Revenue

Over the five-year period ended September 1976, total central government revenue increased from CFAF 13.5 billion to CFAF 25.7 billion, at an annual average rate of growth of 17 per cent (Appendix Table X). Evolution in government revenue tended to parallel the performance of the economy, with growth being much slower at the beginning of the period until 1973/74 and accelerating at the end during the recovery. Government revenue, however, did not decline during the worst of the drought, since external budgetary support more than compensated for losses in other revenue, and it showed high buoyancy when GDP grew. As a result, revenue relative to GDP went up from 12 per cent in 1971/72 to 16 per cent in 1975/76, with taxes alone representing 88 per cent of total revenue in 1975/76.

### a. Tax revenue

Niger's tax system is summarized in Appendix I. The Nigerian authorities have started to draft a wide-ranging tax reform, with the objective of simplifying the tax system, making it more responsive to evolving economic circumstances, and easing the fiscal pressure on lower-income groups. An increased inflow of financial resources from uranium has provided the authorities with the opportunity to carry out this tax reform without hampering growth in revenue. Contribution of uranium revenue to the budget became significant in 1974/75, and present arrangements for uranium taxation became operational in 1975/76. Besides the dividends that the

Government receives as the holder of 33 per cent of shares in SOMAÏR, uranium revenue is derived from various taxes: profits of the mining company are taxed at a rate of 40 per cent, dividends distributed to foreign shareholders are taxed at a rate of 16 per cent, and gross output value is taxed at a rate of 5.5 per cent through various turnover and export taxes.

During the last five-year period a number of measures were taken to ease the tax burden of lower-income groups; these include the elimination of some taxes and selected changes in tax rates. Also, to simplify tax administration, the earmarking procedure formerly utilized to allocate resources to the National Investment Fund (FNI) was abandoned in 1975. Starting with the 1975/76 budget, the FNI is funded exclusively through a transfer from the general budget. Earmarked resources still provide about 10 per cent of receipts for the public works annexed budget, and a tax on groundnut oil exports accrues to SONARA, outside the budgetary process.

Taxes on income, profits, and property grew from CFAF 4.0 billion in 1971/72 to CFAF 7.8 billion in 1975/76, when they represented 35 per cent of total tax revenue. In this category, revenue derived from profits grew the fastest, at an average annual rate of 63 per cent, in spite of the exemptions granted under the investment code. This revenue nearly doubled in 1974/75, when the economy recovered from the drought, and doubled in 1975/76, when taxes on profits from the uranium sector increased by about CFAF 1.5 billion and the profit tax rate was raised from 35 per cent to 40 per cent. At an average annual rate of 6 per cent, growth in revenue from other taxes on income has been much slower, reflecting the stagnation of revenue from the minimum tax levied on farmers and cattle raisers. This tax was leniently collected during the drought years to ease fiscal pressure on the rural sector, and it has been decided to eliminate it in two successive steps, starting in 1976/77. Revenue from property taxes declined from CFAF 638 million in 1971/72 to CFAF 121 million in 1975/76, primarily because the cattle tax, which used to provide most of the revenue in this category, was eliminated in two successive steps in 1972/73 and 1973/74. An additional property tax, based on gross rental value of rented buildings, was introduced in 1973/74 and provided about 40 per cent of revenue in this category in 1975/76.

Taxes on goods and services grew steadily during the five-year period ended September 1976 (at an average annual rate of 18 per cent), and their share in total tax revenue remained stable at about 40 per cent. The turnover tax on imports accounted for a little less than one half of revenue in this category. Tax rates were revised several times during the last two-year period, as the authorities attempted to increase revenue without raising the consumer prices on selected widely consumed goods. In October 1975 the general turnover rate on imports was raised from 10 per cent to 18 per cent, and a special rate of 15 per cent applying to basic consumer goods was introduced. In March 1976 the special rate was lowered

to 13.5 per cent, and some essential consumer goods were exempted from the turnover tax. The rate applying to luxury items was raised from 25 per cent to 30 per cent in two steps in 1975, but in March 1976, in an attempt to reduce smuggling of goods from lower tariff countries, the rate was lowered to 23 per cent. Domestic turnover tax and selective excise taxes on petroleum products, alcohol, and tobacco provide about 50 per cent of revenue from taxes on goods and services and grew steadily at an average annual rate of 17 per cent.

Taxes levied directly on international trade have grown at an average annual rate of 21 per cent, and their share in total tax revenue has increased from 19 per cent in 1971/72 to 22 per cent in 1975/76. Import duties represented 75 per cent of revenue in this category in 1975/76, when revenue from customs duties more than doubled, reflecting largely a revision of the preferential treatment (which consisted of a complete exemption from customs duties) granted heretofore to imports from the EC. In line with the provisions of the Lomé Convention, that preferential treatment was abolished in October 1975, and ordinary duty rates were attached to those imports; but in March 1976 customs duties levied on selected basic consumer goods imported from the EC were eliminated, while other customs duties levied on EC imports were reduced by half. Export duties grew modestly over the five-year period, although fiscal duties levied on exports of cattle and groundnuts declined, there was a rise in the proceeds of the statistical tax, reflecting the increase in uranium exports and several rate changes, from 1 per cent in 1974, the rate was increased to 2 per cent and later 3 per cent in 1975, but reduced to 2.5 per cent in 1976.

Revenue from other taxes is usually small; its importance in 1974/75 (about 15 per cent of total revenue) reflects a sudden increase in revenue from the uranium sector following a revision in uranium prices. Most taxes levied on uranium in 1974/75 were not based on the revised prices, and a lump sum payment of CFAF 2.1 billion, classified in "other taxes," was made by France.

b. Nontax revenue

Nontax current revenue nearly doubled in 1975/76, when it represented about 9 per cent of total current revenue. This increase reflected mostly a rise in dividends paid by SOMAÏR amounting to CFAF 809 million, as the Government's participation in SOMAÏR was raised to 33 per cent and SOMAÏR's profits rose sharply. An increase in interest earned by the Treasury on its deposits with the banking system and in Niger's share in the profits of the central bank accounted for the rest of the increase in this category of revenue.

Other budgetary revenue consists mostly of contributions by parastatal enterprises, external grants accruing to the budget, and receipts carried over from previous years. In recent years, the Caisse de Stabilisation

des Prix des Produits du Niger (CSPPN) contributed annually about CFAF 200 million to the budget, except in 1974/75, when other budgetary revenues improved sharply. Most external grants do not accrue to the budget; they are usually channeled directly to the FNI or to other government agencies with their own budgets, or are disbursed through Treasury special accounts. External assistance to the budget was high only in 1973/74, when a CFAF 1 billion budgetary subsidy from France was supplemented by other grants from France and the EC to compensate for revenue shortfalls due to the drought. The French subsidy was terminated in 1974/75. Aid received from the EC and from Saudi Arabia during the two-year period 1974/75-1975/76 accrued to special accounts or other public agencies.

### 3. Current expenditure

Between 1971/72 and 1975/76 central government current expenditures grew at an average annual rate of 15 per cent but remained in the range of 11-12 per cent of GDP (Appendix Table XI). They grew more rapidly during the last two years of the period, in line with the increase in receipts. The present Government, however, intends to keep the fiscal policy on a prudent course. Its goal is to maintain the rate of growth of current expenditures below the rate of growth of current revenue in order to increase the government contribution to investment financing.

A functional analysis of current expenditures shows that the Government has been successful in minimizing less productive expenditures while increasing expenditures which may help to develop the country. Expenditures on education were most buoyant, they grew at a rate of 23 per cent, and their share in total current expenditures went up from 16 per cent in 1971/72 to 20 per cent in 1975/76. Expenditures for higher education, including grants for studying abroad and subsidies for scientific research conducted by the University of Niamey, grew slightly faster than other expenditures in this category, but expenditures on primary and secondary education also increased rapidly. This increase in education expenditures stemmed from a rise in the school population, accompanied by a rise in the share of the Government in education costs; in particular, subsidies to private and professional schools were increased. The priority granted to the development of human resources is also reflected in the 41 per cent increase in expenditures on health services in 1975/76, compared to annual increases of about 7 per cent until 1974/75. Expenditures on internal and external security grew at an annual average rate of 13 per cent. Growth in this category of expenditures accelerated somewhat toward the end of the period, to reach growth rates of 27 per cent in 1974/75 and 18 per cent in 1975/76. This acceleration may reflect a change in government policies, following the 1974 change in government, but it should be taken into account that this category of expenditures, where most appropriations are for personnel, reflects more than other categories an increase in public salaries in January 1975. The share of general administrative expenditure in total current expenditures also declined, from 39 per cent in 1971/72 to 37 per cent in 1975/76, reflecting changes

introduced in 1974 in the government structure. The rapid increase (41 per cent) in 1975/76 was due to larger expenditures on scientific research in the fields of mining, agriculture, and energy, as well as higher salaries. Current expenditures on economic and social services grew at a rate of 13 per cent, less rapidly than other current expenditures. It should be noted, however, that an important part of public expenditures on economic services is carried outside the general budget, either through the annexed budget for roads and communications or through specialized public agencies.

An economic analysis of central government expenditures shows that the share of personnel expenditures in total current expenditures tended to decline, while subsidies, transfers, and debt servicing grew much more rapidly. Wages and salaries of civil servants were increased only once during the period, in January 1975. Until then, expenditures on personnel grew at a rate of 5 per cent, but they grew by 20 per cent in 1975/76, although their share in total current expenditures was only 39 per cent compared to 45 per cent in 1971/72. Growth in materials, supplies, housing, and transport, at a rate of 16 per cent, was due mostly to the price inflation of goods and services imported from abroad. Subsidies and other current transfers increased rapidly at a rate of 31 per cent, and their share in total current expenditures grew from 9 per cent in 1971/72 to 16 per cent in 1975/76. Growth in this category of expenditures reflected an increase in transfers to households for both social and educational purposes, from CFAF 88 million in 1971/72 to CFAF 636 million in 1975/76, and an increase in subsidies to various public agencies and educational institutions, largely because of an increase in the number of public agencies managing an autonomous budget and receiving a subsidy from the general budget. Toward the end of the period several such agencies were established to deal with research in agriculture (INRAN), in mining (OFREMIG), and in solar energy (ONERSOL), and management in mining (URANIGER).<sup>1/</sup> At the same time, older agencies like the OPVN, UNCC, and OPT have been expanding and, at various times, have needed government financial support. Financial management of this growing parastatal sector does not have to conform to the tight rules which apply to the general budget; its wage policy, in particular, has been different. Growth of this sector, if it should continue, may therefore lead to an increased demand for financial support, which could lead to budgetary difficulties. Since 1975/76 the servicing of public debt is met entirely through the general budget, until 1974/75 it was split between the general budget and the FNI. In Appendix Table XI debt service figures have been consolidated. In Niger debt data are not assembled and it is difficult to assess precisely what its main components are and to project its evolution. Debt service increased from CFAF 379 million in 1971/72 to CFAF 1,499 million in 1975/76, when it represented 8 per cent of total current expenditures. Although no precise breakdown of debt servicing is available, it is estimated that only about 25 per cent is

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<sup>1/</sup> URANIGER was absorbed into ONAREN in August 1976.

for external debt servicing. Most foreign aid to Niger has been in the form of grants or loans on concessionary terms (see Chapter VI), and the external debt has remained low.

#### 4. Investment expenditures

Most central government investment expenditures are disbursed through the FNI, but some are channeled through the general budget and through the annexed budget. Projects directly financed by foreign aid are not included in Appendix Table XII. Since the procedure of earmarking resources for the FNI was discontinued, the Government's policy has been to transfer from the general budget to the FNI an amount of resources equivalent to revenue derived from uranium. Table 8 below shows the rapid increase in FNI appropriations for investment expenditures paralleling the increase in uranium revenue.

Table 8 FNI Appropriations and Uranium Revenue, 1974/75-1977/78

(In billions of CFA francs)

	1974/75	1975/76	1976/77	1977/78
Revenue from uranium <sup>1/</sup>	2.5	4.0	8.0	12.0
FNI appropriations for investment	2 1	3.9	8 0	5 8 <sup>2/</sup>

Source. Staff estimates.

<sup>1/</sup> Staff estimates.

<sup>2/</sup> Amount originally projected in the three-year development plan.

Actual disbursements grew at a rate of only 12 per cent, however, because of difficulties in identifying and implementing projects. Under the present budgetary system, unspent appropriations at the end of the fiscal year are temporarily committed to the ministry responsible for implementing the project. The project must then be carried out during the following three years, as appropriations are automatically canceled at the end of the third year. This system seems to have led ministries to overestimate their investment appropriation requests without speeding up the implementation process. In 1975/76, when investment appropriations increased by 57 per cent, temporary commitments at the end of the fiscal year amounted to about 30 per cent of appropriations. The distribution of investment among sectors showed overall stability over the five-year



period 1971/72-1975/76, with about 40 per cent of the total being spent on infrastructure and water supply, about 20 per cent on administrative infrastructure, about 25 per cent on education, health, and community amenities, and the remaining 15 per cent on various projects in participation with foreign aid loans.

## 5. Future prospects

The growing inflow of financial resources from uranium has brought about a major change in the Government's financial position. With important surpluses realized in the past and a large resource increase expected in the future, the Government is now trying to devise means of increasing productive expenditures and of redistributing income to lower-income groups without abandoning its prudent stance. To this end, the 1976/77 budget represents a shift to a more expansionary policy, with a projected CFAF 2 billion deficit to be financed from previously accumulated surpluses. The first step in the eventual elimination of the minimum income tax will cost CFAF 1 billion in foregone revenue, and the budget provides for a CFAF 6.9 billion increase in investment expenditures. Current expenditures are projected to grow at a rate of 17 per cent, in line with growth in current revenue excluding revenue from uranium. Expenditures on personnel are expected to grow by 19 per cent, mostly because a number of temporary employees will be included in the regular civil service and because teachers' salaries will be increased. Subsidies and other current transfers will continue to be the fastest growing item, at a rate of 21 per cent. The implementation of the 1976/77 budget is heavily dependent upon the realization of the investment program. Of the CFAF 10.9 billion in appropriations, CFAF 8 billion are to be disbursed through the FNI. They represent 44 per cent of FNI expenditures projected in the three-year program. In view of the difficulties encountered in trying to step up investment expenditures in the past, it seems rather doubtful that this ambitious policy can be fully implemented. On the basis of growth rates registered during the three-year period ended September 1976, investment expenditures (including increases in government participation in enterprises) could amount to about CFAF 5.5 billion. Assuming, furthermore, that current expenditures will reach their projected level, and taking into account that budgeted revenue includes taxes levied on new investment, the execution of the 1976/77 budget may be expected to result in an overall surplus of about CFAF 2.5 billion, instead of the officially projected CFAF 2 billion deficit.

## V Money and Banking

### 1. Introduction

Niger is a member of the West African Monetary Union (UMOA) together with Bénin, Ivory Coast, Senegal, Togo, and Upper Volta. These countries

share a common currency, the CFA franc, which is issued by a common central bank, the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO). Besides the BCEAO, the banking system in Niger consists of four deposit money banks: the Banque Internationale pour l'Afrique Occidentale (BIAO), the Banque de Développement de la République du Niger (BDRN), the Crédit du Niger (CN), and the Caisse Nationale de Crédit Agricole (CNCA). Other financial intermediaries that perform some banking operations consist of the Treasury, the Post Office, the National Savings Banks (the Caisse Nationale d'Epargne), and two specialized lending institutions (the Caisse de Prêts aux Collectivités Territoriales and the Société Nigérienne de Crédit Automobile). Only the private sector deposits with the Postal Checking System and the Treasury's claims on the private sector, i.e., holdings of customs duty bills, are consolidated along with the deposit money banks in the monetary survey.

## 2. Reform of the Central Bank

New statutes of the UMOA were approved and put into force on October 11, 1974 by a Conference of Heads of States of the member countries, and a set of new rules (règles d'intervention) for central banking operations was adopted by the Board of Directors of the BCEAO on May 3, 1975. In the past, the BCEAO relied on two main instruments to control credit, namely, rediscount ceilings and liquidity ratios, but these instruments were believed to be inadequate to pursue an active monetary policy that would contribute to economic development of the member countries. Under the reformed system, the institutional arrangements have been restructured to provide more flexibility in the application of an active monetary policy at the national level, to permit the central bank to play a more active role in the economic development process, and to promote Africanization within the member countries and within the central bank itself. To these ends, the central bank has been equipped with new instruments for regulating more effectively than hitherto the total credit expansion in each member country.

The shift to a more active monetary policy has been gradual, and the various features have been introduced in phases. The first phase started on July 1, 1975 with the introduction of a system of preauthorization (autorisation préalable) of credit by the central bank, a new interest rate structure, and a call money market. Moreover, the rules governing the provision of banking system credit to the governments have been revised. The second phase was introduced in January 1976. Banks are no longer allocated individual credit ceilings, but their access to central bank resources is determined by annually established objectives for the monetary union and for each member country, particularly with respect to external reserves of the central bank. The central bank is to favor credit to the Government and to the economic sectors accorded priority at the national level, whereas under the old system rediscount ceilings were allocated among banks without sectoral distribution. In Niger, the designation of sectoral priority has yet to take place.

### 3. Overall developments during 1974-75

Developments in the monetary sector in 1974-75 in Niger reflect essentially favorable developments in the balance of payments, a continued creditor position of the Government vis-à-vis the banking system, and a deceleration in credit to the private sector. The net foreign assets position of the banking system has, as a consequence, remained positive. In 1974 net foreign assets declined by CFAF 1.2 billion (or 10.5 per cent), and credit to the private sector rose by 68.3 per cent to almost CFAF 21 billion, reflecting the resumption of economic growth following the drought (Table 9). The Government's creditor position more than doubled and softened the impact of the rise in claims on the private sector; as a result, total domestic credit rose by 52.5 per cent. Money supply, broadly defined, increased by 31 per cent. In 1975, however, economic performance slackened, as the agricultural sector was faced with a major setback. Fortunately, the rise in uranium export receipts more than made up for the decline in agricultural exports, and the net foreign assets of the banking system improved. Credit to the private sector increased by only 36 per cent, reflecting mainly a slowdown in the operations of SONARA and other parastatals involved in agricultural marketing and processing, and an overall sluggishness in the performance of the services and transportation sectors (Appendix Table XIII). As the Government's creditor position continued to improve, overall domestic credit rose only by 23 per cent, almost half of the rate of increase in 1974.

During the 1974-75 period as a whole, the liquidity position of the deposit money banks was not sufficient to meet the credit requirements of the private sector, and the banks increased their borrowing from the central bank by CFAF 4.2 billion in 1974 and by another CFAF 1.9 billion in 1975. The bulk of the credit thus granted was for short-term financing, of which commerce, industry, and mining took the largest share (Appendix Tables XIII, XIV, and XV).

The proportion of short-term credit to public and semipublic institutions in the total increased significantly, rising from 15.1 per cent at the end of 1973 to an average of 40.2 per cent during 1974-75. During this period, medium-term credit stagnated and long-term credit, extended largely to public and semipublic enterprises, declined, reflecting the low level of absorptive capacity and difficulties in identifying new development projects.

### 4. Developments in 1976 and prospects for 1977

The monetary targets established by the BCEAO for Niger for 1976 show essentially the willingness of the monetary authorities to revive demand for private sector credit, and at the same time, to encourage a faster pace of government expenditure. The central bank was also willing to accommodate a fall in net foreign reserves in conjunction with the monetary expansion target.

Table 9. Niger: Monetary Survey, 1973-76

(In millions of CFA francs)

	1973	1974	1975				1976			
			March	June	Sept.	Dec.	March	June	Sept. 1/	Dec. 2/
Foreign assets (net) <sup>3/</sup>	11,911	10,665	9,942	11,608	10,801	11,008	11,290	13,803	20,224	14,800
Domestic credit	9,062	13,821	18,663	16,048	18,343	17,058	19,860	17,634	13,596	23,800
Claims on Government (net)	-3,402	-7,152	-7,061	-8,714	-7,943	-11,488	-9,599	-11,333	-12,729	-10,500
Claims on the private sector	12,464	20,973	25,724	24,762	26,286	28,546	29,459	28,967	26,325	34,300
Money	13,621	17,637	19,068	17,895	20,064	20,133	21,337	22,643	22,507 )	32,300
Quasi-money	1,883	2,678	2,828	2,690	2,894	2,173	3,792	2,832	4,372 )	
Other items (net)	5,469	4,171	6,709	7,071	6,186	5,760	6,021	5,962	6,941	6,200

Sources: IMF, International Financial Statistics; and data provided by the Nigerien authorities.<sup>1/</sup> Provisional.<sup>2/</sup> Estimates.<sup>3/</sup> These figures differ from those shown in IFS because long-term foreign liabilities have been deducted from the foreign liabilities of the deposit money banks.

Actual developments in the first nine months of 1976 were characterized by a 20.3 per cent decline in domestic credit to CFAF 13.6 billion, as the Government increased its creditor position by 10.8 per cent (CFAF 1.2 billion) and credit to the private sector fell by 7.8 per cent (CFAF 2.2 billion). As a result of these developments, the net foreign assets of the banking system increased almost twofold to CFAF 20.2 billion (Table 9). A turnabout has been estimated for the final quarter of the year, in line with increased demand for credit associated with the recovery of the agricultural sector. Nonagricultural credit, particularly in the mining and industrial sectors, is also estimated to have increased. The sharp rise in the net foreign assets of the banking system was reflected in the 20.5 per cent increase in money supply (broadly defined) during the first nine months of 1976. It is likely that, within the last quarter, total money supply will rise further by 20.2 per cent to CFAF 32.3 billion. While the money supply target had originally been projected to rise by 39 per cent in 1976, it is more likely that actual expansion will reach 45 per cent.

On the whole, the expected increase in central bank rediscounts has not materialized, mainly because the Treasury performed very important monetary functions during the first nine months of the year by providing deposit money banks--BDRN in particular--with large financial resources. Also, the Government has helped improve the financial situation of the major parastatals--SONARA in particular; the latter development has enabled these public enterprises to liquidate their indebtedness toward the banking system. The monetary functions performed by the Treasury, referred to above, were in the form of a movement of government deposits from the central bank to the deposit money banks; these deposits with the central bank declined from CFAF 6.0 billion at the end of 1975 to CFAF 3.2 billion by March 1976 before rising to CFAF 5.0 billion at the end of September. On the other hand, government deposits with the deposit money banks rose from CFAF 8.8 billion at the end of 1975 to CFAF 9.7 billion in March 1976, before reaching CFAF 11.3 billion in September. These deposit money banks, BDRN in particular, had extended important credits to SONARA and other public enterprises in a financial squeeze, and had also provided prefinancing for the Government's investment projects. As the banks' liquidity position deteriorated and they could not provide paper acceptable to the central bank for rediscounting, they called on the Treasury to provide them with liquid resources. By the end of September the prefinancing operations had been terminated and the public enterprises had reimbursed their debts to the banks. These developments in turn made it possible for the deposit money banks to reduce to a very low level outstanding rediscounts with the central bank.

The establishment of the call money market did not alter the deposit money banks' traditional sources of funds. By and large, banks preferred to use central bank rediscounts, as the interest rate differentials did not cover the cost of daily operations in the call money market.

Contrary to expectation, the preauthorization requirements have not yet proven to be effective in Niger, as demand for credit has slackened.<sup>1/</sup> Similarly, owing to the lack of an officially stated policy for sectoral credit allocation, the provision of the reform favoring financing for sectoral targets has not been used so far. However, the Niger Government has benefited from a new provision of the reform which grants long-term financing for government-sponsored development projects; thus, an amount of CFAF 725 million has been granted to finance a dam project.

The monetary targets for 1977 are based on the expectation that credit demand for directly productive investment would be forthcoming in line with economic recovery prospects for that year. As a complement to the expansionary government budget, the targets envisaged a decline of CFAF 1.5 billion in government net balances and an increase in credit to the private sector by 26 per cent. Money supply has been forecast to rise by 19 per cent, and the BCEAO is ready to incur a decline of as much as CFAF 5 billion in the net official reserves in order to accommodate the credit targets. It appears, however, that the expected developments in official reserves will not materialize, as independent projections point to a likely surplus in the balance of payments for 1977.

## VI. Trade and Payments

### 1. Balance of payments developments, 1974-76, and prospects for 1977

In recent years Niger's balance of payments has been characterized by deficits on trade and on services, usually more than offset by inflows of capital and aid. An upward trend in uranium export volume and an improvement in the terms of trade have been elements of strength in the balance of payments, in contrast to widely fluctuating agricultural exports, reflecting both the drought and other setbacks to agricultural production in Niger and shifts in prices in world markets. Imports have also fluctuated widely, as the need for emergency food has varied from year to year, the counterpart of those changes is seen in fluctuation in aid inflows. Capital inflows have been in line with the development of the uranium sector, and net service payments, which have been increasing steadily (except for 1975), largely because of Niger's landlocked position, have been in line with its use of foreign capital and labor.

For the first time since 1967, Niger recorded an overall balance of payments deficit of SDR 4.2 million in 1974 (Table 10), as agricultural supplies available for export were sharply reduced because of the drought:

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<sup>1/</sup> In Niger this requirement makes it mandatory for a bank to seek central bank approval when the amount requested brings the total amount of credit extended to the borrower by the banking system to over CFAF 30 million. The same applies to Bénin, Togo, and Upper Volta. For Ivory Coast and Senegal, the limit is CFAF 100 million.

Table 10. Niger: Summary Balance of Payments, 1973-77

(In millions of SDRs)<sup>1/</sup>

	1973	1974 <sup>2/</sup>	1975 <sup>2/</sup>	1976 <sup>2/</sup>	1977 <sup>3/</sup>
<u>Goods and services</u>	<u>-36.6</u>	<u>-106.9</u>	<u>-50.7</u>	<u>-73.3</u>	<u>-107.2</u>
Exports, f.o.b.	83.7	71.3	102.5	97.6	154.9
Imports, c.i.f.	117.3	160.9	138.6	146.6	224.5
Trade balance	-33.6	-89.6	-36.1	-49.0	-69.6
Services (net)	-3.0	-17.3	-14.6	-24.3	-37.6
<u>Unrequited transfers</u>	<u>57.3</u>	<u>98.6</u>	<u>44.2</u>	<u>49.4</u>	<u>53.9</u>
Private	-10.2	1.7	-13.4	-14.5	-17.4
Government	67.5	96.9	57.6	63.9	71.3
<u>Balance on current account</u>	<u>20.7</u>	<u>-8.3</u>	<u>-6.5</u>	<u>-23.9</u>	<u>-53.3</u>
<u>Nonmonetary capital</u>	<u>-2.3</u>	<u>17.3</u>	<u>8.1</u>	<u>38.1</u>	<u>68.6</u>
Private long-term	--	2.8	10.0	21.1	47.7
Private short-term	-9.4	4.8	-13.4	2.6	--
Government	7.1	9.7	11.5	14.5	20.9
<u>Monetary capital</u>	<u>-0.8</u>	<u>2.4</u>	)		
			) 3.7	-4.1	--
<u>Errors and omissions</u>	<u>-14.7</u>	<u>-15.6</u>	)		
<u>Overall surplus or deficit (net)</u>	<u>2.9</u>	<u>-4.2</u>	<u>5.3</u>	<u>10.1</u>	<u>15.3</u>
<u>Net reserves (increase -)</u>	<u>-2.9</u>	<u>4.2</u>	<u>-5.3</u>	<u>-10.1</u>	<u>-15.3</u>

Source: Appendix Table XVI.

<sup>1/</sup> Original data in CFA francs have been converted to SDRs at the average rate of CFAF 265.49 = SDR 1 for the year 1973; CFAF 289.20 = SDR 1 for the year 1974; CFAF 260.22 = SDR 1 for the year 1975; CFAF 275.69 = SDR 1 for the year 1976; and CFAF 287.55 = SDR 1 for the year 1977.

<sup>2/</sup> Estimates.

<sup>3/</sup> Projections.

in particular, no groundnuts were exported in that year. The bountiful harvest in late 1974 provided larger agricultural supplies for 1975, which, combined with the larger volume of uranium exports at higher prices, led to a sharp narrowing in the trade deficit and to an overall surplus of SDR 5.3 million. Although the agricultural sector was subject to a new setback in the 1975 that eliminated groundnuts for export in 1976 (see Chapter I), an overall surplus of SDR 10.1 million is projected for that year, as uranium and cattle exports expanded. Imports rose by 6 per cent, as emergency food and seedlings were required, but these were largely covered by aid inflows.

At the end of 1974 Niger's gross international reserves totaled SDR 37.8 million, a decline of SDR 4.7 million from the previous year. In line with the balance of payments surpluses in 1975 and 1976, they rose to SDR 42.9 million at the end of 1975 and to SDR 69.5 million by the end of November 1976, and at that time were equivalent to four months of projected imports for 1977.

A balance of payments surplus of SDR 15.3 million is projected for 1977. Export receipts are expected to expand by SDR 57 million, of which exports of uranium and groundnuts are projected to rise by SDR 38 million and SDR 21 million, respectively, whereas exports of animal products will probably decline marginally. Imports are projected to increase by SDR 78 million, in line with the continued investment in COMINAK, government investment associated with the three-year development plan, and the overall recovery in the economy. To cover the investment expenditures, external borrowing is expected to increase by SDR 30 million, and an additional SDR 7 million in foreign grants is expected to be forthcoming. The outflow of private transfers and net service payments is projected to increase by SDR 16 million. The outlook for 1977 is based on the assumption that SOMAIR will maintain its working balances with deposit money banks in Niger.

## 2. Composition and direction of foreign trade, 1971-75 <sup>1/</sup>

### a. Exports and imports

Statistics on the commodity composition of trade, which are available in detail only through the first nine months of 1975, are presented in

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<sup>1/</sup> This section is based on trade data expressed on a customs basis. Differences between customs and balance of payments bases are attributable to: (1) customs data exclude duty-free imports, in particular, food aid; (2) balance of payments data include estimates for smuggling and for unrecorded trade, such as trade which is known to occur but for which customs officers do not forward the forms to the Customs Office in Niamey; and (3) customs data measure values of trade by a system of reference prices for imports and exports, rather than actual transaction prices, as does the balance of payments.



Appendix Tables XVIII and XIX. Exports, which totaled SDR 48.8 million in 1971, increased in each of the following years, except 1974, to SDR 70.0 million in 1975. The decline in 1974 was due to decreases in the exports of groundnuts and livestock. Prior to 1973 those two products were the principal export items, however, their importance declined relative to that of uranium in 1973, and since then the share of uranium in total exports has risen each year to over 65 per cent in 1975. Niger first began exporting uranium in 1971, when 400 tons were shipped; the tonnage expanded to 1,600 in 1976, and another increase to 1,800 is expected in 1977. Along with the increased volumes of uranium exported, the price has been changed frequently; average price, which was about CFAF 5,000 per kilo in 1974, was raised to CFAF 10,000 per kilo in 1975 and tentatively to CFAF 14,000 per kilo in 1976. As discussed in Chapter I, the final price of 1976 will be subject to negotiations scheduled to be completed in the spring of 1977.

In 1973 and 1974 Niger was unable to benefit fully from the increase in world prices for groundnuts, since crops suffered from the effects of the drought. Exports of groundnuts and related products fell by SDR 9 million in 1973 and again in 1974, and in the first nine months of 1975 slightly exceeded SDR 2.3 million; no groundnuts were exported in 1976, as rodents and a virus destroyed virtually all of the 1975/76 crop. To supply the domestic groundnut processing industry in 1974 and 1975, the Government prohibited exports of shelled groundnuts, and first priority has been attached to exporting groundnut products as domestic output increases. To assist in the recovery, in 1976 the authorities imported 10,000 tons of groundnut seeds from Senegal, these imports were financed with funds from the European Development Fund.

As the drought intensified in the 1971-73 period, cattle exports rose sharply (from 45 thousand tons in 1971 to 63 thousand tons in 1973), as herders were unable to maintain herds on existing grazing areas. Cattle prices declined in 1973, however, leading to a decline of SDR 2.1 million in the value of cattle exports in that year. In line with the authorities' program for reconstituting herds (see Chapter I), a selective export ban was introduced and is mirrored in the decline of cattle exports in 1974 and 1975.

Detailed import data are presented in Appendix Table XY. Imports, which totaled SDR 66 million in 1971, rose each succeeding year to SDR 98 million in 1974, but declined to SDR 72 million in 1975. There has been little discernible change in the structure of imports. Equipment goods account for the highest identifiable proportion of imports--23 per cent in 1974 and over 30 per cent in the first nine months of 1975. These imports have in large measure been associated with large investment projects, most notably SOMAIR, COMINAK, and NITEX, which was recently modernized and expanded. Also in 1974 imports of food and beverages accounted for 11 per cent and raw materials and petroleum products for 14 per cent of total imports.

b. Direction of trade

As seen in Appendix Tables XXI and XXII, Niger's most important trading partner continues to be France, although dependence on that country for its imports has declined steadily since 1972. France's reduced share in Niger's purchases has been taken up by the United States. Nigeria, the major petroleum supplier of Niger, has also increased its share.

France's share in Niger's exports has risen steadily since 1972, reflecting the increasing importance of uranium, which is shipped solely to France. Although a third of Niger's exports are sold to West African countries, the bulk is sold to Nigeria, Niger's second-most important export destination. Exports of cowpeas, cassiterite, and livestock dominate this trade.

3. Terms of trade

Staff estimates of Niger's terms of trade are presented in Table 11. Following a deterioration in the terms of trade in 1973, they improved in each of the following years. The dominant element has been the steady increase in uranium prices, as mentioned above. The prices for other export commodities show no clear trend and no uniform movement. Import prices have risen from year to year, with the largest increase (28 per cent) occurring in 1974, reflecting in large measure higher petroleum prices. The rate of imported inflation slowed down in 1975 and 1976.

Table 11. Niger: Selected Price Indices and Exchange Rates, 1972-76

	1972	1973	1974	1975	1976
Export price index <sup>1/</sup>	113	116	197	233	281
Import price index <sup>1/</sup>	107	116	149	165	175
Terms of trade <sup>1/</sup>	106	100	132	141	161
CFAF/SDR (end of period)	278.21	283.97	272.08	262.54	288.72
CFAF/SDR (monthly averages)	273.83	265.49	289.20	260.22	275.69
CFAF/US\$ (end of period)	256.25	235.40	222.22	224.27	248.49
CFAF/US\$ (monthly averages)	252.21	222.70	240.50	214.32	238.97

Sources: IMF, International Financial Statistics (various issues); and staff estimates.

<sup>1/</sup> 1970 = 100, based on prices expressed in CFA francs.

#### 4. External aid

Given its landlocked characteristics, low GDP per capita, and the ravages caused by the recent drought, external assistance is an important element in Niger's balance of payments. In 1975 foreign aid totaled SDR 82.8 million and was equivalent to 80 per cent of exports; the largest part is in the form of grants (Table 12). Two elements are discernible in the aggregate aid figures. First, because of the food shortages stemming from the drought, food aid averaged SDR 22.7 million per year in 1973 and 1974; with the recovery in the agricultural sector in late 1974, food aid dropped to SDR 2.7 million in 1975, a level on a par with the annual average in 1970-72. Second, foreign aid other than that for food has shown a steady upward trend from SDR 39 million in 1972 to SDR 80 million in 1975, and the share of grants has risen from about 74 per cent in 1971 to over 81 per cent in 1975.

Table 12. Niger: Disbursements of Foreign Aid, 1970-75

(In millions of SDRs)

	1970	1971	1972	1973	1974 <u>1/</u>	1975 <u>1/</u>
<u>Official grants</u>						
Technical assistance	10.68	10.21	14.45	15.39	14.91	17.01
Investment aid	18.35	18.35	21.61	24.43	27.09	37.06
Food aid	3.08	1.01	3.76	21.11	24.22	2.69
Other	--	--	--	0.45	4.01	10.68
Subtotal	32.11	29.57	39.82	61.38	70.23	67.44
Subtotal, excluding food aid	(29.03)	(28.56)	(36.06)	(40.27)	(46.01)	(64.75)
<u>Loans (net)</u>	<u>13.68</u>	<u>10.21</u>	<u>12.41</u>	<u>10.18</u>	<u>9.34</u>	<u>15.35</u>
<u>Total</u>	<u>45.79</u>	<u>39.78</u>	<u>52.23</u>	<u>71.56</u>	<u>79.57</u>	<u>82.79</u>
Total, excluding food aid	(42.71)	(38.77)	(48.47)	(50.45)	(55.35)	(80.10)

Source: IBRD.

1/ Preliminary.

A considerable portion of external aid is in the form of technical assistance, but since 1972, when it accounted for about 30 per cent of total nonfood assistance, its share has dropped steadily, to 21 per cent in 1975. Other forms of aid consist of grants in cash and in project financing; also, cash grants have been provided to help the Government to finance part of its share of the cost of relief operations. The allotment of external assistance in the form of loans has declined from about a quarter in 1971 to about a fifth in 1975. The principal aid providers have been France, West Germany, the European Communities, and IDA, but recently Niger has received grants from Saudi Arabia and Kuwait.

Niger's external debt at the end of 1974 totaled CFAF 41.8 billion (SDR 153.6 million), of which CFAF 22.4 billion (SDR 82.4 million) had been disbursed (Appendix Table XXIII), representing increases of 49 per cent and 14 per cent, respectively, in terms of CFA francs from the end of 1973. At the end of 1975 total external debt amounted to CFAF 49.6 billion (SDR 188.9 million), of which CFAF 26.2 billion (SDR 100 million) had been disbursed. In that year, payments of interest and amortization totaled about CFAF 2.0 billion, placing Niger's debt servicing at about 7.5 per cent of exports in 1975.

#### 5. Exchange and trade system

Niger continues to maintain a liberal system of trade and payments, which is similar to that of the other French franc area countries that have an Operations Account with the French Treasury. During the past few years Niger's exchange system has been modified in line with changes introduced in France. A detailed description of the system is published in the IMF's Twenty-Seventh Annual Report on Exchange Restrictions. One feature of the Nigerien system is discussed below.

Since 1969 Niger has maintained a bilateral trade and payments agreement with Nigeria. The agreement was designed to avoid disruptions in the traditional trade between the two countries following an intensification of restrictions in Nigeria. With the agreement, Nigerien exporters had the benefit of being paid without delay at a fixed exchange rate. The agreement enabled Nigerien exporters to deposit their export proceeds in Nigerian currency in Lagos or Kano and to receive the counterpart payment in CFA francs in Niamey. However, a major difficulty was encountered in the periodic settlement of naira balances. As a result of discussions between Niger and Nigeria, a revised agreement was signed in August 1976. The revised agreement provides for semiannual settlement of balances arising under the agreement; in the period August-October 1976 there was settlement on two occasions. The agreement is currently being operated through accounts at the Banque Internationale pour l'Afrique Occidentale (BIAO) in Nigeria and in Niger. Appendix Table XXIV presents movements in the balances in the Kano account for the years 1975-76.

Niger: Summary of the Tax System, October 1976

(All amounts in CFA francs)

Tax	Nature of the tax	Deductions and exemptions	Rates																								
1. <u>Taxes on income and profits</u>																											
In Niger, income taxes consist principally of a number of schedular taxes on different sources of income, and the general income tax.																											
1.1 <u>Companies, partnerships, and individual enterprises</u>																											
1.1.1 Tax on industrial, commercial, artisanal, and agricultural profits (Impôt sur les bénéfices industriels, commerciaux, artisanaux, et agricoles)	An annual schedular tax levied on the net profits realized from activities carried on within the country. Artisans are taxed on the basis of half of net profits.	(i) Taxpayers, whether individuals or companies, may have their taxes reduced if they re-invest all or part of their profits. (ii) New factories may be accorded exemptions. (iii) Individuals are allowed a tax credit varying according to the number of dependent children from a maximum of 3,000 for one child to a maximum total of 45,000 for six or more children.	(i) Companies: 40 per cent without reduction, with a minimum of 1 per cent of the previous year's turnover. The minimum is deductible from actual profits tax in the current year, without a refund. (ii) Individuals: Progressively taxed by tranche: <table><tr><th>Taxable profits</th><th>Rate</th></tr><tr><td>0 to 100,000</td><td>Nil</td></tr><tr><td>100,001 to 300,000</td><td>5 per cent</td></tr><tr><td>300,001 and more</td><td>20 per cent</td></tr></table>	Taxable profits	Rate	0 to 100,000	Nil	100,001 to 300,000	5 per cent	300,001 and more	20 per cent																
Taxable profits	Rate																										
0 to 100,000	Nil																										
100,001 to 300,000	5 per cent																										
300,001 and more	20 per cent																										
1.2 <u>Individuals</u>																											
1.2.1 Tax on noncommercial profits (Impôt sur les bénéfices non-commerciaux)	An annual schedular tax levied on earnings from the exercise of an independent professional activity.	The same as under 1.1.1 (i) and (iii) above.	Same as 1.1.1 (ii) above.																								
1.2.2 Tax on salaries and wages (Impôt sur les traitements et salaires)	An annual schedular tax levied on wages and salaries earned in the public and private sectors by residents of Niger even if the remunerated activities are performed outside of Niger. It is also applied to nonresident wage-earners if they work in Niger and their employers are resident there.	The tax is levied on all income, without deductions or basic exemptions. In determining the tax base, expenses inherent to the job may be deducted.  The tax is levied at a reduced rate on pensions, retirement allowances, and annuities.	A progressive rate by tranche: <table><tr><th>Public and private salaries, wages, allowances, and emoluments</th><th>Monthly taxable earnings</th><th>Rate</th></tr><tr><td>0 to 15,000</td><td></td><td>3 per cent</td></tr><tr><td>15,001 to 50,000</td><td></td><td>10 per cent</td></tr><tr><td>50,001 to 100,000</td><td></td><td>15 per cent</td></tr><tr><td>100,001 and more</td><td></td><td>20 per cent</td></tr></table> <table><tr><th>Pensions, retirement allowances, and annuities</th><th>Monthly taxable earnings</th><th>Rate</th></tr><tr><td>0 to 20,000</td><td></td><td>2 per cent</td></tr><tr><td>20,001 and more</td><td></td><td>10 per cent</td></tr></table>	Public and private salaries, wages, allowances, and emoluments	Monthly taxable earnings	Rate	0 to 15,000		3 per cent	15,001 to 50,000		10 per cent	50,001 to 100,000		15 per cent	100,001 and more		20 per cent	Pensions, retirement allowances, and annuities	Monthly taxable earnings	Rate	0 to 20,000		2 per cent	20,001 and more		10 per cent
Public and private salaries, wages, allowances, and emoluments	Monthly taxable earnings	Rate																									
0 to 15,000		3 per cent																									
15,001 to 50,000		10 per cent																									
50,001 to 100,000		15 per cent																									
100,001 and more		20 per cent																									
Pensions, retirement allowances, and annuities	Monthly taxable earnings	Rate																									
0 to 20,000		2 per cent																									
20,001 and more		10 per cent																									
1.2.3 General income tax (Impôt général sur les revenus)	A tax levied on total net annual income.	Taxable income is divided into income splits, up to TEN, depending on the civil status and number of dependent children of the taxpayer.	<table><tr><th>Taxable income per split</th><th>Rate in per cent</th></tr><tr><td>0 to 100,000</td><td>Exempt</td></tr><tr><td>100,001 to 200,000</td><td>2</td></tr><tr><td>200,001 to 350,000</td><td>6</td></tr><tr><td>350,001 to 600,000</td><td>12</td></tr><tr><td>600,001 to 900,000</td><td>18</td></tr><tr><td>900,001 to 1,500,000</td><td>25</td></tr><tr><td>1,500,001 to 2,500,000</td><td>35</td></tr><tr><td>2,500,001 to 5,000,000</td><td>45</td></tr><tr><td>Over 5,000,000</td><td>60</td></tr></table> Total tax is obtained by multiplying the tax on each split by the number of splits.	Taxable income per split	Rate in per cent	0 to 100,000	Exempt	100,001 to 200,000	2	200,001 to 350,000	6	350,001 to 600,000	12	600,001 to 900,000	18	900,001 to 1,500,000	25	1,500,001 to 2,500,000	35	2,500,001 to 5,000,000	45	Over 5,000,000	60				
Taxable income per split	Rate in per cent																										
0 to 100,000	Exempt																										
100,001 to 200,000	2																										
200,001 to 350,000	6																										
350,001 to 600,000	12																										
600,001 to 900,000	18																										
900,001 to 1,500,000	25																										
1,500,001 to 2,500,000	35																										
2,500,001 to 5,000,000	45																										
Over 5,000,000	60																										

Niger: Summary of the Tax System, October 1976 (continued)

(All amounts in CFA francs)

Tax	Nature of the tax	Deductions and exemptions	Rates
1.3 Other			
1.3.1 Tax on income from interests and dividends (Impôt sur le revenu des valeurs mobilières)	A schedular tax levied on dividends, interest, and other corporate distributions (including distributions in kind) by Nigerian companies and foreign companies operating in Niger.  Interest on bonds, debentures, and ordinary debts, interest on deposits and guarantees.	No personal exemptions, but the tax paid on dividends is allowed as a credit against the general income tax paid by shareholders. There is no refund if the dividend tax exceeds the shareholder's general income tax.	16 per cent on distributed profits. For new companies: (i) 8 per cent on stock and share dividends during the first three years. (ii) 16 per cent on income from negotiable securities. (iii) 25 per cent on lottery drawings paid to creditors and bondholders.  General rate of 16 per cent reduced to 8 per cent on interest from deposits with banks, exchange agents, etc.
2. Social Security contributions (Charges sociales)	(i) Retirement (ii) Family allowances (iii) Workmen's Compensation	Ceiling of 700,000 of annual salary	Employer: 7.40 per cent Employee: 1.60 per cent Employer: 8 per cent Employee: 2 per cent
3. Employer's payroll taxes			
3.1 Apprenticeship tax (Taxe d'Apprentissage)	Annual tax levied on employers on the total amount of salaries, wages, allowances, compensation paid in cash or in kind.	Total or partial exemption may be granted.	1 per cent on amounts in excess of 500,000.
3.2 Payroll tax on mixed enterprises (Taxe contrôlé sociétés économie mixte)	Annual tax levied on the payroll of mixed enterprises.		0.75 per cent on gross emoluments.
4. Taxes on property			
4.1 Real estate			
4.1.1 Property tax on buildings (Contribution foncière des propriétés bâties)	An annual tax levied on rental value including that of owner-occupied premises. 85 per cent of the revenue collected in towns goes to the municipality (commune) together with a 2 <sup>nd</sup> per cent surcharge. The districts (arrondissements) receive only the 2 <sup>nd</sup> per cent surcharge.	A deduction of 40 per cent for houses and 50 per cent for factories of gross rental value is allowed to represent costs of maintenance and depreciation.  Temporary exemptions: Housing - 10 years Rented building - 5 years Commercial building - 2 years	20 per cent.
4.1.2 Tax on rental value of buildings (Taxe sur la valeur locative des immeubles)	An annual tax on the gross rental value of housing in "dur" or "semi-dur" producing revenue and on all commercial buildings.	No deductions.	5 per cent.
4.1.3 Mortmain tax (Taxe sur les biens de mainmorte)	An annual tax on property received in mortmain by corporations.	None.	50 per cent of the property tax on buildings.

Niger: Summary of the Tax System, October 1976 (continued)

(All amounts in CFA francs)

Tax	Nature of the tax	Deductions and exemptions	Rate
<b>5. Taxes on goods and services</b>			
<b>5.1 Turnover taxes</b>			
5.1.1 Internal turnover tax (Taxe sur le chiffre d'affaires intérieur)	A turnover tax levied on gross receipts including services.	<u>Exemptions</u> (i) Exports. (ii) Sales of unprocessed goods including imports already subject to turnover tax. (iii) Transactions involving insurance (see 5.4.1).  <u>Deductions</u> For production and processing activities, the costs of materials incorporated completely or partially in the finished product may be deducted from gross receipts.	<u>Services</u> Standard rate 14.94 per cent Certain tourist activities 6.38 per cent Film receipts 11.11 per cent  <u>Sales</u> Products of local origin 2.56 per cent Products locally manufactured 21.96 per cent
5.1.2 Turnover tax on imports (Taxe à la production, formerly Taxe forfaitaire à l'importation)	Levied on all imports on the mercurial value or value used in levying the fiscal import duty, inclusive of the customs duty, fiscal import duty, and statistical tax payable.	Various products and raw materials are exempt.	(i) Increased rate: 10 per cent (ii) Reduced rate: 1 per cent on certain products (iii) Average rate: 10 per cent on products also manufactured in Niger
5.1.3 Turnover tax on exports (Taxe forfaitaire à l'exportation)	Levied on all exports on the mercurial, actual f.o.b. value, or value at point of exit, inclusive of all other export taxes. Tax revenue levied on groundnut oil is earmarked for SONAPA.	None.	General rate 6.38 per cent Groundnuts 5.86 per cent Maize 4.5 per cent
<b>5.2 Selective excises on goods</b>			
5.2.1 Alcoholic beverages			Wine: Ordinary 40 per litre Appellation Contrôlée 40 or Mousseux/Champagneux 100 per bottle  Spirits: Less than 10° 40 per litre 10° to 20° 60 per litre More than 20° 80 per litre  Beer/Cider 40 per litre  ... per kilogram.  Petrol 16 per litre Kerosene 8 per litre Diesel 6 per litre
5.2.2 Tobacco			
5.2.3 Petrol products			
<b>5.4 Selective taxes on services</b>			
5.4.1 Insurance tax (Taxe sur les contrats d'assurance)	A proportional tax levied on insurance contracts.		Fire 25.0 per cent Annuities 5.0 per cent Maritime, fluvial, aviation 3.5 per cent Life 3.0 per cent Export credit guarantees 0.1 per cent Other 6.0 per cent

Niger: Summary of the Tax System, October 1976 (continued)

(All amounts in CFA francs)

Tax	Nature of the tax	Deductions and exemptions	Rates
5.5 <u>Taxes on use of goods and property, etc.</u>			
5.5.1.1 <u>Business license tax</u> (Contribution des Patentes)	An annual tax levied on any person engaged in trade, industry, or a profession not specifically exempted.	Newly established industries may be exempted for the first five years of operation.	The tax consists of two levies: (i) A fixed tax varying according to the type of business or profession from 2,500 to 120,000. (ii) A proportional levy varying with the rental value of the premises, the number of staff, and the value of equipment used.
5.5.1.2 <u>License tax</u> (Contribution des Licences)	An annual tax levied on all sellers of alcoholic beverages.  85 per cent of the revenue from the Patentes and Licences collected in towns is credited to the municipality (commune) together with a 50 per cent surcharge. The districts (arrondissements) receive only the 50 per cent surcharge.	None.	The levy ranging from 6,000 to 100,000 varies with the type of beverage sold and whether it is consumed on the premises or not.
5.5.2.1 <u>Motor vehicle tax</u> (Taxe sur les véhicules à moteur)	An annual tax on motor vehicles with two or more wheels.		A fixed tax ranging between 6,000 and 60,000 according to horsepower.
6. <u>Taxes on international trade and transactions</u>			
6.1 <u>Import duties</u>			
6.1.1 <u>Customs duty</u> (Droits de douane)	Levied on all imports.	(i) Imports from the CEAO <sup>1/</sup> are exempt. (ii) Imports from the EEC (and associated countries) pay half the minimum tariff. (iii) Certain equipment goods and fuels are temporarily exempt.	(i) Minimum tariff: up to 25 per cent ad valorem on goods from countries accorded most-favored-nation treatment. (ii) General tariff: triple the minimum tariff levied on goods from other countries.
6.1.2 <u>Fiscal import duty</u> (Droit fiscal d'entrée)	Levied on all imports.	Exemptions are accorded for raw materials and equipment goods for industrial development, for products originating in the CEAO, and for various other products.	Up to 50 per cent (rarely more) on the c.i.f. or mercurial value.
6.1.3 <u>Regional cooperation tax</u>	Levied on imports originating in the CEAO.		Rates vary and represent about half the total levy on similar imports from different origin.
6.1.4 <u>Statistical tax</u> (Taxe de statistique)	Levied on all imports subject to the fiscal import duty.	None.	General regime: 2.4 per cent Special regime: 20 per metric ton or fraction thereof on consumption of goods produced in Dahomey.
6.1.5 <u>Match tax</u> (Taxe sur les allumettes)	Levied on the c.i.f. value of matches manufactured in the CEAO.		30 per cent.
6.2 <u>Export duties</u>			
6.2.1 <u>Fiscal export duty</u> (Droit fiscal de sortie)	Levied on all exports.	Numerous exemptions.	Up to 15 per cent of the mercurial value or value at point of exit.
6.2.2 <u>Statistical tax</u> (Taxe de statistique)	Levied on all exports.	None.	General regime: 2.4 per cent Special regime: CFAF 20 per kilo on exports of groundnut oil.
6.2.3 <u>Research, packing, and processing tax</u> (Taxe de recherche et conditionnement)	Levied at the same time as the fiscal export duty.	Numerous products exempted.	Generally less than 1 per cent.

<sup>1/</sup> Communauté Economique des Etats de l'Afrique de l'Ouest (West African Economic Community), grouping six member states: Ivory Coast, Mali, Mauritania, Niger, Senegal, and Upper Volta.



Niger: Summary of the Tax System, October 1976 (continued)

(All amounts in CFA francs)

Tax	Nature of the tax	Reductions and exemption	Rates								
6.4 <u>Exchange tax</u>	Levied on transfers outside the West African Monetary Union (UMOA). Earmarked for the West African Development Bank.		A proportional rate of 2.5 per thousand plus a fixed commission of 100.								
7. <u>Other taxes</u>											
7.1 <u>Head tax</u> (Impôt du minimum fiscal, I.P.F.)	An annual minimum income tax levied on all individuals aged 14 and over. 70 per cent of the revenue from the DMF collected in towns is credited to the municipalities (communes) together with a 50 per cent surcharge. Districts (arrondissements) receive only a 350 surcharge (taxe d'arrondissement).	Military personnel, disabled persons, students, and persons suffering from sleeping sickness are exempt	Varies from 325 to 3,025 depending on the relative prosperity of the region, the level of actual or estimated income of the taxpayer, and whether the taxpayer is a resident or nonresident. Will be eliminated in October 1977.								
7.2 <u>Stamp duties</u>											
7.2.1 Registration duties (Droits d'enregistrement)	Levied on transfers, increases in capital, and company mergers.	None.	Fixed duties of 500 to 6,000 plus a proportional duty varying from 0.5 to 12 per cent.								
7.2.2 Stamp duties (Droits de timbre)	Levied on (i) stamped paper (ii) commercial instruments (iii) receipts	None.	(i) Fixed duty of 150 to 750. (ii) A proportional duty of 10 per thousand on local negotiable and nonnegotiable bills and 2.5 per thousand on bills negotiable abroad. (iii) A fixed duty on amounts: <table><tr><td>Up to 1,000</td><td>10</td></tr><tr><td>1,001 to 10,000</td><td>25</td></tr><tr><td>10,001 to 50,000</td><td>50</td></tr><tr><td>Over 50,000 by tranche of 50,000</td><td>40</td></tr></table>	Up to 1,000	10	1,001 to 10,000	25	10,001 to 50,000	50	Over 50,000 by tranche of 50,000	40
Up to 1,000	10										
1,001 to 10,000	25										
10,001 to 50,000	50										
Over 50,000 by tranche of 50,000	40										

Source: Data provided by the Ministry of Finance.

Table I. Niger: Area Under Cultivation and Yield of Principal Agricultural Crops, 1972/73-1975/76 1/

	1972/73	1973/74	1974/75	1975/76
<u>Area under cultivation</u>	<u>(In thousands of hectares)</u>			
Principal food crops				
Millet	2,194	2,008	2,230	1,693
Sorghum	567	448	542	791
Principal cash crops				
Cowpeas	715	823	914	839
Groundnuts (unshelled)	418	364	256	320
Cotton (unginned)	15	10	16	17
<u>Average yield</u>	<u>(In kilos per hectare)</u>			
Principal food crops				
Millet	419	312	396	343
Sorghum	367	281	404	321
Principal cash crops				
Cowpeas	201	111	145	261
Groundnuts (unshelled)	622	211	504	131
Cotton (unginned)	400	400	500	529

Sources. Table 2; and data provided by the Nigerien authorities.

1/ Crop year: October 1-September 30.

Table II. Niger: Export Prices, Production, and Marketing of Groundnuts, 1972/73-1975/76 1/

	1972/73	1973/74	1974/75	1975/76
I. Structure of export prices	(In CFA francs per kilo, shelled) <u>2/</u>			
Cost price, c.i.f.				
Official producer price	24.00	28.00	55.00	55.00
Export tax	2.25	2.25	2.25	--
Other costs <u>3/</u>	23.83	26.20	52.75	58.00
Total	50.08	56.45	110.00	113.00
II. Production and marketing	(In thousands of metric tons, shelled)			
Production	174	52	87	5
Purchases by SONARA	110	14 <u>4/</u>	75 <u>5/</u>	4
Sales by SONARA	107	14	55	24 <u>6/</u>
Exports	(43)	(--)	(15)	(13)
Delivery to domestic oil mills	(64)	(14)	(40)	(11)

Source: Société Nigérienne de Commercialisation de l'Arachide (SONARA).

1/ Crop year: October 1-September 30.

2/ Shelled base = 0.67 base in shell.

3/ Including purchasing and miscellaneous collection costs, storage, handling, shelling, internal transport, maritime transport, insurance, unloading, and sales commission.

4/ Excludes 25,000 tons of seeds distributed to the producers to reconstitute their seeds stock.

5/ Of which 20,000 tons will be kept as seeds for delivery to the producers in 1975/76.

6/ Including 20,000 tons carried over from the stocks accumulated during 1974/75.

Table III. Niger: Price Structure and Marketing of Cotton,  
1972/73-1975/76 <sup>1/</sup>

	1972/73	1973/74	1974/75	1975/76
<u>Prices</u>	<u>(In CFA francs per kilo)</u>			
Average producer price (seed cotton)	31.91	36.88	47.00	47.00
Yield at ginnery (in per cent)	36.10	36.30	36.07	37.00
Cost prices, f.o.b. (cotton fiber)	153.81	187.68	224.69	232.87
Average selling price (cotton fiber):				
Realized f.o.b. export price <sup>2/</sup>	208.78	...	229.01	335.69
Sales to domestic textile mills	140.00	165.00	190.00	226.44
<u>Marketing</u>	<u>(In metric tons)</u>			
Marketed production (cotton fiber)	<u>1,853</u>	<u>1,263</u>	<u>2,854</u>	<u>4,118</u>
Exports	853	225	1,354	2,718
Sales to domestic textile mills	1,000	1,038	1,500	1,400

Source. Compagnie Française pour le Développement des Fibres Textiles (CFDT), Niamey.

<sup>1/</sup> Crop year: October 1-September 30.

<sup>2/</sup> Frontier.

Table IV. Niger: Livestock and Livestock Exploitation, 1972-75

(In thousands of head)

	1972	1973	1974	1975 <u>1/</u>
<b>Livestock</b>				
Goats	6,300	5,300	4,918	5,400
Cattle	4,200	2,200	2,312	2,500
Sheep	2,850	1,800	2,136	2,200
Camels	345	285	235	280
Donkeys	370	312	321	340
Horses	200	176	184	190
<b>Slaughtering<sup>2/</sup></b>				
Goats	396	410	406	413
Cattle	61	84	63	36
Sheep	104	121	93	75
<b>Hides and skins (processed)<sup>2/</sup></b>				
Cowhide	147	209	152	107
Sheepskin	430	517	407	374
Goatskin	1,170	1,264	1,111	1,032

Source: Ministère du Développement Rural, Rapports Annuels.

1/ Provisional.

2/ Officially recorded activities.

Table V. Niger: Mixed Enterprises, 1974/75

	Year of establish- ment	Government's initial equity participation	Capital and reserves as of Sept. 30, 1975	Value of transactions 1974/75	Net profits or losses 1974/75	Cumulative profits or losses as of Sept. 30, 1975
		(In per cent of total)		(In millions of CFA francs)		
Crédit du Niger (CN)	1958	45.0	238.58	145.95	32.26	74.09
Société Minière du Niger (SMDN)	1961	75.0	64.21	103.33	11.00	107.82
Banque de Développement de la République du Niger (BDRN)	1961	55.0	1,150.00	1,334.84	272.68	200.97
Société Nationale des Transports Urbains (SNTU)	1962	50.0	5.41	45.01	8.67	16.37
Société Nigérienne d'Urbanisme et de Construction Immobilière (SONUCI)	1962	50.0	171.44	126.71	22.19	88.52
Société Nigérienne de Commercialisation et de Production (COPRO-NIGER)	1962	27.0	719.72	5,346.36	-73.26	411.95
Société Nigérienne de Commercialisation de l'Arachide (SONARA)	1962	6.5	1,526.23	5,075.84	-1,489.75	-146.82
Société Nigérienne des Grands Travaux du Niger (SNGTN)	1962	41.0	--	1,023.13	15.96	-740.71
Société Nationale des Transports Nigériens (SNTN)	1963	49.0	340.71	2,275.00	170.61	498.65
Le Riz du Niger (RINI)	1964	96.0	77.00	105.38	-3.63	25.77
Société Nigérienne de Fabrication Métallique (SONIFAME)	1965	82.0	158.74	378.89	3.89	100.73
Cuir Niger	1966	66.0	77.55	416.46	-39.49	-3.34
Société Nationale de Cimenterie (SNC)	1966	93.0	875.58	464.65	-7.88	-443.76
Société Nigérienne de Céramiques (SONICERAM)	1966	92.0	69.00	71.99	4.56	-29.00
Société de Transformation du Mil et Sorgho (SOTRAMIL)	1967	84.0	166.52	55.89	-96.16	-75.55
Société Nigérienne d'Exploitation des Ressources Animales (SONERAM)	1968	99.0	275.05	215.36	21.67	55.80
Société des Mines de l'Air (SOMAIR)	1968	16.75	3,300.00	14,000.00	3,068.30	2,805.68
Société Nigérienne des Textiles (NITEX)	1968	7.26	725.00	1,807.88	21.23	-115.15
Société Nigérienne des Primeurs (SONIPRIM)	1970	25.0	95.24	52.89	-18.40	-125.19
Société Nigérienne d'Electricité (NIGEELEC)	1970	99.0	214.00	1,723.52	62.56	229.09

Sources: Ministère des Affaires Economiques, de l'Industrie, du Commerce et du Tourisme; Direction de la Tutelle.

Table VI. Niger: Consumption, Price, and Sale of Electricity, 1972-75

	1972	1973	1974	1975
	<u>(In millions of kwh)</u>			
Consumption <sup>1/</sup>	44.7	48.9	51.0	54.8
High tension	21.5	25.0	28.0	30.2
Low tension	23.2	23.9	23.0	24.6
	<u>(In CFA francs per kwh)</u>			
Unit price	24.5	24.8	27.9	31.5
High tension	21.3	21.3	23.8	47.3
Low tension	27.4	28.4	32.9	36.6
	<u>(In millions of CFA francs)</u>			
Value of sales	1,094.9	1,211.7	1,423.3	1,724.5
High tension	458.7	532.0	665.8	823.9
Low tension	636.2	679.7	757.5	900.6

Source: Ministère du Plan, Direction de la Statistique et des Comptes Nationaux, Bulletin de Statistique.

<sup>1/</sup> Including power lost in distribution.

Table VII. Niger: Profit and Loss Accounts of the Société Nigérienne de Commercialisation et de Production (COPRO-NIGER), 1972/73-1975/76 <sup>1/</sup>

(In millions of CFA francs)

	1972/73	1973/74	1974/75	1975/76
<u>Receipts</u>	<u>5,642.0</u>	<u>6,579.5</u>	<u>5,346.4</u>	<u>5,294.1</u>
Gross sales	5,619.4	6,571.1	5,312.7	5,266.1
Investment and other income	22.6	8.4	33.7	28.0
<u>Expenditures</u>	<u>5,349.1</u>	<u>6,338.6</u>	<u>5,438.1</u>	<u>5,207.6</u>
Cost of sales <sup>2/</sup>	5,023.6	5,907.3	5,048.6	4,936.9
Administrative and general operating costs <sup>3/</sup>	139.1	198.2	86.8	93.6
Interest payments	36.5	66.5	44.4	10.4
Amortization and depreciation	17.6	43.0	231.0	166.7
Other nontrading expenses	132.3	123.6	27.3	--
<u>Gross profits</u>	<u>292.9</u>	<u>240.9</u>	<u>-91.7</u>	<u>86.5</u>

Source. Data provided by COPRO-NIGER.

<sup>1/</sup> Financial year: October 1-September 30. For 1975/76 data exclude the month of September.

<sup>2/</sup> Purchases, changes in stocks, direct and indirect taxes, and transportation costs.

<sup>3/</sup> Personnel, services, supplies, administrative, and miscellaneous expenditures.



Table VIII . Niger: Indices of Consumer Prices in Niamey, 1971-75

	Weight	1971	1972	1973	1974	1975	Per cent change, 1974-75
<u>African consumption<sup>1/</sup></u>							
Food and beverages	58.7	136.1	158.5	185.6	190.8	206.4	8.2
Clothing	13.5	116.8	105.3	105.3	107.0	126.8	18.5
Housing	10.4	138.1	139.2	141.1	157.0	161.3	2.7
Other	17.4	125.6	132.8	138.0	143.4	159.4	11.2
General index	100.0	132.1	144.8	161.8	167.4	182.6	9.1
<u>European consumption<sup>2/</sup></u>							
Food	46.1	128.3	132.3	139.0	152.5	173.6	13.8
Gas, electricity, and water	11.1	106.6	104.3	103.5	110.8	124.6	12.5
Household items	2.5	126.6	136.0	149.2	155.2	181.0	16.6
Clothing	6.0	139.3	136.1	136.4	139.6	168.2	20.5
Household help	8.2	140.6	140.6	140.6	141.1	144.1	2.1
Other	26.1	146.7	148.9	149.6	162.0	169.0	4.3
General index	100.0	132.3	134.9	138.0	148.7	164.4	10.6

Source: Ministère du Plan, Direction de la Statistique et des Comptes Nationaux, Bulletin de Statistique.

<sup>1/</sup> July 1, 1962-June 30, 1963 = 100.

<sup>2/</sup> November 15-December 15, 1964 = 100.

Table IX. Niger: Wage Employment, 1972-75 1/

(End of year)

	1972	1973	1974 <u>2/</u>	1975 <u>2/</u>
(Number of persons employed)				
Private sector	<u>12,666</u>	<u>13,110</u>	<u>15,715</u>	<u>16,398</u>
Construction	<u>3,798</u>	<u>4,166</u>	<u>4,596</u>	<u>5,228</u>
Industry	2,691	2,859	3,212	4,055 <u>3/</u>
Commerce	1,935	1,619	1,562	2,627
Transport	783	975	1,132	1,389
Banking	574	645	813	872
Mining	498	967	943	... <u>3/</u>
Research	1,169	969	1,758	620
Hotels and restaurants	174	214	496	499
Other	1,044	696	1,203	1,108
Public sector	<u>11,027</u>	<u>11,330</u>	<u>12,000</u>	<u>12,760</u>
Civil servants	<u>5,439</u>	<u>5,696</u>	...	...
Auxiliaries	5,588	5,634	...	...
Total wage employment	<u>23,693</u>	<u>24,440</u>	<u>27,715</u>	<u>29,158</u>
(In per cent of total)				
Private sector	<u>53.5</u>	<u>53.6</u>	<u>56.7</u>	<u>56.2</u>
Construction	<u>15.0</u>	<u>17.0</u>	<u>16.6</u>	<u>17.9</u>
Industry	11.4	11.7	11.6	13.9 <u>3/</u>
Commerce	8.2	6.6	5.6	9.0
Transport	3.3	4.0	4.1	4.8
Banking	2.4	2.6	2.9	3.0
Mining	2.1	4.0	3.4	... <u>3/</u>
Research	4.9	4.0	6.3	2.1
Hotels and restaurants	0.7	0.9	1.8	1.7
Other	4.4	2.8	4.3	3.8
Public sector	<u>46.5</u>	<u>46.4</u>	<u>43.3</u>	<u>43.8</u>
Civil servants	<u>23.0</u>	<u>23.3</u>	...	...
Auxiliaries	23.6	23.1	...	...
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Source: Ministère de la Fonction Publique et du Travail, Direction du Travail.

1/ Excluding domestic help. For 1974 and 1975, employment in the public sector has not been broken down into civil servants and auxiliaries.

2/ Provisional.

3/ Employment in the mining sector included in industry.

Table X. Niger: Central Government Revenue, 1971/72-1976/77

(In millions of CFA francs)

	1971/72	1972/73	1973/74	1974/75 <sup>1/</sup>	1975/76 <sup>1/</sup>	1976/77 <sup>2/</sup>
<b>TAX REVENUE</b>	11,243.7	11,990.2	12,044.0	18,863.2	22,906.3	29,242.4
<b>Taxes on income and profits</b>	<u>3,336.8</u>	<u>3,570.7</u>	<u>3,539.6</u>	<u>5,343.7</u>	<u>7,622.0</u>	<u>8,834.0</u>
Industrial, commercial, noncommercial, and agricultural profits	579.3	860.8	1,022.9	1,913.1	4,117.3	6,034.0
Salaries and wages	692.2	732.8	825.1	1,067.7	1,086.1	800.0
General income tax	170.4	210.5	220.9	296.8	504.7	400.0
Dividends and interests	44.2	80.0	96.7	135.3	107.4	600.0
Minimum tax	1,850.5	1,686.6	1,374.4	1,930.8	1,806.5	1,000.0
<b>Employers' payroll taxes</b>	<u>14.3</u>	<u>26.3</u>	<u>36.2</u>	<u>27.9</u>	<u>34.1</u>	<u>59.0</u>
<b>Taxes on property</b>	<u>638.2</u>	<u>295.7</u>	<u>50.3</u>	<u>63.1</u>	<u>121.3</u>	<u>153.0</u>
Real estate	15.5	13.4	50.3	63.1	121.3	153.0
Cattle	622.7	282.3	--	--	--	--
<b>Taxes on goods and services</b>	<u>4,494.5</u>	<u>5,079.0</u>	<u>5,560.2</u>	<u>6,690.3</u>	<u>8,772.2</u>	<u>9,951.9</u>
<b>Turnover taxes</b>	<u>3,311.5</u>	<u>3,743.8</u>	<u>4,069.0</u>	<u>4,990.0</u>	<u>6,424.4</u>	<u>7,030.0</u>
Domestic turnover tax	(1,230.2)	(1,356.8)	(1,526.8)	(1,996.7)	(2,278.5)	(2,300.0)
Turnover tax on imports	(2,038.0)	(2,352.6)	(2,517.1)	(2,966.8)	(4,100.9)	(4,620.0)
Turnover tax on exports	(43.3)	(34.4)	(25.1)	(26.5)	(45.0)	(110.0)
<b>Excise taxes</b>	<u>1,087.6</u>	<u>1,202.5</u>	<u>1,322.6</u>	<u>1,446.6</u>	<u>2,132.1</u>	<u>2,708.0</u>
Taxes on services	29.9	46.7	71.9	128.4	72.0	91.9
Taxes on use of goods and property	(65.5)	86.0	96.7	125.3	143.7	122.0
Business license tax	(38.5)	(31.9)	(31.9)	(53.7)	(41.4)	(32.0)
Motor vehicle tax	(23.4)	(51.8)	(60.3)	(71.6)	(102.3)	(90.0)
Firearms tax	(3.6)	(2.3)	(2.5)	(--)	(--)	(--)
<b>Taxes on international trade</b>	<u>2,370.1</u>	<u>2,543.6</u>	<u>2,423.0</u>	<u>3,688.4</u>	<u>5,043.5</u>	<u>8,216.0</u>
<b>Import taxes</b>	<u>1,600.7</u>	<u>1,739.5</u>	<u>1,862.8</u>	<u>2,582.5</u>	<u>3,760.6</u>	<u>6,365.5</u>
Customs duty	(250.2)	(262.9)	(251.2)	(574.4)	(1,183.7)	(2,020.0)
Fiscal duty	(1,134.0)	(1,302.3)	(1,394.0)	(1,537.3)	(1,786.5)	(2,720.0)
Other	(166.5)	(174.3)	(216.8)	(470.8)	(790.4)	(1,625.0)
<b>Export taxes</b>	<u>769.4</u>	<u>804.1</u>	<u>560.2</u>	<u>1,105.9</u>	<u>1,282.9</u>	<u>1,851.0</u>
Fiscal duty	(640.3)	(588.6)	(328.1)	(403.7)	(355.1)	(750.0)
Statistical tax	(127.0)	(214.1)	(229.9)	(698.7)	(918.7)	(1,090.0)
Other	(2.1)	(1.4)	(2.2)	(3.5)	(9.1)	(11.0)
<b>Stamp taxes</b>	<u>277.5</u>	<u>422.8</u>	<u>388.2</u>	<u>407.9</u>	<u>766.3</u>	<u>526.5</u>
<b>Other</b>	<u>114.1</u>	<u>52.1</u>	<u>46.5</u>	<u>2,641.9<sup>3/</sup></u>	<u>126.9</u>	<u>1,502.0<sup>4/</sup></u>
<b>NONTAX REVENUE</b>	865.7	877.1	1,256.0	1,136.0	2,183.3	2,565.0
<b>Property income</b>	<u>464.6</u>	<u>500.4</u>	<u>885.5</u>	<u>743.7</u>	<u>1,785.2</u>	<u>2,042.1</u>
<b>Administrative fees and nonindustrial sales</b>	<u>71.5</u>	<u>65.4</u>	<u>60.3</u>	<u>91.9</u>	<u>95.2</u>	<u>75.1</u>
<b>Fines and forfeits</b>	<u>70.1</u>	<u>116.6</u>	<u>103.2</u>	<u>170.6</u>	<u>125.8</u>	<u>87.1</u>
<b>Other</b>	<u>259.5</u>	<u>194.7</u>	<u>207.0</u>	<u>129.8</u>	<u>177.1</u>	<u>360.7</u>
<b>TOTAL CURRENT REVENUE</b>	12,111.4	12,867.3	13,300.0	19,999.2	24,689.6	31,807.4
<b>Plus</b>						
Sale of fixed capital assets	20.2	20.3	18.9	6.9	4.6	5.0
Receipts carried over from previous years	497.0	1,329.2	874.7	603.1	716.8	--
Contribution by parastatal enterprises	200.0	250.0	200.0	--	241.2	362.8
Drawings on reserve fund	311.0	--	--	--	--	2,000.0
External financial assistance	328.2	--	1,276.5	--	--	--
<b>TOTAL REVENUE</b>	13,467.8	14,466.8	15,670.1	20,609.2	25,652.2	34,175.0
of which Revenue earmarked for the National Investment Fund	(306.8)	(318.4)	(402.7)	(477.6)	(--)	(--)

Source: Ministère des Finances, Budget National, Situations Générales des Prises en Charge et des Recouvrements à fin Septembre<sup>1/</sup> Provisional<sup>2/</sup> Budget estimates<sup>3/</sup> Includes CFAF 2,124.7 million of receipts from the uranium sector<sup>4/</sup> Includes CFAF 1,472 million of compensatory revenues.

Table XI. Niger. Central Government (current expenditures, 1971/72-1976/77

(In millions of CFA francs)

	1971/72	1972/73	1973/74	1974/75 <sup>1/</sup>	1975/76 <sup>1/</sup>	1976/77 <sup>2/</sup>
<b>FUNCTIONAL CLASSIFICATION</b>						
General public services	5,855.6	5,923.1	6,533.7	6,928.5	9,396.5	11,569.9
General administration	509.0	4,509.5	5,021.6	5,551.6	7,404.0	9,358.8
Public order and safety	1,346.6	1,413.6	1,512.1	1,676.9	1,992.5	2,211.1
Defense	779.0	803.4	820.3	1,290.9	1,501.6	1,735.2
Education	1,778.3	1,987.7	2,393.9	3,124.4	4,086.8	4,167.5
Health	970.1	1,012.2	1,105.7	1,173.6	1,651.1	1,883.2
Community and social services	94.8	68.8	76.7	38.5	149.2	342.3
Economic services	869.0	962.2	999.4	1,201.0	1,400.5	1,656.0
Agriculture	703.1	725.1	750.6	938.9	1,050.7	1,120.6
Communications	165.9	170.1	168.9	234.7	197.7	403.3
Mining and hydrology	--	67.1	79.9	117.4	152.1	132.1
Unallocable and other	1,116.7	1,550.7	1,335.3	1,473.0	1,783.6	1,926.1
Public debt	378.5	95.3	643.4	933.0	1,498.6	1,926.1
Payment of arrears	738.2	598.4	691.9	540.0	285.1	--
TOTAL	11,463.5	12,307.1	13,265.0	15,319.9	19,969.3	23,280.2
<b>ECONOMIC CLASSIFICATION</b>						
Expenditure on goods and services	10,008.9	10,222.3	11,229.5	12,275.8	15,295.1	17,510.0
Personnel	5,181.7	5,549.3	5,981.9	6,415.6	7,721.4	9,175.6
Materials and supplies	2,496.5	2,492.5	2,680.4	3,146.6	4,714.1	5,596.8
Housing	348.0	365.5	510.9	446.7	462.6	555.2
Transport	1,244.5	1,216.6	1,364.4	1,726.9	2,112.5	2,182.4
Other	738.2	598.4	691.9	540.0	285.1	--
Public debt	378.5	95.3	643.4	933.0	1,498.6	1,926.1
Subsidies and other current transfers	1,076.1	1,133.5	1,392.1	2,111.1	3,175.1	3,044.1
Subsidies and contributions	763.4	779.7	911.8	1,154.7	2,034.1	2,438.6
Transfers to households	87.7	113.4	183.8	456.9	636.0	841.5
Participation in international organizations	225.0	240.4	296.5	499.5	505.1	564.0
TOTAL	11,463.5	12,308.1	13,265.0	15,319.9	19,969.3	23,280.2
Plus Investment expenditures	2,218.1	2,551.3	2,589.6	3,120.3	4,884.1 <sup>3/</sup>	10,471.0
Increase in government participation	202.0	237.0	135.0	407.0	564.1	423.9
TOTAL BUDGETARY EXPENDITURES	13,913.6	15,096.4	15,989.6	18,847.2	25,417.5	34,175.1

Sources: Ministère des Finances, Ordonnances de règlement et Situation des prises en charge et recouvrements à fin septembre

1/ Provisional

2/ Budget estimates

3/ Includes about CFAF 1.5 billion of funds reserved for the controlling agencies but not yet fully committed

Table XII. Niger: Central Government Investment Expenditures, 1971/72-1976/77

(In millions of CFA francs)

	1971/72	1972/73	1973/74	1974/75 <sup>1/</sup>	1975/76 <sup>2/</sup>	1976/77 <sup>3/</sup>
neral public services	124.3	157.3	320.5	297.9	685.3	1,760.5
man resources	138.4	152.5	306.4	454.9	866.7	2,801.2
ads and bridges	1,222.6	1,355.3	1,105.4	949.5	1,281.8	2,913.5
her transportation and communications	64.8	95.8	121.0	128.2	227.5	212.0
her economic services <sup>4/</sup>	900.0	1,027.4	871.3	1,696.8	2,386.9	3,207.7
<u>Total</u>	<u>2,450.1</u>	<u>2,788.3</u>	<u>2,724.6</u>	<u>3,527.3</u>	<u>5,448.2</u>	<u>10,894.9</u>

Sources: Fonds National d'Investissement, Situation à fin septembre; and Budget Général, Situation des dépenses en charge et recouvrements à fin septembre.

<sup>1/</sup> Provisional.

<sup>2/</sup> Includes funds reserved for controlling agencies but not yet fully committed.

<sup>3/</sup> Budget estimates.

<sup>4/</sup> Includes increases in government participation.

Table XIII. Niger: Credit to the Private Sector, 1973-August 1976

(In millions of CFA francs)

	1973	1974	1975				1976		
			March	June	Sept.	Dec.	March	June	Aug.
<u>Short-term</u>									
Agriculture	168	270	95	76	199	392	246	261	354
Industry and mining	2,064	2,669	3,155	2,473	2,985	3,048	3,088	3,186	3,244
Construction	1,511	1,550	1,665	1,496	1,272	1,785	1,524	1,480	1,461
Financial institutions	209	367	437	384	346	11	394	283	284
Services and transport	399	1,320	1,528	1,418	1,711	1,465	1,674	1,458	1,913
Commerce	3,294	8,021	12,288	11,269	10,987	11,285	12,423	11,496	9,405
Other	--	113	255	508	1,152	1,999	1,606	1,007	1,081
Total	<u>7,645</u>	<u>14,310</u>	<u>19,423</u>	<u>17,704</u>	<u>18,652</u>	<u>19,985</u>	<u>20,955</u>	<u>19,171</u>	<u>17,742</u>
Private enterprises	(6,489)	(8,097)	(9,941)	(9,255)	(10,288)	(12,595)	(13,177)	(13,535)	(14,214)
Public and semipublic enterprises	(1,156)	(6,213)	(9,482)	(8,449)	(8,364)	(7,390)	(7,778)	(5,636)	(3,528)
<u>Medium-term</u>									
Agriculture	8	227	241	237	237	237	237	227	364
Industry and mining	647	746	682	672	617	615	595	960	1,150
Construction	133	224	271	270	260	254	251	315	300
Financial institutions	--	--	--	--	--	--	--	--	--
Services and transport	193	184	178	172	151	139	334	500	482
Commerce	69	71	76	70	125	139	141	220	152
Other	--	60	74	95	112	96	516	337	325
Total	<u>1,050</u>	<u>1,512</u>	<u>1,522</u>	<u>1,516</u>	<u>1,502</u>	<u>1,480</u>	<u>2,074</u>	<u>2,559</u>	<u>2,773</u>
Private enterprises	(834)	(1,238)	(1,308)	(1,109)	(1,316)	(1,329)	(1,728)	(2,133)	(2,253)
Public and semipublic enterprises	(216)	(274)	(214)	(407)	(186)	(151)	(346)	(426)	(520)
<u>Long-term</u>									
Agriculture	--	--	--	--	--	--	--	--	--
Industry and mining	762	695	695	693	683	623	633	631	5,225
Construction	116	60	59	60	51	42	42	32	36
Financial institutions	--	--	14	9	--	--	--	--	208
Services and transport	132	126	105	155	114	110	110	105	105
Commerce	--	--	--	--	--	--	--	--	--
Other	--	27	27	50	31	47	32	32	37
Total	<u>1,010</u>	<u>908</u>	<u>900</u>	<u>967</u>	<u>879</u>	<u>822</u>	<u>817</u>	<u>800</u>	<u>5,611</u>
Private enterprises	(138)	(131)	(142)	(145)	(105)	(165)	(125)	(109)	(5,131)
Public and semipublic enterprises	(872)	(777)	(758)	(822)	(774)	(657)	(692)	(691)	(480)

Sources: BCEAO, Indicateurs Economiques; and data provided by the Nigerien authorities.

Table XIV . Niger: Summary Accounts of the Central Bank, 1973-September 1976

(In millions of CFA francs)

	1973	1974	1975				1976		
			March	June	Sept.	Dec.	March	June	Sept. <sup>1/</sup>
Foreign assets	11,684	10,110	8,304	9,794	10,168	11,273	11,189	13,803	18,538
Claims on banks	155	4,353	6,894	5,610	4,492	6,224	4,699	4,033	257
Short-term	--	(3,670)	(6,199)	(4,940)	(3,450)	(6,004)	(4,529)	(2,823)	(...)
Medium-term	(155)	(683)	(695)	(670)	(692)	(220)	(20)	(680)	(...)
Advances on the call money market	(--)	(--)	(--)	(--)	(350)	(--)	(150)	(530)	(...)
Claims on financial institutions	--	--	--	--	--	--	--	174	206
Claims on Government	--	--	1	2	2	3	5	3	1
Reserve money	7,449	10,542	11,067	9,971	9,255	10,071	11,141	11,720	12,232
of which: Currency outside banks and the Treasury	(6,663)	(9,385)	(10,239)	(8,932)	(8,608)	(9,430)	(9,904)	(10,336)	(10,533)
Foreign liabilities	95	135	55	122	25	249	344	236	285
Government deposits	3,066	2,506	2,945	4,194	4,070	6,045	3,200	4,780	4,979
Other	1,229	1,277	1,132	1,119	1,312	1,135	1,208	1,277	1,506

Sources: BCEAO, Indicateurs Economiques; and data provided by the Nigerien authorities.<sup>1/</sup> Provisional.

Table XV. Niger: Summary Accounts of the Deposit Money Banks, 1973-September 1976

(In millions of CFA francs)

	1973	1974	1975				1976		
			March	June	Sept.	Dec.	March	June	Sept. <sup>1/</sup>
Foreign assets	1,607	2,124	2,710	3,019	2,268	1,519	2,417	2,003	4,287
Reserves	479	939	656	1,027	707	636	1,193	1,674	1,405
Claims on Government	993	1,222	1,612	2,637	3,037	3,233	3,365	4,301	3,582
Claims on the private sector	12,206	20,693	25,431	24,276	25,833	28,076	28,843	28,215	25,427
Short-term	(8,914)	(16,680)	(21,345)	(20,154)	(21,785)	(24,035)	(24,142)	(22,959)	(...)
Medium-term	(1,817)	(2,435)	(2,518)	(2,551)	(2,492)	(2,505)	(3,170)	(3,736)	(...)
Long-term	(1,475)	(1,578)	(1,568)	(1,571)	(1,556)	(1,536)	(1,531)	(1,520)	(...)
Demand deposits	6,421	7,593	8,135	8,185	10,856	10,069	10,892	11,584	11,315
of which: Public enterprises	(2,867)	(2,005)	(1,419)	(1,815)	(2,458)	(2,209)	(2,533)	(4,151)	(...)
Time deposits	1,883	2,678	2,828	2,690	2,894	2,173	3,792	2,832	4,372
of which: Public enterprises	(1,300)	(1,939)	(2,071)	(1,784)	(1,919)	(1,226)	(1,372)	(1,316)	(...)
Foreign liabilities <sup>2/</sup>	1,285	1,431	1,017	1,083	1,610	1,535	1,972	1,767	2,316
Government deposits	1,610	6,248	6,130	7,451	7,059	8,843	9,694	10,997	11,304
Credit from central bank	155	4,353	6,839	5,810	4,492	6,253	4,731	4,033	257
Other items (net)	3,931	2,675	5,460	5,740	4,934	4,591	4,737	4,980	5,137

Sources: IMF, International Financial Statistics; and data provided by the Nigerien authorities.

<sup>1/</sup> Provisional.<sup>2/</sup> These figures differ from those shown in IFS because long-term foreign liabilities have been deducted from the foreign liabilities of the deposit money banks.



Table XVI. Niger Balance of Payments, 1973-77

(In millions of SDRs)<sup>1/</sup>

	1973	1974 <sup>2/</sup>	1975 <sup>2/</sup>	1976 <sup>2/</sup>	1977 <sup>3/</sup>
<u>Goods and services</u>	<u>-36.57</u>	<u>-106.91</u>	<u>-50.69</u>	<u>-73.32</u>	<u>-107.19</u>
Exports, f.o.b.	83.69	71.28	102.53	97.65	154.86
Imports, c.i.f.	117.25	160.89	138.63	145.65	224.46
Trade balance	-33.56	-89.61	-36.10	-49.00	-69.60
Transport	--	1.04	--	--	--
Investment income	0.38	-1.04	-1.92	-9.80	-14.27
of which: Interest on the public foreign debt	(-0.38)	(0.35)	(. )	(...)	(...)
Government services	1.51	1.73	0.77	1.09	1.24
of which: Technical assistance	(-2.64)	(-0.35)	(. )	(. )	(...)
Other private services	-4.90	-19.03	-13.44	-15.61	-24.36
<u>Unrequited transfers</u>	<u>57.30</u>	<u>98.61</u>	<u>44.16</u>	<u>49.37</u>	<u>53.94</u>
Private	-10.18	1.73	-13.44	-14.52	-17.40
of which: Pensions	(2.26)	(2.08)	(. )	(. )	(...)
Government	67.48	96.88	57.60	63.89	71.34
of which: Foreign grants	(67.86)	(98.11)	(. )	(...)	(...)
<u>Nonmonetary capital</u>	<u>-2.27</u>	<u>17.30</u>	<u>8.06</u>	<u>38.11</u>	<u>68.56</u>
Private long-term and direct investment	--	2.77	9.98	21.05	47.66
of which: Suppliers' credits	(-1.14)	(--)	(. )	(. )	(...)
Private short-term	-9.43	4.84	-13.44	2.54	--
of which: Suppliers' credits	(-2.64)	(-1.73)	(. )	(. )	(...)
Government	7.17	9.69	11.52	14.52	20.88
of which: Drawing on long-term loans	(9.43)	(10.38)	(. )	(. )	(...)
Loan repayment	(-0.75)	(-1.73)	(...)	(...)	(...)
<u>Monetary capital</u>	<u>-0.75</u>	<u>2.43</u>	)	)	)
			3.81	-4.03	--
<u>Errors and omissions</u>	<u>-14.85</u>	<u>-15.59</u>	)		
<u>Overall surplus or deficit (net)</u>	<u>2.86</u>	<u>-4.16</u>	<u>5.34</u>	<u>10.13</u>	<u>15.31</u>
<u>Net reserves (increase -)</u>	<u>-2.86</u>	<u>4.16</u>	<u>-5.34</u>	<u>-10.13</u>	<u>-15.31</u>

Sources: Appendix Table XVII; and staff estimates and projections

1/ Original data in CFA francs have been converted into SDRs at the average rate of CFAF 265.49 = SDR 1 for the year 1973, CFAF 289.20 = SDR 1 for the year 1974; CFAF 260.22 = SDR 1 for the year 1975; CFAF 275.69 = SDR 1 for the year 1976; and CFAF 287.55 = SDR 1 for the year 1977.

2/ Estimates.

3/ Projections

Table XVII Niger: Balance of Payments, 1973-77

(In billions of CFA francs)

	1973	1974 <sup>1/</sup>	1975 <sup>1/</sup>	1976 <sup>1/</sup>	1977 <sup>2/</sup>
<u>Goods and services</u>	<u>-9.7</u>	<u>-30.9</u>	<u>-13.2</u>	<u>-20.2</u>	<u>-30.3</u>
Exports, f.o.b.	22.2	20.6	26.7	26.9	44.5
Imports, c.i.f.	31.1	46.5	36.1	40.4	64.5
Trade balance	-8.9	-25.9	-9.4	-13.5	-20.0
Transport	--	0.3	--	--	--
Investment income	0.1	-0.3	-0.5	-0.7	-4.1
of which: Interest on the public foreign debt	(-0.1)	(0.1)	(. .)	(. .)	(. .)
Government services	0.4	0.5	0.2	0.3	0.3
of which Technical assistance	(-0.7)	(-0.1)	(. .)	(. .)	(. .)
Other private services	-1.3	-5.5	-3.5	-4.3	-7.0
<u>Unrequited transfers</u>	<u>15.2</u>	<u>28.5</u>	<u>11.5</u>	<u>13.6</u>	<u>15.5</u>
Private	-2.7	0.5	-3.5	-4.0	-5.0
of which Pensions	(0.6)	(0.6)	(. .)	(. .)	(. .)
Government	17.9	28.0	15.0	17.6	20.5
of which Foreign grants	(18.0)	(28.5)	(. .)	(. .)	(. .)
<u>Nonmonetary capital</u>	<u>-0.6</u>	<u>5.0</u>	<u>2.1</u>	<u>10.5</u>	<u>19.7</u>
Private long-term and direct investment	--	0.8	2.6	5.8	13.7
of which Suppliers' credits	(-0.3)	(--)	(. .)	(. .)	(. .)
Private short-term	-2.5	1.4	-3.5	0.7	--
of which Suppliers' credits	(-0.7)	(-0.5)	(. .)	(. .)	(. .)
Government	1.9	2.8	3.0	4.0	6.0
of which Drawing on long-term loans	(2.5)	(3.0)	(. .)	(. .)	(. .)
Loan repayment	(-0.2)	(-0.5)	(. .)	(. .)	(. .)
<u>Monetary capital</u>	<u>-0.2</u>	<u>0.7</u>	<u>1.0</u>	<u>-1.1</u>	<u>--</u>
<u>Errors and omissions</u>	<u>-3.9</u>	<u>-4.5</u>			
<u>Overall surplus or deficit (net)</u>	<u>0.8</u>	<u>-1.2</u>	<u>1.4</u>	<u>2.8</u>	<u>4.4</u>
<u>Net reserves (increase -)</u>	<u>0.8</u>	<u>1.2</u>	<u>-1.4</u>	<u>-2.8</u>	<u>-4.4</u>

Sources BCEAO; and staff estimates and projections

<sup>1/</sup> Estimates<sup>2/</sup> Projections

Table XVIII. Niger: Exports by Major Commodities, 1971-75

(In millions of SDRs)

	1971	1972	1973	1974	1975 Jan.-Sept.	1975
<u>Exports officially recorded</u> <sup>1/</sup>	<u>40.17</u>	<u>44.87</u>	<u>56.95</u>	<u>43.67</u>	<u>45.88</u>	<u>69.95</u>
Uranium concentrate	7.16	8.65	20.45	21.87	33.52	45.66
Groundnut products	16.82	22.46	13.56	3.98	2.31	...
Shelled groundnuts	(12.36)	(16.70)	(6.93)	(--)	(--)	(...)
Oil	(3.50)	(4.46)	(5.35)	(3.98)	(1.77)	(...)
Cakes	(0.96)	(1.30)	(1.28)	(--)	(0.54)	(...)
Livestock	7.14	10.24	8.70	7.23	2.57	...
Cattle	(6.16)	(9.12)	(7.04)	(5.40)	(2.00)	(...)
Other	(0.98)	(1.12)	(1.66)	(1.83)	(0.57)	(...)
Ginned cotton	2.03	0.71	0.38	0.03	--	...
Hides and skins	1.46	1.59	2.34	2.11	0.46	...
Onions	0.65	0.65	0.41	0.45	1.19	...
Meat	0.50	0.40	0.45	0.42	0.42	...
Other	2.86	5.35	5.76	7.58	5.41	...
Total	38.62	50.05	52.05	43.67	45.88	...
Entrepôt trade and miscellaneous	1.55	-5.18	4.90	--	--	...
<u>Unrecorded exports</u>	<u>8.61</u>	<u>12.71</u>	<u>5.27</u>	<u>6.30</u>	<u>...</u>	<u>...</u>
<u>Total exports</u>	<u>48.78</u>	<u>57.58</u>	<u>62.22</u>	<u>49.97</u>	<u>...</u>	<u>...</u>

Sources: Ministère du Plan, Direction de la Statistique et des Comptes Nationaux, Bulletin de Statistique; and staff estimates.

<sup>1/</sup> Customs data.

Table XIX. Niger: Volume of Selected Export Commodities, 1971-75

(In thousands of metric tons)

	1971	1972	1973	1974	1975 <u>1/</u>
Uranium concentrate	0.40	0.40	1.42	1 25	0.88
Groundnuts (shelled)	93.33	92.23	40.92	--	--
Groundnut oil	10.44	18.13	21.30	5.35	2.63
Groundnut cakes	9.46	26.82	25.07	7.29	5.23
Cattle (on the hoof)	44.74	59.54	63.08	43.18	16.04
Ginned cotton	4.86	1.37	0.72	0.10	0.12

Source: Ministère du Plan, Direction de la Statistique et des Comptes Nationaux, Bulletin de Statistique.

1/ January-September.

Table XX. Niger: Imports by Main Groups of Commodities, 1971-75

(In millions of SDRs)

	1971	1972	1973	1974	1975 Jan.-Sept.	1975
<u>Imports officially recorded</u> <sup>1/</sup>	<u>59.34</u>	<u>60.93</u>	<u>75.59</u>	<u>80.10</u>	<u>47.70</u>	<u>72.00</u>
Food and beverages	4.97	7.09	8.14	10.80	6.07	...
Petroleum products	5.83	5.77	5.62	6.40	3.11	...
Primary materials	4.03	5.69	6.37	7.40	5.03	...
Equipment goods	18.08	16.67	23.98	22.73	14.98	...
Other imports	24.59	26.43	27.99	32.77	18.51	...
Total	57.50	61.65	72.01	80.10	47.70	...
Entrepôt trade and miscellaneous	1.84	-0.72	3.58	--	--	...
<u>Unrecorded imports</u>	<u>6.70</u>	<u>15.99</u>	<u>12.82</u>	<u>17.89</u>	<u>...</u>	<u>...</u>
<u>Total imports</u>	<u>66.04</u>	<u>76.92</u>	<u>88.41</u>	<u>97.99</u>	<u>...</u>	<u>...</u>

Sources: Ministère du Plan, Direction de la Statistique et des Comptes Nationaux, Bulletin de Statistique; and staff estimates.

<sup>1/</sup> Cu toms data.

Table XXI. Niger: Direction of Trade, 1971-75

(In millions of SDRs)

	1971	1972	1973	1974	1975 <sup>1/</sup>
<u>Exports</u>					
EC countries <sup>2/</sup>	22.74	26.86	33.52	28.10	35.22
of which: France	(19.94)	(19.20)	(26.42)	(23.78)	(34.34)
ECOWAS <sup>3/</sup>	12.86	17.04	17.21	14.74	8.17
of which: Nigeria	(9.87)	(13.77)	(13.50)	(11.77)	(4.94)
Ivory Coast	(0.96)	(1.10)	(0.58)	(0.47)	(0.43)
Bénin	(1.73)	(0.53)	(1.05)	(1.04)	(1.23)
U.S.	0.16	0.49	0.14	0.32	1.84
Other	2.86	5.66	1.18	0.51	0.65
Total	<u>38.62</u>	<u>50.05</u>	<u>52.05</u>	<u>43.67</u>	<u>45.88</u>
<u>Imports</u>					
EC countries <sup>2/</sup>	35.32	40.27	45.68	43.35	24.86
of which: France	(23.41)	(28.18)	(31.09)	(29.68)	(17.53)
ECOWAS <sup>3/</sup>	5.95	8.20	8.90	12.19	6.81
of which: Nigeria	(1.26)	(1.69)	(3.97)	(6.87)	(0.86)
Ivory Coast	(2.94)	(4.60)	(2.62)	(2.64)	(2.56)
Bénin	(0.42)	(0.44)	(0.64)	(0.60)	(0.54)
U.S.	4.25	2.96	5.37	10.22	6.99
Other	11.98	10.22	12.06	14.34	9.04
Total	<u>57.50</u>	<u>61.65</u>	<u>72.01</u>	<u>80.10</u>	<u>47.70</u>

Sources: Ministère du Plan, Direction de la Statistique et des Comptes Nationaux, Bulletin de la Statistique; and staff calculations.

<sup>1/</sup> January-September.

<sup>2/</sup> Nine countries.

<sup>3/</sup> Economic Community of West African States: Bénin, The Gambia, Ghana, Guinea, Gyinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Senegal, Sierra Leone, Togo, and Upper Volta.

Table XXI. Niger: Direction of Trade, 1971-75

(In per cent)

	1971	1972	1973	1974	1975 <sup>1/</sup>
<u>Exports</u>					
EC countries <sup>2/</sup>	58.9	53.7	64.4	64.3	76.8
of which: France	(51.6)	(38.4)	(50.8)	(54.5)	(74.8)
ECOWAS <sup>3/</sup>	33.3	34.0	33.1	33.8	17.8
of which: Nigeria	(25.6)	(27.5)	(25.9)	(27.0)	(10.8)
Ivory Coast	(2.5)	(2.2)	(1.1)	(1.1)	(0.9)
Bénin	(4.5)	(1.1)	(2.0)	(2.4)	(2.7)
U.S.	0.4	1.0	0.3	0.7	4.0
Other	7.4	11.3	2.2	1.2	1.4
Total	100.0	100.0	100.0	100.0	100.0
<u>Imports</u>					
EC countries <sup>2/</sup>	61.4	65.3	63.4	54.1	52.1
of which: France	(40.7)	(45.7)	(43.2)	(37.1)	(36.8)
ECOWAS <sup>3/</sup>	10.3	13.3	12.4	15.2	14.3
of which: Nigeria	(2.2)	(2.7)	(5.5)	(8.6)	(1.8)
Ivory Coast	(5.1)	(7.5)	(3.6)	(3.3)	(5.4)
Bénin	(0.7)	(0.7)	(0.9)	(0.7)	(1.1)
U.S.	7.4	4.8	7.5	12.8	14.7
Other	20.9	16.6	16.7	17.9	18.9
Total	100.0	100.0	100.0	100.0	100.0

Sources: Appendix Table XXI; and staff estimates.

<sup>1/</sup> January-September.<sup>2/</sup> Nine countries.<sup>3/</sup> Economic Community of West African States: Bénin, The Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Senegal, Sierra Leone, Togo, and Upper Volta.

Table XXIII. Niger: External Debt,<sup>1/</sup> 1972-75

(In millions of CFA francs)

	Disbursements	Amortization	Interest	Outstanding debt (excluding undisbursed)	Outstanding debt (including disbursements)
<u>International organizations</u>					
1972	894.9	--	12.6	2,460.9	...
1973	1,147.1	--	15.7	3,403.6	4,213.4
1974 <sup>2/</sup>	775.0	--	0.7	4,005.0	5,707.3
1975 <sup>2/</sup>	632.2	48.6	--	4,694.6	9,019.3
<u>Governments</u>					
1972	2,109.4	437.0	291.0	11,068.2	...
1973	2,346.3	311.9	214.0	12,578.3	19,501.1
1974 <sup>2/</sup>	3,366.8	537.6	371.3	15,389.5	32,218.0
1975 <sup>2/</sup>	3,600.0	775.8	419.2	18,291.9	37,327.8
<u>Financial institutions</u>					
1972	20.6	--	1.2	20.6	...
1973	--	2.1	2.6	21.8	21.8
1974 <sup>2/</sup>	--	2.0	2.5	19.9	19.9
1975 <sup>2/</sup>	--	14.4	1.6	2.6	2.6
<u>Suppliers' credits</u>					
1972	--	32.7	1.3	22.5	...
1973	--	22.5	0.8	--	--
1974 <sup>2/</sup>	45.3	17.3	--	28.0	28.0
1975 <sup>2/</sup>	--	8.7	1.2	19.3	19.3
<u>Other</u>					
1972	145.7	593.1	286.1	3,191.4	...
1973	111.5	696.3	432.3	3,632.6	4,406.9
1974 <sup>2/</sup>	316.8	590.9	141.9	2,981.9	3,816.1
1975 <sup>2/</sup>	834.2	590.9	219.7	3,225.2	3,225.2
<u>Total</u>					
1972	3,170.6	1,062.8	592.2	16,763.6	17,900.0 <sup>1/</sup>
1973	3,604.9	1,032.8	665.4	19,636.3	28,143.2
1974 <sup>2/</sup>	4,503.6	1,147.8	516.4	22,424.3	41,789.3
1975 <sup>2/</sup>	5,066.4	1,438.4	641.7	26,233.6	49,594.2

Source: BCEAO, 1975 (annual report).

<sup>1/</sup> Public and publicly guaranteed.<sup>2/</sup> Estimates.



Table XXIV. Niger: Clearing Accounts Under Bilateral Payments  
Agreement with Nigeria, 1975-76 <sup>1/</sup>

(Outstanding balances, end of period; in millions of CFA francs)

Period	Debit	Credit
1975		
1/1/75-3/30/75	95.9	542.5
4/1/75-6/30/75	534.3	2,163.2
7/1/75-9/30/75	577.1	1,533.3
10/1/75-12/31/75	2,109.2	2.4
1976		
1/1/76-3/30/76	9.7	2,512.4
4/1/76-6/30/76	2,013.9	3,358.7
7/1/76-9/30/76	9,852.4	4,301.9
10/1/76-12/31/76	...	...

Source. Banque Internationale pour l'Afrique Occidentale, Niamey.

<sup>1/</sup> Figures in the table refer only to the Kano account; information on the Lagos account is not available at this time.

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