African Country
High-Level Economic Landscape

February 2009

		Real GDP (%)[1]		
Country	**Economic Overview[2]**	**2008**	**2009**	**Some Industries[3]**
Algeria	The hydrocarbons sector is the backbone of the economy, accounting for roughly 60% of budget revenues, 30% of GDP, and over 95% of export earnings. Algeria has the eighth-largest reserves of natural gas in the world and is the fourth-largest gas exporter; it ranks 15th in oil reserves. Sustained high oil prices in recent years have helped improve Algeria's financial and macroeconomic indicators. Algeria is running substantial trade surpluses and building up record foreign exchange reserves. Algeria has decreased its external debt to less than 5% of GDP after repaying its Paris Club and London Club debt in 2006. Real GDP has risen due to higher oil output and increased government spending. The government's continued efforts to diversify the economy by attracting foreign and domestic investment outside the energy sector, however, has had little success in reducing high unemployment and improving living standards. Structural reform within the economy, such as development of the banking sector and the construction of infrastructure, moves ahead slowly hampered by corruption and bureaucratic resistance.	4.9	4.5	Petroleum, Natural Gas, Light Industries, Mining, Electrical, Petrochemical, Food Processing

[1] Data pulled from Country Information by the International Monetary Fund (IMF) - http://www.imf.org/external/country/index.htm. GDP rounded to the first decimal place. GDP figure for 2008 is expected value. GDP figure for 2009 is forecasted value. Data source is World Economic Outlook (October 2008) by IMF - http://www.imf.org/external/pubs/ft/weo/2008/02/.

[2] Data pulled from the World Factbook Online by U.S. Central Intelligence Agency - https://www.cia.gov/library/publications/the-world-factbook/index.html

[3] Data also pulled from the World Factbook Online.

		Real GDP (%)[1]		
Country	**Economic Overview[2]**	**2008**	**2009**	**Some Industries[3]**
Angola	Angola's high growth rate is driven by its oil sector, which has taken advantage of high international oil prices. Oil production and its supporting activities contribute about 85% of GDP. Increased oil production supported growth averaging more than 15% per year from 2004 to 2007. A postwar reconstruction boom and resettlement of displaced persons has led to high rates of growth in construction and agriculture as well. Much of the country's infrastructure is still damaged or undeveloped from the 27-year-long civil war. Remnants of the conflict such as widespread land mines still mar the countryside even though an apparently durable peace was established after the death of rebel leader Jonas SAVIMBI in February 2002. Subsistence agriculture provides the main livelihood for most of the people, but half of the country's food must still be imported. In 2005, the government started using a $2 billion line of credit, since increased to $7 billion, from China to rebuild Angola's public infrastructure, and several large-scale projects were completed in 2006. Angola also has large credit lines from Brazil, Portugal, Germany, Spain, and the EU. The central bank in 2003 implemented an exchange rate stabilization program using foreign exchange reserves to buy kwanzas out of circulation. This policy became more sustainable in 2005 because of strong oil export earnings; it has significantly reduced inflation. Although consumer inflation declined from 325% in 2000 to under 13% in 2008, the stabilization policy has put pressure on international net liquidity. Angola became a member of OPEC in late 2006 and in late 2007 was assigned a production quota of 1.9 million barrels a day, somewhat less than the 2-2.5 million bbl Angola's government had wanted. To fully take advantage of its rich national resources - gold, diamonds, extensive forests, Atlantic fisheries, and large oil deposits - Angola will need to implement government reforms, increase transparency, and reduce corruption. The government has rejected a formal IMF monitored program, although it continues Article IV consultations and ad hoc cooperation. Corruption, especially in the extractive sectors, and the negative effects of large inflows of foreign exchange, are major challenges facing Angola.	16.0	12.8	Petroleum; Diamonds, Iron Ore, Phosphates, Feldspar, Bauxite, Uranium, and Gold; Cement; Basic Metal Products; Fish Processing; Food Processing, Brewing, Tobacco Products, Sugar; Textiles; Ship Repair

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Benin	The economy of Benin remains underdeveloped and dependent on subsistence agriculture, cotton production, and regional trade. Growth in real output has averaged around 5% in the past seven years, but rapid population growth has offset much of this increase. Inflation has subsided over the past several years. In order to raise growth still further, Benin plans to attract more foreign investment, place more emphasis on tourism, facilitate the development of new food processing systems and agricultural products, and encourage new information and communication technology. Specific projects to improve the business climate by reforms to the land tenure system, the commercial justice system, and the financial sector were included in Benin's $307 million Millennium Challenge Account grant signed in February 2006. The 2001 privatization policy continues in telecommunications, water, electricity, and agriculture though the government annulled the privatization of Benin's state cotton company in November 2007 after the discovery of irregularities in the bidding process. The Paris Club and bilateral creditors have eased the external debt situation, with Benin benefiting from a G8 debt reduction announced in July 2005, while pressing for more rapid structural reforms. An insufficient electrical supply continues to adversely affect Benin's economic growth though the government recently has taken steps to increase domestic power production.	5.1	5.7	Textiles, Food Processing, Construction Materials, Cement
Botswana	Botswana has maintained one of the world's highest economic growth rates since independence in 1966, though growth slowed to about 5% annually in 2006-08. Through fiscal discipline and sound management, Botswana has transformed itself from one of the poorest countries in the world to a middle-income country with a per capita GDP of nearly $15,800 in 2008. Two major investment services rank Botswana as the best credit risk in Africa. Diamond mining has fueled much of the expansion and currently accounts for more than one-third of GDP and for 70-80% of export earnings. Tourism, financial services, subsistence farming, and cattle raising are other key sectors. On the downside, the government must deal with high rates of unemployment and poverty. Unemployment officially was 23.8% in 2004, but unofficial estimates place it closer to 40%. HIV/AIDS infection rates are the second highest in the world and threaten Botswana's impressive economic gains. An expected leveling off in diamond mining production overshadows long-term prospects.	5.3	4.6	Diamonds, Copper, Nickel, Salt, Soda Ash, Potash; Livestock Processing; Textiles

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Burkina Faso	One of the poorest countries in the world, landlocked Burkina Faso has few natural resources and a weak industrial base. About 90% of the population is engaged in subsistence agriculture, which is vulnerable to periodic drought. Cotton is the main cash crop and the government has joined with three other cotton producing countries in the region - Mali, Niger, and Chad - to lobby in the World Trade Organization for fewer subsidies to producers in other competing countries. Since 1998, Burkina Faso has embarked upon a gradual but successful privatization of state-owned enterprises. Having revised its investment code in 2004, Burkina Faso hopes to attract foreign investors. Thanks to this new code and other legislation favoring the mining sector, the country has seen an upswing in gold exploration and production. While the bitter internal crisis in neighboring Cote d'Ivoire is beginning to be resolved, it is still having a negative effect on Burkina Faso's trade and employment. Burkina Faso received a Millennium Challenge Account threshold grant to improve girls' education at the primary school level, and appears likely to receive a grant in the areas of infrastructure, agriculture, and land reform.	4.5	5.6	Cotton Lint, Beverages, Agricultural Processing, Soap, Cigarettes, Textiles, Gold
Burundi	Burundi is a landlocked, resource-poor country with an underdeveloped manufacturing sector. The economy is predominantly agricultural with more than 90% of the population dependent on subsistence agriculture. Economic growth depends on coffee and tea exports, which account for 90% of foreign exchange earnings. The ability to pay for imports, therefore, rests primarily on weather conditions and international coffee and tea prices. The Tutsi minority, 14% of the population, dominates the government and the coffee trade at the expense of the Hutu majority, 85% of the population. An ethnic-based war that lasted for over a decade resulted in more than 200,000 deaths, forced more than 48,000 refugees into Tanzania, and displaced 140,000 others internally. Only one in two children go to school, and approximately one in 15 adults has HIV/AIDS. Food, medicine, and electricity remain in short supply. Burundi's GDP grew around 5% annually in 2006-07, before increasing to 6% in 2008. Political stability and the end of the civil war have improved aid flows and economic activity has increased, but underlying weaknesses - a high poverty rate, poor education rates, a weak legal system, and low administrative capacity - risk undermining planned economic reforms. Burundi will continue to remain heavily dependent on aid from bilateral and multilateral donors; the delay of funds after a corruption scandal cut off bilateral aid in 2007 reduced government's revenues and its ability to pay salaries.	4.5	5.0	Light Consumer Goods, such as Blankets, Shoes, Soap; Assembly of Imported Components; Public Works Construction; Food Processing

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Cameroon	Because of its modest oil resources and favorable agricultural conditions, Cameroon has one of the best-endowed primary commodity economies in sub-Saharan Africa. Still, it faces many of the serious problems facing other underdeveloped countries, such as a top-heavy civil service and a generally unfavorable climate for business enterprise. International oil and cocoa prices have a significant impact on the economy. Since 1990, the government has embarked on various IMF and World Bank programs designed to spur business investment, increase efficiency in agriculture, improve trade, and recapitalize the nation's banks. The IMF is pressing for more reforms, including increased budget transparency, privatization, and poverty reduction programs.	3.8	4.6	Petroleum Production and Refining, Aluminum Production, Food Processing, Light Consumer Goods, Textiles, Lumber, Ship Repair
Cape Verde	This island economy suffers from a poor natural resource base, including serious water shortages exacerbated by cycles of long-term drought. The economy is service-oriented, with commerce, transport, tourism, and public services accounting for about three-fourths of GDP. Although nearly 70% of the population lives in rural areas, the share of food production in GDP is low. About 82% of food must be imported. The fishing potential, mostly lobster and tuna, is not fully exploited. Cape Verde annually runs a high trade deficit, financed by foreign aid and remittances from emigrants; remittances supplement GDP by more than 20%. Economic reforms are aimed at developing the private sector and attracting foreign investment to diversify the economy. Future prospects depend heavily on the maintenance of aid flows, the encouragement of tourism, remittances, and the momentum of the government's development program. Cape Verde became a member of the WTO in July 2008.	6.0	6.5	Food and Beverages, Fish Processing, Shoes and Garments, Salt Mining, Ship Repair
Central African Republic	Subsistence agriculture, together with forestry, remains the backbone of the economy of the Central African Republic (CAR), with more than 70% of the population living in outlying areas. The agricultural sector generates more than half of GDP. Timber has accounted for about 16% of export earnings and the diamond industry, for 40%. Important constraints to economic development include the CAR's landlocked position, a poor transportation system, a largely unskilled work force, and a legacy of misdirected macroeconomic policies. Factional fighting between the government and its opponents remains a drag on economic revitalization. Distribution of income is extraordinarily unequal. Grants from France and the international community can only partially meet humanitarian needs.	3.5	4.5	Gold and Diamond Mining, Logging, Brewing, Textiles, Footwear, Assembly of Bicycles and Motorcycles

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Chad	Chad's primarily agricultural economy will continue to be boosted by major foreign direct investment projects in the oil sector that began in 2000. At least 80% of Chad's population relies on subsistence farming and livestock raising for its livelihood. Chad's economy has long been handicapped by its landlocked position, high energy costs, and a history of instability. Chad relies on foreign assistance and foreign capital for most public and private sector investment projects. A consortium led by two US companies has been investing $3.7 billion to develop oil reserves - estimated at 1 billion barrels - in southern Chad. Chinese companies are also expanding exploration efforts and plan to build a refinery. The nation's total oil reserves have been estimated to be 1.5 billion barrels. Oil production came on stream in late 2003. Chad began to export oil in 2004. Cotton, cattle, and gum arabic provide the bulk of Chad's non-oil export earnings.	0.4	5.0	Oil, Cotton Textiles, Meatpacking, Brewing, Natron (Sodium Carbonate), Soap, Cigarettes, Construction Materials
Comoros	One of the world's poorest countries, Comoros is made up of three islands that have inadequate transportation links, a young and rapidly increasing population, and few natural resources. The low educational level of the labor force contributes to a subsistence level of economic activity, high unemployment, and a heavy dependence on foreign grants and technical assistance. Agriculture, including fishing, hunting, and forestry, contributes 40% to GDP, employs 80% of the labor force, and provides most of the exports. The country is not self-sufficient in food production; rice, the main staple, accounts for the bulk of imports. The government - which is hampered by internal political disputes - is struggling to upgrade education and technical training, privatize commercial and industrial enterprises, improve health services, diversify exports, promote tourism, and reduce the high population growth rate. The political problems caused the economy to contract in 2007. Remittances from 150,000 Comorans abroad help supplement GDP.	0.5	1.7	Fishing, Tourism, Perfume Distillation

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Congo, Democratic Republic of the	The economy of the Democratic Republic of the Congo - a nation endowed with vast potential wealth - is slowly recovering from two decades of decline. Conflict, which began in August 1998, dramatically reduced national output and government revenue, increased external debt, and resulted in the deaths of more than 3.5 million people from violence, famine, and disease. Foreign businesses curtailed operations due to uncertainty about the outcome of the conflict, lack of infrastructure, and the difficult operating environment. Conditions began to improve in late 2002 with the withdrawal of a large portion of the invading foreign troops. The transitional government reopened relations with international financial institutions and international donors, and President KABILA has begun implementing reforms, although progress is slow and the International Monetary Fund curtailed their program for the DRC at the end of March 2006 because of fiscal overruns. Much economic activity still occurs in the informal sector, and is not reflected in GDP data. Renewed activity in the mining sector, the source of most export income, boosted Kinshasa's fiscal position and GDP growth, however, a renewal of strife is likely to halt recent advances. Government reforms may lead to increased government revenues, outside budget assistance, and foreign direct investment, although an uncertain legal framework, corruption, a lack of transparency in government policy are long-term problems.	10.0	10.3	Mining (Diamonds, Gold, Copper, Cobalt, Coltan Zinc), Mineral Processing, Consumer Products (including Textiles, Footwear, Cigarettes, Processed Foods and Beverages), Cement, Commercial Ship Repair

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		2008	2009	
Congo, Republic of the	The economy is a mixture of subsistence agriculture, an industrial sector based largely on oil, and support services, and a government characterized by budget problems and overstaffing. Oil has supplanted forestry as the mainstay of the economy, providing a major share of government revenues and exports. In the early 1980s, rapidly rising oil revenues enabled the government to finance large-scale development projects with GDP growth averaging 5% annually, one of the highest rates in Africa. The government has mortgaged a substantial portion of its oil earnings through oil-backed loans that have contributed to a growing debt burden and chronic revenue shortfalls. Economic reform efforts have been undertaken with the support of international organizations, notably the World Bank and the IMF. However, the reform program came to a halt in June 1997 when civil war erupted. Denis SASSOU-NGUESSO, who returned to power when the war ended in October 1997, publicly expressed interest in moving forward on economic reforms and privatization and in renewing cooperation with international financial institutions. Economic progress was badly hurt by slumping oil prices and the resumption of armed conflict in December 1998, which worsened the republic's budget deficit. The current administration presides over an uneasy internal peace and faces difficult economic challenges of stimulating recovery and reducing poverty. Recovery of oil prices has boosted the economy's GDP and near-term prospects. In March 2006, the World Bank and the International Monetary Fund (IMF) approved Heavily Indebted Poor Countries (HIPC) treatment for Congo.	9.1	12.1	Petroleum Extraction, Cement, Lumber, Brewing, Sugar, Palm Oil, Soap, Flour, Cigarettes

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Cote d'Ivoire (Ivory Coast)	Cote d'Ivoire is the world's largest producer and exporter of cocoa beans and a significant producer and exporter of coffee and palm oil. Consequently, the economy is highly sensitive to fluctuations in international prices for these products, and, to a lesser extent, in climatic conditions. Despite government attempts to diversify the economy, it is still heavily dependent on agriculture and related activities, engaging roughly 68% of the population. Since 2006, oil and gas production have become more important engines of economic activity than cocoa. According to IMF statistics, earnings from oil and refined products were $1.3 billion in 2006, while cocoa-related revenues were $1 billion during the same period. Cote d'Ivoire's offshore oil and gas production has resulted in substantial crude oil exports and provides sufficient natural gas to fuel electricity exports to Ghana, Togo, Benin, Mali and Burkina Faso. Oil exploration by a number of consortiums of private companies continues offshore, and President GBAGBO has expressed hope that daily crude output could reach 200,000 barrels per day (b/d) by the end of the decade. Since the end of the civil war in 2003, political turmoil has continued to damage the economy, resulting in the loss of foreign investment and slow economic growth. GDP grew by 1.8% in 2006, 1.7% in 2007, amd 2.5% in 2008. Per capita income has declined by 15% since 1999.	2.9	4.7	Foodstuffs, Beverages; Wood Products, Oil Refining, Truck and Bus Assembly, Textiles, Fertilizer, Building Materials, Electricity, Ship Construction and Repair
Djibouti	The economy is based on service activities connected with the country's strategic location and status as a free trade zone in the Horn of Africa. Two-thirds of Djibouti's inhabitants live in the capital city; the remainder are mostly nomadic herders. Scanty rainfall limits crop production to fruits and vegetables, and most food must be imported. Djibouti provides services as both a transit port for the region and an international transshipment and refueling center. Imports and exports from landlocked neighbor Ethiopia represent 85% of port activity at Djibouti's container terminal. Djibouti has few natural resources and little industry. The nation is, therefore, heavily dependent on foreign assistance to help support its balance of payments and to finance development projects. An unemployment rate of nearly 60% continues to be a major problem. While inflation is not a concern, due to the fixed tie of the Djiboutian franc to the US dollar, the artificially high value of the Djiboutian franc adversely affects Djibouti's balance of payments. Per capita consumption dropped an estimated 35% between 1999 and 2006 because of recession, civil war, and a high population growth rate (including immigrants and refugees). Faced with a multitude of economic difficulties, the government has fallen in arrears on long-term external debt and has been struggling to meet the stipulations of foreign aid donors.	5.9	6.9	Construction, Agricultural Processing

		Real GDP (%)[1]		
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Egypt	Occupying the northeast corner of the African continent, Egypt is bisected by the highly fertile Nile valley, where most economic activity takes place. Egypt's economy was highly centralized during the rule of former President Gamal Abdel NASSER but has opened up considerably under former President Anwar EL-SADAT and current President Mohamed Hosni MUBARAK. Cairo has aggressively pursued economic reforms to encourage inflows of foreign investment and facilitate GDP growth. In 2005, Prime Minister Ahmed NAZIF's government reduced personal and corporate tax rates, reduced energy subsidies, and privatized several enterprises. The stock market boomed, and GDP grew about 7% each year since 2006. Despite these achievements, the government has failed to raise living standards for the average Egyptian, and has had to continue providing subsidies for basic necessities. The subsidies have contributed to a sizeable budget deficit - roughly 7% of GDP in 2007-08 - and represent a significant drain on the economy. Foreign direct investment has increased significantly in the past two years, but the NAZIF government will need to continue its aggressive pursuit of reforms in order to sustain the spike in investment and growth and begin to improve economic conditions for the broader population. Egypt's export sectors - particularly natural gas - have bright prospects.	7.2	6.0	Textiles, Food Processing, Tourism, Chemicals, Pharmaceuticals, Hydrocarbons, Construction, Cement, Metals, Light Manufactures
Equatorial Guinea	The discovery and exploitation of large oil reserves have contributed to dramatic economic growth in recent years. Forestry, farming, and fishing are also major components of GDP. Subsistence farming predominates. Although pre-independence Equatorial Guinea counted on cocoa production for hard currency earnings, the neglect of the rural economy under successive regimes has diminished potential for agriculture-led growth (the government has stated its intention to reinvest some oil revenue into agriculture). A number of aid programs sponsored by the World Bank and the IMF have been cut off since 1993, because of corruption and mismanagement. No longer eligible for concessional financing because of large oil revenues, the government has been trying to agree on a "shadow" fiscal management program with the World Bank and IMF. Government officials and their family members own most businesses. Undeveloped natural resources include titanium, iron ore, manganese, uranium, and alluvial gold. Growth remained strong in 2008, led by oil.	7.4	4.6	Petroleum, Fishing, Sawmilling, Natural Gas

		Real GDP (%)[1]		
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Eritrea	Since independence from Ethiopia in 1993, Eritrea has faced the economic problems of a small, desperately poor country, accentuated by the recent implementation of restrictive economic policies. Eritrea has a command economy under the control of the sole political party, the People's Front for Democracy and Justice (PFDJ). Like the economies of many African nations, the economy is largely based on subsistence agriculture, with 80% of the population involved in farming and herding. The Ethiopian-Eritrea war in 1998-2000 severely hurt Eritrea's economy. GDP growth fell to zero in 1999 and to -12.1% in 2000. The May 2000 Ethiopian offensive into northern Eritrea caused some $600 million in property damage and loss, including losses of $225 million in livestock and 55,000 homes. The attack prevented planting of crops in Eritrea's most productive region, causing food production to drop by 62%. Even during the war, Eritrea developed its transportation infrastructure, asphalting new roads, improving its ports, and repairing war-damaged roads and bridges. Since the war ended, the government has maintained a firm grip on the economy, expanding the use of the military and party-owned businesses to complete Eritrea's development agenda. The government strictly controls the use of foreign currency, limiting access and availability. Few private enterprises remain in Eritrea. Eritrea's economy is heavily dependent on taxes paid by members of the diaspora. Erratic rainfall and the delayed demobilization of agriculturalists from the military continue to interfere with agricultural production, and Eritrea's recent harvests have not been able to meet the food needs of the country. The government continues to place its hope for additional revenue on the development of several international mining projects. Despite difficulties for international companies in working with the Eritrean government, a Canadian mining company signed a contract with the GSE in 2007 and plans to begin mineral extraction in 2010. Eritrea also opened a free trade zone at the port of Massawa in 2008. Eritrea's economic future depends upon its ability to master social problems such as illiteracy, unemployment, and low skills, and more importantly, on the government's willingness to support a true market economy.	1.2	2.0	Food Processing, Beverages, Clothing and Textiles, Light Manufacturing, Salt, Cement

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Ethiopia	Ethiopia's poverty-stricken economy is based on agriculture, accounting for almost half of GDP, 60% of exports, and 80% of total employment. The agricultural sector suffers from frequent drought and poor cultivation practices. Coffee is critical to the Ethiopian economy with exports of some $350 million in 2006, but historically low prices have seen many farmers switching to qat to supplement income. The war with Eritrea in 1998-2000 and recurrent drought have buffeted the economy, in particular coffee production. In November 2001, Ethiopia qualified for debt relief from the Highly Indebted Poor Countries (HIPC) initiative, and in December 2005 the IMF voted to forgive Ethiopia's debt to the body. Under Ethiopia's constitution, the state owns all land and provides long-term leases to the tenants; the system continues to hamper growth in the industrial sector as entrepreneurs are unable to use land as collateral for loans. Drought struck again late in 2002, leading to a 3.3% decline in GDP in 2003. Normal weather patterns helped agricultural and GDP growth recover during 2004-08.	8.4	6.5	Food Processing, Beverages, Textiles, Leather, Chemicals, Metals Processing, Cement
Gabon	Gabon enjoys a per capita income four times that of most of sub-Saharan African nations. but because of high income inequality, a large proportion of the population remains poor. Gabon depended on timber and manganese until oil was discovered offshore in the early 1970s. The oil sector now accounts for 50% of GDP. Gabon continues to face fluctuating prices for its oil, timber, and manganese exports. Despite the abundance of natural wealth, poor fiscal management hobbles the economy. In 1997, an IMF mission to Gabon criticized the government for overspending on off-budget items, overborrowing from the central bank, and slipping on its schedule for privatization and administrative reform. The rebound of oil prices since 1999 have helped growth, but drops in production have hampered Gabon from fully realizing potential gains, and will continue to temper the gains for most of this decade. In December 2000, Gabon signed a new agreement with the Paris Club to reschedule its official debt. A follow-up bilateral repayment agreement with the US was signed in December 2001. Gabon signed a 14-month Stand-By Arrangement with the IMF in May 2004, and received Paris Club debt rescheduling later that year.	3.9	7.0	Petroleum Extraction and Refining; Manganese, Gold; Chemicals, Ship Repair, Food and Beverages, Textiles, Lumbering and Plywood, Cement

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Gambia, The	The Gambia has no confirmed mineral or natural resource deposits and has a limited agricultural base. About 75% of the population depends on crops and livestock for its livelihood. Small-scale manufacturing activity features the processing of peanuts, fish, and hides. Re-export trade normally constitutes a major segment of economic activity, but a 1999 government-imposed pre-shipment inspection plan, and instability of the Gambian dalasi (currency) have drawn some of the re-export trade away from The Gambia. The Gambia's natural beauty and proximity to Europe has made it one of the larger markets for tourism in West Africa. The government's 1998 seizure of the private peanut firm Alimenta eliminated the largest purchaser of Gambian groundnuts. Despite an announced program to begin privatizing key parastatals, no plans have been made public that would indicate that the government intends to follow through on its promises. Unemployment and underemployment rates remain extremely high; short-run economic progress depends on sustained bilateral and multilateral aid, on responsible government economic management, on continued technical assistance from the IMF and bilateral donors, and on expected growth in the construction sector.	5.5	6.0	Processing Peanuts, Fish, and Hides; Tourism, Beverages, Agricultural Machinery Assembly, Woodworking, Metalworking, Clothing
Ghana	Well endowed with natural resources, Ghana has roughly twice the per capita output of the poorest countries in West Africa. Even so, Ghana remains heavily dependent on international financial and technical assistance. Gold and cocoa production, and individual remittances, are major sources of foreign exchange. The domestic economy continues to revolve around agriculture, which accounts for about 35% of GDP and employs about 55% of the work force, mainly small landholders. Ghana signed a Millennium Challenge Corporation (MCC) Compact in 2006, which aims to assist in transforming Ghana's agricultural sector. Ghana opted for debt relief under the Heavily Indebted Poor Country (HIPC) program in 2002, and is also benefiting from the Multilateral Debt Relief Initiative that took effect in 2006. Thematic priorities under its current Growth and Poverty Reduction Strategy, which also provides the framework for development partner assistance, are: macroeconomic stability; private sector competitiveness; human resource development; and good governance and civic responsibility. Sound macro-economic management along with high prices for gold and cocoa helped sustain GDP growth in 2008.	6.5	5.8	Mining, Lumbering, Light Manufacturing, Aluminum Smelting, Food Processing, Cement, Small Commercial Ship Building

		Real GDP (%)[1]		
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Guinea	Guinea possesses major mineral, hydropower, and agricultural resources, yet remains an underdeveloped nation. The country has almost half of the world's bauxite reserves. The mining sector accounts for over 70% of exports. Long-run improvements in government fiscal arrangements, literacy, and the legal framework are needed if the country is to move out of poverty. Investor confidence has been sapped by rampant corruption, a lack of electricity and other infrastructure, a lack of skilled workers, and the political uncertainty due to the failing health of President Lansana CONTE. Guinea is trying to reengage with the IMF and World Bank, which cut off most assistance in 2003, and is working closely with technical advisors from the U.S. Treasury Department, the World Bank and IMF, seeking to return to a fully funded program. Growth rose slightly in 2006-08, primarily due to increases in global demand and commodity prices on world markets, but the standard of living fell. The Guinea franc depreciated sharply as the prices for basic necessities like food and fuel rose beyond the reach of most Guineans. Dissatisfaction with economic conditions prompted nationwide strikes in February and June 2006.	4.5	4.7	Bauxite, Gold, Diamonds, Iron; Alumina Refining; Light Manufacturing, and Agricultural Processing

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Guinea-Bissau	One of the five poorest countries in the world, Guinea-Bissau depends mainly on farming and fishing. Cashew crops have increased remarkably in recent years, and the country now ranks fifth in cashew production. Guinea-Bissau exports fish and seafood along with small amounts of peanuts, palm kernels, and timber. Rice is the major crop and staple food. However, intermittent fighting between Senegalese-backed government troops and a military junta destroyed much of the country's infrastructure and caused widespread damage to the economy in 1998; the civil war led to a 28% drop in GDP that year, with partial recovery in 1999-2002. Before the war, trade reform and price liberalization were the most successful part of the country's structural adjustment program under IMF sponsorship. The tightening of monetary policy and the development of the private sector had also begun to reinvigorate the economy. Because of high costs, the development of petroleum, phosphate, and other mineral resources is not a near-term prospect. Offshore oil prospecting is underway in several sectors but has not yet led to commercially viable crude deposits. The inequality of income distribution is one of the most extreme in the world. The government and international donors continue to work out plans to forward economic development from a lamentably low base. In December 2003, the World Bank, IMF, and UNDP were forced to step in to provide emergency budgetary support in the amount of $107 million for 2004, representing over 80% of the total national budget. Government drift and indecision, however, resulted in continued low growth in 2002-06. Higher raw material prices boosted growth to 3.7% in 2007 and 3.9% in 2008.	3.2	3.1	Agricultural Products Processing, Beer, Soft Drinks

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Kenya	The regional hub for trade and finance in East Africa, Kenya has been hampered by corruption and by reliance upon several primary goods whose prices have remained low. In 1997, the IMF suspended Kenya's Enhanced Structural Adjustment Program due to the government's failure to maintain reforms and curb corruption. A severe drought from 1999 to 2000 compounded Kenya's problems, causing water and energy rationing and reducing agricultural output. As a result, GDP contracted by 0.2% in 2000. The IMF, which had resumed loans in 2000 to help Kenya through the drought, again halted lending in 2001 when the government failed to institute several anticorruption measures. Despite the return of strong rains in 2001, weak commodity prices, endemic corruption, and low investment limited Kenya's economic growth to 1.2%. Growth lagged at 1.1% in 2002 because of erratic rains, low investor confidence, meager donor support, and political infighting up to the elections. In the key December 2002 elections, Daniel Arap MOI's 24-year-old reign ended, and a new opposition government took on the formidable economic problems facing the nation. After some early progress in rooting out corruption and encouraging donor support, the KIBAKI government was rocked by high-level graft scandals in 2005 and 2006. In 2006 the World Bank and IMF delayed loans pending action by the government on corruption. The international financial institutions and donors have since resumed lending, despite little action on the government's part to deal with corruption. Election related riots may have hurt Kenya's 2008 performance. GDP grew an estimated 4.1%.	3.2	6.4	Small-Scale Consumer Goods (Plastic, Furniture, Batteries, Textiles, Clothing, Soap, Cigarettes, Flour), Agricultural Products, Horticulture, Oil Refining; Aluminum, Steel, Lead; Cement, Commercial Ship Repair, Tourism

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Lesotho	Small, landlocked, and mountainous, Lesotho relies on remittances from miners employed in South Africa and customs duties from the Southern Africa Customs Union for the majority of government revenue. However, the government has recently strengthened its tax system to reduce dependency on customs duties. Completion of a major hydropower facility in January 1998 permitted the sale of water to South Africa and generated royalties for Lesotho. Lesotho produces about 90% of its own electrical power needs. As the number of mineworkers has declined steadily over the past several years, a small manufacturing base has developed based on farm products that support the milling, canning, leather, and jute industries, as well as a rapidly expanding apparel-assembly sector. The latter has grown significantly mainly due to Lesotho qualifying for the trade benefits contained in the Africa Growth and Opportunity Act. The economy is still primarily based on subsistence agriculture, especially livestock, although drought has decreased agricultural activity. The extreme inequality in the distribution of income remains a major drawback. Lesotho has signed an Interim Poverty Reduction and Growth Facility with the IMF. In July 2007, Lesotho signed a Millennium Challenge Account Compact with the US worth $362.5 million.	5.2	5.4	Food, Beverages, Textiles, Apparel Assembly, Handicrafts, Construction, Tourism
Liberia	Civil war and government mismanagement destroyed much of Liberia's economy, especially the infrastructure in and around the capital, Monrovia. Many businesses fled the country, taking capital and expertise with them, but with the conclusion of fighting and the installation of a democratically-elected government in 2006, some have returned. Richly endowed with water, mineral resources, forests, and a climate favorable to agriculture, Liberia had been a producer and exporter of basic products - primarily raw timber and rubber. Local manufacturing, mainly foreign owned, had been small in scope. President JOHNSON SIRLEAF, a Harvard-trained banker and administrator, has taken steps to reduce corruption, build support from international donors, and encourage private investment. Embargos on timber and diamond exports have been lifted, opening new sources of revenue for the government. The reconstruction of infrastructure and the raising of incomes in this ravaged economy will largely depend on generous financial and technical assistance from donor countries and foreign investment in key sectors, such as infrastructure and power generation.	8.6	14.3	Rubber Processing, Palm Oil Processing, Timber, Diamonds

		Real GDP (%)[1]		
Country	**Economic Overview[2]**	**2008**	**2009**	**Some Industries[3]**
Libya	The Libyan economy depends primarily upon revenues from the oil sector, which contribute about 95% of export earnings, about one-quarter of GDP, and 60% of public sector wages. The expected weakness in world hydrocarbon prices throughout 2009 will reduce Libyan government tax income and limit Libyan economic growth in 2009. Substantial revenues from the energy sector coupled with a small population give Libya one of the highest per capita GDPs in Africa, but little of this income flows down to the lower orders of society. Libyan officials in the past five years have made progress on economic reforms as part of a broader campaign to reintegrate the country into the international fold. This effort picked up steam after UN sanctions were lifted in September 2003 and as Libya announced in December 2003 that it would abandon programs to build weapons of mass destruction. All US unilateral sanctions against Libya were removed by late-2008, helping Libya attract more foreign direct investment, mostly in the energy sector. Libyan oil and gas licensing rounds continue to draw high international interest; the National Oil Company set a goal of nearly doubling oil production to 3 million bbl/day by 2015. Libya faces a long road ahead in liberalizing the socialist-oriented economy, but initial steps - including applying for WTO membership, reducing some subsidies, and announcing plans for privatization - are laying the groundwork for a transition to a more market-based economy. The non-oil manufacturing and construction sectors, which account for more than 20% of GDP, have expanded from processing mostly agricultural products to include the production of petrochemicals, iron, steel, and aluminum. Climatic conditions and poor soils severely limit agricultural output, and Libya imports about 75% of its food. Libya's primary agricultural water source remains the Great Manmade River Project, but significant resources are being invested in desalinization research to meet growing water demands.	7.1	8.1	Petroleum, Iron and Steel, Food Processing, Textiles, Handicrafts, Cement

		Real GDP (%)[1]		
Country	**Economic Overview**[2]	**2008**	**2009**	**Some Industries**[3]
Madagascar	Having discarded past socialist economic policies, Madagascar has since the mid 1990s followed a World Bank- and IMF-led policy of privatization and liberalization. This strategy placed the country on a slow and steady growth path from an extremely low level. Agriculture, including fishing and forestry, is a mainstay of the economy, accounting for more than one-fourth of GDP and employing 80% of the population. Exports of apparel have boomed in recent years primarily due to duty-free access to the US. Deforestation and erosion, aggravated by the use of firewood as the primary source of fuel, are serious concerns. President RAVALOMANANA has worked aggressively to revive the economy following the 2002 political crisis, which triggered a 12% drop in GDP that year. Poverty reduction and combating corruption will be the centerpieces of economic policy for the next few years.	2.1	7.5	Meat Processing, Seafood, Soap, Breweries, Tanneries, Sugar, Textiles, Glassware, Cement, Automobile Assembly Plant, Paper, Petroleum, Tourism
Malawi	Landlocked Malawi ranks among the world's most densely populated and least developed countries. The economy is predominately agricultural with about 85% of the population living in rural areas. Agriculture accounts for more than one-third of GDP and 90% of export revenues. The performance of the tobacco sector is key to short-term growth as tobacco accounts for more than half of exports. The economy depends on substantial inflows of economic assistance from the IMF, the World Bank, and individual donor nations. In December 2007, the US granted Malawi eligibility status to receive financial support within the Millennium Challenge Corporation (MCC) initiative. Malawi will now begin a consultative process to develop a five-year program before funding can begin. In 2006, Malawi was approved for relief under the Heavily Indebted Poor Countries (HIPC) program. The government faces many challenges including developing a market economy, improving educational facilities, facing up to environmental problems, dealing with the rapidly growing problem of HIV/AIDS, and satisfying foreign donors that fiscal discipline is being tightened. In 2005, President MUTHARIKA championed an anticorruption campaign. Since 2005 President MUTHARIKA'S government has exhibited improved financial discipline under the guidance of Finance Minister Goodall GONDWE and signed a three year Poverty Reduction and Growth Facility worth $56 million with the IMF. Improved relations with the IMF lead other international donors to resume aid as well.	7.5	7.8	Tobacco, Tea, Sugar, Sawmill Products, Cement, Consumer Goods

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Mali	Mali is among the poorest countries in the world, with 65% of its land area desert or semi-desert and with a highly unequal distribution of income. Economic activity is largely confined to the riverine area irrigated by the Niger. About 10% of the population is nomadic and some 80% of the labor force is engaged in farming and fishing. Industrial activity is concentrated on processing farm commodities. Mali is heavily dependent on foreign aid and vulnerable to fluctuations in world prices for cotton, its main export, along with gold. The government has continued its successful implementation of an IMF-recommended structural adjustment program that is helping the economy grow, diversify, and attract foreign investment. Mali's adherence to economic reform and the 50% devaluation of the CFA franc in January 1994 have pushed up economic growth to a 5% average in 1996-2008. Worker remittances and external trade routes for the landlocked country have been jeopardized by continued unrest in neighboring Cote d'Ivoire.	4.8	5.2	Food Processing; Construction; Phosphate and Gold Mining
Mauritania	Half the population still depends on agriculture and livestock for a livelihood, even though many of the nomads and subsistence farmers were forced into the cities by recurrent droughts in the 1970s and 1980s. Mauritania has extensive deposits of iron ore, which account for nearly 40% of total exports. The nation's coastal waters are among the richest fishing areas in the world, but overexploitation by foreigners threatens this key source of revenue. The country's first deepwater port opened near Nouakchott in 1986. In the past, drought and economic mismanagement resulted in a buildup of foreign debt, which now stands at more than three times the level of annual exports. In February 2000, Mauritania qualified for debt relief under the Heavily Indebted Poor Countries (HIPC) initiative and in December 2001 received strong support from donor and lending countries at a triennial Consultative Group review. A new investment code approved in December 2001 improved the opportunities for direct foreign investment. Ongoing negotiations with the IMF involve problems of economic reforms and fiscal discipline. Oil prospects, while initially promising, have largely failed to materialize. Meantime the government emphasizes reduction of poverty, improvement of health and education, and promoting privatization of the economy.	5.0	6.8	Fish Processing, Mining Of Iron Ore and Gypsum

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Mauritius	Since independence in 1968, Mauritius has developed from a low-income, agriculturally based economy to a middle-income diversified economy with growing industrial, financial, and tourist sectors. For most of the period, annual growth has been in the order of 5% to 6%. This remarkable achievement has been reflected in more equitable income distribution, increased life expectancy, lowered infant mortality, and a much-improved infrastructure. The economy rests on sugar, tourism, textiles and apparel, and financial services, and is expanding into fish processing, information and communications technology, and hospitality and property development. Sugarcane is grown on about 90% of the cultivated land area and accounts for 15% of export earnings. The government's development strategy centers on creating vertical and horizontal clusters of development in these sectors. Mauritius has attracted more than 32,000 offshore entities, many aimed at commerce in India, South Africa, and China. Investment in the banking sector alone has reached over $1 billion. Mauritius, with its strong textile sector, has been well poised to take advantage of the Africa Growth and Opportunity Act (AGOA).	6.6	6.2	Food Processing (Largely Sugar Milling), Textiles, Clothing, Mining, Chemicals, Metal Products, Transport Equipment, Nonelectrical Machinery, Tourism
Morocco	Moroccan economic policies brought macroeconomic stability to the country in the early 1990s but have not spurred growth sufficient to reduce unemployment - nearing 20% in urban areas - despite the Moroccan Government's ongoing efforts to diversify the economy. Morocco's GDP growth rose to 5.3% in 2008, with the economy recovering from a draught in 2007 that severely reduced agricultural output and necessitated wheat imports at rising world prices. Moroccan authorities understand that reducing poverty and providing jobs are key to domestic security and development. In 2005, Morocco launched the National Initiative for Human Development (INDH), a $2 billion social development plan to address poverty and unemployment and to improve the living conditions of the country's urban slums. Moroccan authorities are implementing reform efforts to open the economy to international investors. Despite structural adjustment programs supported by the IMF, the World Bank, and the Paris Club, the dirham is only fully convertible for current account transactions. In 2000, Morocco entered an Association Agreement with the EU and, in 2006, entered a Free Trade Agreement (FTA) with the US. Long-term challenges include improving education and job prospects for Morocco's youth, and closing the income gap between the rich and the poor, which the government hopes to achieve by increasing tourist arrivals and boosting competitiveness in textiles.	6.5	5.5	Phosphate Rock Mining and Processing, Food Processing, Leather Goods, Textiles, Construction, Tourism

		Real GDP (%)[1]		
Country	**Economic Overview[2]**	**2008**	**2009**	**Some Industries[3]**
Mozambique	At independence in 1975, Mozambique was one of the world's poorest countries. Socialist mismanagement and a brutal civil war from 1977-92 exacerbated the situation. In 1987, the government embarked on a series of macroeconomic reforms designed to stabilize the economy. These steps, combined with donor assistance and with political stability since the multi-party elections in 1994, have led to dramatic improvements in the country's growth rate. Inflation was reduced to single digits during the late 1990s, and although it returned to double digits in 2000-06, in 2007 inflation had slowed to 8%, while GDP growth reached 7.5%. Fiscal reforms, including the introduction of a value-added tax and reform of the customs service, have improved the government's revenue collection abilities. In spite of these gains, Mozambique remains dependent upon foreign assistance for much of its annual budget, and the majority of the population remains below the poverty line. Subsistence agriculture continues to employ the vast majority of the country's work force. A substantial trade imbalance persists although the opening of the Mozal aluminum smelter, the country's largest foreign investment project to date, has increased export earnings. At the end of 2007, and after years of negotiations, the government took over Portugal's majority share of the Cahora Bassa Hydroelectricity (HCB) company, a dam that was not transferred to Mozambique at independence because of the ensuing civil war and unpaid debts. More power is needed for additional investment projects in titanium extraction and processing and garment manufacturing that could further close the import/export gap. Mozambique's once substantial foreign debt has been reduced through forgiveness and rescheduling under the IMF's Heavily Indebted Poor Countries (HIPC) and Enhanced HIPC initiatives, and is now at a manageable level. In July 2007 the Millennium Challenge Corporation (MCC) signed a Compact with Mozambique; the Mozambican government moved rapidly to ratify the Compact and propose a plan for funding.	6.5	6.7	Food, Beverages, Chemicals (Fertilizer, Soap, Paints), Aluminum, Petroleum Products, Textiles, Cement, Glass, Asbestos, Tobacco

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Namibia	The economy is heavily dependent on the extraction and processing of minerals for export. Mining accounts for 8% of GDP, but provides more than 50% of foreign exchange earnings. Rich alluvial diamond deposits make Namibia a primary source for gem-quality diamonds. Namibia is the fourth-largest exporter of nonfuel minerals in Africa, the world's fifth-largest producer of uranium, and the producer of large quantities of lead, zinc, tin, silver, and tungsten. The mining sector employs only about 3% of the population while about half of the population depends on subsistence agriculture for its livelihood. Namibia normally imports about 50% of its cereal requirements; in drought years food shortages are a major problem in rural areas. A high per capita GDP, relative to the region, hides one of the world's most unequal income distributions. The Namibian economy is closely linked to South Africa with the Namibian dollar pegged one-to-one to the South African rand. Increased payments from the Southern African Customs Union (SACU) put Namibia's budget into surplus in 2007 for the first time since independence, but SACU payments will decline after 2008 as part of a new revenue sharing formula. Increased fish production and mining of zinc, copper, uranium, and silver spurred growth in 2003-07, but growth in recent years was undercut by poor fish catches and high costs for metal inputs.	3.8	4.18	Meatpacking, Fish Processing, Dairy Products; Mining (Diamonds, Lead, Zinc, Tin, Silver, Tungsten, Uranium, Copper)

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Niger	Niger is one of the poorest countries in the world, ranking near last on the United Nations Development Fund index of human development. It is a landlocked, Sub-Saharan nation, whose economy centers on subsistence crops, livestock, and some of the world's largest uranium deposits. Drought cycles, desertification, and strong population growth have undercut the economy. Niger shares a common currency, the CFA franc, and a common central bank, the Central Bank of West African States (BCEAO), with seven other members of the West African Monetary Union. In December 2000, Niger qualified for enhanced debt relief under the International Monetary Fund program for Highly Indebted Poor Countries (HIPC) and concluded an agreement with the Fund on a Poverty Reduction and Growth Facility (PRGF). Debt relief provided under the enhanced HIPC initiative significantly reduces Niger's annual debt service obligations, freeing funds for expenditures on basic health care, primary education, HIV/AIDS prevention, rural infrastructure, and other programs geared at poverty reduction. In December 2005, Niger received 100% multilateral debt relief from the IMF, which translates into the forgiveness of approximately US $86 million in debts to the IMF, excluding the remaining assistance under HIPC. Nearly half of the government's budget is derived from foreign donor resources. Future growth may be sustained by exploitation of oil, gold, coal, and other mineral resources. Uranium prices have increased sharply in the last few years. A drought and locust infestation in 2005 led to food shortages for as many as 2.5 million Nigeriens.	4.4	4.5	Uranium Mining, Cement, Brick, Soap, Textiles, Food Processing, Chemicals, Slaughterhouses

		Real GDP (%)[1]		
Country	**Economic Overview**[2]	**2008**	**2009**	**Some Industries**[3]
Nigeria	Oil-rich Nigeria, long hobbled by political instability, corruption, inadequate infrastructure, and poor macroeconomic management, has undertaken several reforms over the past decade. Nigeria's former military rulers failed to diversify the economy away from its overdependence on the capital-intensive oil sector, which provides 95% of foreign exchange earnings and about 80% of budgetary revenues. Following the signing of an IMF stand-by agreement in August 2000, Nigeria received a debt-restructuring deal from the Paris Club and a $1 billion credit from the IMF, both contingent on economic reforms. Nigeria pulled out of its IMF program in April 2002, after failing to meet spending and exchange rate targets, making it ineligible for additional debt forgiveness from the Paris Club. Since 2008 the government has begun showing the political will to implement the market-oriented reforms urged by the IMF, such as to modernize the banking system, to curb inflation by blocking excessive wage demands, and to resolve regional disputes over the distribution of earnings from the oil industry. In 2003, the government began deregulating fuel prices, announced the privatization of the country's four oil refineries, and instituted the National Economic Empowerment Development Strategy, a domestically designed and run program modeled on the IMF's Poverty Reduction and Growth Facility for fiscal and monetary management. In November 2005, Abuja won Paris Club approval for a debt-relief deal that eliminated $18 billion of debt in exchange for $12 billion in payments - a total package worth $30 billion of Nigeria's total $37 billion external debt. The deal requires Nigeria to be subject to stringent IMF reviews. Based largely on increased oil exports and high global crude prices, GDP rose strongly in 2007 and 2008. President YAR'ADUA has pledged to continue the economic reforms of his predecessor with emphasis on infrastructure improvements. Infrastructure is the main impediment to growth. The government is working toward developing stronger public-private partnerships for electricity and roads.	6.2	8.1	Crude Oil, Coal, Tin, Columbite; Palm Oil, Peanuts, Cotton, Rubber, Wood; Hides and Skins, Textiles, Cement and Other Construction Materials, Food Products, Footwear, Chemicals, Fertilizer, Printing, Ceramics, Steel, Small Commercial Ship Construction and Repair

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Rwanda	Rwanda is a poor rural country with about 90% of the population engaged in (mainly subsistence) agriculture. It is the most densely populated country in Africa and is landlocked with few natural resources and minimal industry. Primary foreign exchange earners are coffee and tea. The 1994 genocide decimated Rwanda's fragile economic base, severely impoverished the population, particularly women, and eroded the country's ability to attract private and external investment. However, Rwanda has made substantial progress in stabilizing and rehabilitating its economy to pre-1994 levels, although poverty levels are higher now. GDP has rebounded and inflation has been curbed. Despite Rwanda's fertile ecosystem, food production often does not keep pace with population growth, requiring food imports. Rwanda continues to receive substantial aid money and obtained IMF-World Bank Heavily Indebted Poor Country (HIPC) initiative debt relief in 2005-06. Rwanda also received Millennium Challenge Account Threshold status in 2006. The government has embraced an expansionary fiscal policy to reduce poverty by improving education, infrastructure, and foreign and domestic investment and pursuing market-oriented reforms, although energy shortages, instability in neighboring states, and lack of adequate transportation linkages to other countries continue to handicap growth.	6.0	5.6	Cement, Agricultural Products, Small-Scale Beverages, Soap, Furniture, Shoes, Plastic Goods, Textiles, Cigarettes

		Real GDP (%)[1]		
Country	**Economic Overview[2]**	**2008**	**2009**	**Some Industries[3]**
Sao Tome and Principe	This small, poor island economy has become increasingly dependent on cocoa since independence in 1975. Cocoa production has substantially declined in recent years because of drought and mismanagement. Sao Tome has to import all fuels, most manufactured goods, consumer goods, and a substantial amount of food. Over the years, it has had difficulty servicing its external debt and has relied heavily on concessional aid and debt rescheduling. Sao Tome benefited from $200 million in debt relief in December 2000 under the Highly Indebted Poor Countries (HIPC) program, which helped bring down the country's $300 million debt burden. In August 2005, Sao Tome signed on to a new 3-year IMF Poverty Reduction and Growth Facility (PRGF) program worth $4.3 million. Considerable potential exists for development of a tourist industry, and the government has taken steps to expand facilities in recent years. The government also has attempted to reduce price controls and subsidies. Sao Tome is optimistic about the development of petroleum resources in its territorial waters in the oil-rich Gulf of Guinea, which are being jointly developed in a 60-40 split with Nigeria. The first production licenses were sold in 2004, though a dispute over licensing with Nigeria delayed Sao Tome's receipt of more than $20 million in signing bonuses for almost a year. Real GDP growth exceeded 6% in 2007, as a result of increases in public expenditures and oil-related capital investment.	5.8	6.0	Light Construction, Textiles, Soap, Beer, Fish Processing, Timber

		Real GDP (%)[1]		
Country	Economic Overview[2]	2008	2009	Some Industries[3]
Senegal	In January 1994, Senegal undertook a bold and ambitious economic reform program with the support of the international donor community. This reform began with a 50% devaluation of Senegal's currency, the CFA franc, which was linked at a fixed rate to the French franc. Government price controls and subsidies have been steadily dismantled. After seeing its economy contract by 2.1% in 1993, Senegal made an important turnaround, thanks to the reform program, with real growth in GDP averaging over 5% annually during 1995-2008. Annual inflation had been pushed down to the single digits. As a member of the West African Economic and Monetary Union (WAEMU), Senegal is working toward greater regional integration with a unified external tariff and a more stable monetary policy. High unemployment, however, continues to prompt illegal migrants to flee Senegal in search of better job opportunities in Europe. Senegal was also beset by an energy crisis that caused widespread blackouts in 2006 and 2007. The phosphate industry has struggled for two years to secure capital, and reduced output has directly impacted GDP. In 2007, Senegal signed agreements for major new mining concessions for iron, zircon, and gold with foreign companies. Firms from Dubai have agreed to manage and modernize Dakar's maritime port, and create a new special economic zone. Senegal still relies heavily upon outside donor assistance. Under the IMF's Highly Indebted Poor Countries (HIPC) debt relief program, Senegal has benefited from eradication of two-thirds of its bilateral, multilateral, and private-sector debt. In 2007, Senegal and the IMF agreed to a new, non-disbursing, Policy Support Initiative program.	4.3	5.8	Agricultural and Fish Processing, Phosphate Mining, Fertilizer Production, Petroleum Refining; Iron Ore, Zircon, And Gold Mining, Construction Materials, Ship Construction and Repair

		Real GDP (%)[1]		
Country	**Economic Overview[2]**	**2008**	**2009**	**Some Industries[3]**
Seychelles	Since independence in 1976, per capita output in this Indian Ocean archipelago has expanded to roughly seven times the pre-independence, near-subsistence level, moving the island into the upper-middle income group of countries. Growth has been led by the tourist sector, which employs about 30% of the labor force and provides more than 70% of hard currency earnings, and by tuna fishing. In recent years, the government has encouraged foreign investment to upgrade hotels and other services. At the same time, the government has moved to reduce the dependence on tourism by promoting the development of farming, fishing, and small-scale manufacturing. Sharp drops illustrated the vulnerability of the tourist sector in 1991-92 due largely to the Gulf War and once again following the 11 September 2001 terrorist attacks on the US. Economic growth slowed in 1998-2002 and fell in 2003-04, due to sluggish tourist and tuna sectors, but resumed in 2005-07. Real GDP grew by 5.8% in 2007, driven by tourism and a boom in tourism-related construction. The Seychelles rupee was allowed to depreciate in 2006 after being overvalued for years and fell by 10% in the first 9 months of 2007. Despite these actions, the Seychelles economy is struggling to maintain its gains and in 2008 suffered from food and oil price shocks, a foreign exchange shortage, high inflation and large financing gaps. In July 2008 the government defaulted on a Euro amortizing note worth roughly US$80 million, leading to a downgrading of Seychelles credit rating. Seychelles requested an IMF Stand-By Agreement in December 2008.	2.5	3.0	Fishing, Tourism, Processing Of Coconuts and Vanilla, Coir (Coconut Fiber) Rope, Boat Building, Printing, Furniture; Beverages
Sierre Leone	Sierra Leone is an extremely poor nation with tremendous inequality in income distribution. While it possesses substantial mineral, agricultural, and fishery resources, its physical and social infrastructure is not well developed, and serious social disorders continue to hamper economic development. Nearly half of the working-age population engages in subsistence agriculture. Manufacturing consists mainly of the processing of raw materials and of light manufacturing for the domestic market. Alluvial diamond mining remains the major source of hard currency earnings accounting for nearly half of Sierra Leone's exports. The fate of the economy depends upon the maintenance of domestic peace and the continued receipt of substantial aid from abroad, which is essential to offset the severe trade imbalance and supplement government revenues. The IMF has completed a Poverty Reduction and Growth Facility program that helped stabilize economic growth and reduce inflation. A recent increase in political stability has led to a revival of economic activity such as the rehabilitation of bauxite and rutile mining.	5.5	5.9	Diamond Mining; Small-Scale Manufacturing (Beverages, Textiles, Cigarettes, Footwear); Petroleum Refining, Small Commercial Ship Repair

		Real GDP (%)[1]		
Country	**Economic Overview[2]**	**2008**	**2009**	**Some Industries[3]**
Somalia	Despite the lack of effective national governance, Somalia has maintained a healthy informal economy, largely based on livestock, remittance/money transfer companies, and telecommunications. Agriculture is the most important sector, with livestock normally accounting for about 40% of GDP and about 65% of export earnings. Nomads and semi-pastoralists, who are dependent upon livestock for their livelihood, make up a large portion of the population. Livestock, hides, fish, charcoal, and bananas are Somalia's principal exports, while sugar, sorghum, corn, qat, and machined goods are the principal imports. Somalia's small industrial sector, based on the processing of agricultural products, has largely been looted and sold as scrap metal. Somalia's service sector also has grown. Telecommunication firms provide wireless services in most major cities and offer the lowest international call rates on the continent. In the absence of a formal banking sector, money exchange services have sprouted throughout the country, handling between $500 million and $1 billion in remittances annually. Mogadishu's main market offers a variety of goods from food to the newest electronic gadgets. Hotels continue to operate and are supported with private-security militias. Somalia's arrears to the IMF continued to grow in 2008. Statistics on Somalia's GDP, growth, per capita income, and inflation should be viewed skeptically. In late December 2004, a major tsunami caused an estimated 150 deaths and resulted in destruction of property in coastal areas.	No Report	No Report	A Few Light Industries, including Sugar Refining, Textiles, Wireless Communication

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
South Africa	South Africa is a middle-income, emerging market with an abundant supply of natural resources; well-developed financial, legal, communications, energy, and transport sectors; a stock exchange that is 17th largest in the world; and modern infrastructure supporting an efficient distribution of goods to major urban centers throughout the region. Growth was robust from 2004 to 2008 as South Africa reaped the benefits of macroeconomic stability and a global commodities boom, but began to slow in the second half of 2008 due to the global financial crisis' impact on commodity prices and demand. However, unemployment remains high and outdated infrastructure has constrained growth. At the end of 2007, South Africa began to experience an electricity crisis because state power supplier Eskom suffered supply problems with aged plants, necessitating "load-shedding" cuts to residents and businesses in the major cities. Daunting economic problems remain from the apartheid era - especially poverty, lack of economic empowerment among the disadvantaged groups, and a shortage of public transportation. South African economic policy is fiscally conservative but pragmatic, focusing on controlling inflation, maintaining a budget surplus, and using state-owned enterprises to deliver basic services to low-income areas as a means to increase job growth and household income.	3.8	3.3	Mining (World's Largest Producer of Platinum, Gold, Chromium), Automobile Assembly, Metalworking, Machinery, Textiles, Iron and Steel, Chemicals, Fertilizer, Foodstuffs, Commercial Ship Repair
Sudan	Until the second half of 2008, Sudan's economy boomed on the back of increases in oil production, high oil prices, and large inflows of foreign direct investment. GDP growth registered more than 10% per year in 2006 and 2007. From 1997 to date, Sudan has been working with the IMF to implement macroeconomic reforms, including a managed float of the exchange rate. Sudan began exporting crude oil in the last quarter of 1999. Agricultural production remains important, because it employs 80% of the work force and contributes a third of GDP. The Darfur conflict, the aftermath of two decades of civil war in the south, the lack of basic infrastructure in large areas, and a reliance by much of the population on subsistence agriculture ensure much of the population will remain at or below the poverty line for years despite rapid rises in average per capita income. In January 2007, the government introduced a new currency, the Sudanese Pound, at an initial exchange rate of $1.00 equals 2 Sudanese Pounds.	8.5	7.7	Oil, Cotton Ginning, Textiles, Cement, Edible Oils, Sugar, Soap Distilling, Shoes, Petroleum Refining, Pharmaceuticals, Armaments, Automobile/Light Truck Assembly

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Swaziland	In this small, landlocked economy, subsistence agriculture occupies approximately 70% of the population. The manufacturing sector has diversified since the mid-1980s. Sugar and wood pulp remain important foreign exchange earners. In 2007, the sugar industry increased efficiency and diversification efforts, in response to a 17% decline in EU sugar prices. Mining has declined in importance in recent years with only coal and quarry stone mines remaining active. Surrounded by South Africa, except for a short border with Mozambique, Swaziland is heavily dependent on South Africa from which it receives more than nine-tenths of its imports and to which it sends 60% of its exports. Swaziland's currency is pegged to the South African rand, subsuming Swaziland's monetary policy to South Africa. Customs duties from the Southern African Customs Union, which may equal as much as 70% of government revenue this year, and worker remittances from South Africa substantially supplement domestically earned income. Swaziland is not poor enough to merit an IMF program; however, the country is struggling to reduce the size of the civil service and control costs at public enterprises. The government is trying to improve the atmosphere for foreign investment. With an estimated 40% unemployment rate, Swaziland's need to increase the number and size of small and medium enterprises and attract foreign direct investment is acute. Overgrazing, soil depletion, drought, and sometimes floods persist as problems for the future. More than one-fourth of the population needed emergency food aid in 2006-07 because of drought, and nearly two-fifths of the adult population has been infected by HIV/AIDS.	2.6	2.5	Coal, Wood Pulp, Sugar, Soft Drink Concentrates, Textiles and Apparel
Tanzania	Tanzania is in the bottom ten percent of the world's economies in terms of per capita income. The economy depends heavily on agriculture, which accounts for more than 40% of GDP, provides 85% of exports, and employs 80% of the work force. Topography and climatic conditions, however, limit cultivated crops to only 4% of the land area. Industry traditionally featured the processing of agricultural products and light consumer goods. The World Bank, the IMF, and bilateral donors have provided funds to rehabilitate Tanzania's out-of-date economic infrastructure and to alleviate poverty. Long-term growth through 2005 featured a pickup in industrial production and a substantial increase in output of minerals led by gold. Recent banking reforms have helped increase private-sector growth and investment. Continued donor assistance and solid macroeconomic policies supported real GDP growth of 7.1% in 2008.	7.5	8.0	Agricultural Processing (Sugar, Beer, Cigarettes, Sisal Twine); Diamond, Gold, and Iron Mining, Salt, Soda Ash; Cement, Oil Refining, Shoes, Apparel, Wood Products, Fertilizer

Country	Economic Overview[2]	Real GDP (%)[1] 2008	Real GDP (%)[1] 2009	Some Industries[3]
Togo	This small, sub-Saharan economy is heavily dependent on both commercial and subsistence agriculture, which provides employment for 65% of the labor force. Some basic foodstuffs must still be imported. Cocoa, coffee, and cotton generate about 40% of export earnings with cotton being the most important cash crop. Togo is the world's fourth-largest producer of phosphate. The government's decade-long effort, supported by the World Bank and the IMF, to implement economic reform measures, encourage foreign investment, and bring revenues in line with expenditures has moved slowly. Progress depends on follow through on privatization, increased openness in government financial operations, progress toward legislative elections, and continued support from foreign donors. Togo is working with donors to write a Poverty Reduction and Growth Facility (PRGF) that could eventually lead to a debt reduction plan. Economic growth remains marginal due to declining cotton production, underinvestment in phosphate mining, and strained relations with donors.	2.5	3.5	Phosphate Mining, Agricultural Processing, Cement, Handicrafts, Textiles, Beverages
Tunisia	Tunisia has a diverse economy, with important agricultural, mining, tourism, and manufacturing sectors. Governmental control of economic affairs while still heavy has gradually lessened over the past decade with increasing privatization, simplification of the tax structure, and a prudent approach to debt. Progressive social policies also have helped raise living conditions in Tunisia relative to the region. Real growth, which averaged almost 5% over the past decade, declined to 4.7% in 2008 and probably will decline further in 2009 because of economic contraction and slowing of import demand in Europe - Tunisia's largest export market. However, development of non-textile manufacturing, a recovery in agricultural production, and strong growth in the services sector somewhat mitigated the economic effect of slowing exports. Tunisia will need to reach even higher growth levels to create sufficient employment opportunities for an already large number of unemployed as well as the growing population of university graduates. The challenges ahead include: privatizing industry, liberalizing the investment code to increase foreign investment, improving government efficiency, reducing the trade deficit, and reducing socioeconomic disparities in the impoverished south and west.	5.5	5.0	Petroleum, Mining (particularly Phosphate and Iron Ore), Tourism, Textiles, Footwear, Agribusiness, Beverages

		Real GDP (%)[1]		
Country	**Economic Overview[2]**	**2008**	**2009**	**Some Industries[3]**
Uganda	Uganda has substantial natural resources, including fertile soils, regular rainfall, and sizable mineral deposits of copper, cobalt, gold, and other minerals. Agriculture is the most important sector of the economy, employing over 80% of the work force. Coffee accounts for the bulk of export revenues. Since 1986, the government - with the support of foreign countries and international agencies - has acted to rehabilitate and stabilize the economy by undertaking currency reform, raising producer prices on export crops, increasing prices of petroleum products, and improving civil service wages. The policy changes are especially aimed at dampening inflation and boosting production and export earnings. During 1990-2001, the economy turned in a solid performance based on continued investment in the rehabilitation of infrastructure, improved incentives for production and exports, reduced inflation, gradually improved domestic security, and the return of exiled Indian-Ugandan entrepreneurs. Growth continues to be solid, despite variability in the price of coffee, Uganda's principal export, and a consistent upturn in Uganda's export markets. In 2000, Uganda qualified for enhanced Highly Indebted Poor Countries (HIPC) debt relief worth $1.3 billion and Paris Club debt relief worth $145 million. These amounts combined with the original HIPC debt relief added up to about $2 billion.	9.8	8.1	Sugar, Brewing, Tobacco, Cotton Textiles; Cement, Steel Production
Zambia	Zambia's economy has experienced strong growth in recent years, with real GDP growth in 2005-08 about 6% per year. Privatization of government-owned copper mines in the 1990s relieved the government from covering mammoth losses generated by the industry and greatly improved the chances for copper mining to return to profitability and spur economic growth. Copper output has increased steadily since 2004, due to higher copper prices and foreign investment. In 2005, Zambia qualified for debt relief under the Highly Indebted Poor Country Initiative, consisting of approximately USD 6 billion in debt relief. Zambia experienced a bumper harvest in 2007, which helped to boost GDP and agricultural exports and contain inflation. Although poverty continues to be significant problem in Zambia, its economy has strengthened, featuring single-digit inflation, a relatively stable currency, decreasing interest rates, and increasing levels of trade. The decline in world commodity prices and demand will hurt GDP growth in 2009, and elections and campaign promises are likely to weaken Zambia's improved fiscal stance.	5.8	6.4	Copper Mining and Processing, Construction, Foodstuffs, Beverages, Chemicals, Textiles, Fertilizer, Horticulture

		Real GDP (%)[1]		
Country	**Economic Overview[2]**	**2008**	**2009**	**Some Industries[3]**
Zimbabwe	The government of Zimbabwe faces a wide variety of difficult economic problems as it struggles with an unsustainable fiscal deficit, an overvalued official exchange rate, hyperinflation, and bare store shelves. Its 1998-2002 involvement in the war in the Democratic Republic of the Congo drained hundreds of millions of dollars from the economy. The government's land reform program, characterized by chaos and violence, has badly damaged the commercial farming sector, the traditional source of exports and foreign exchange and the provider of 400,000 jobs, turning Zimbabwe into a net importer of food products. The EU and the US provide food aid on humanitarian grounds. Badly needed support from the IMF has been suspended because of the government's arrears on past loans and the government's unwillingness to enact reforms that would stabilize the economy. The Reserve Bank of Zimbabwe routinely prints money to fund the budget deficit, causing the official annual inflation rate to rise from 32% in 1998, to 133% in 2004, 585% in 2005, passed 1000% in 2006, and 26000% in November 2007, and to 11.2 million percent in 2008. Meanwhile, the official exchange rate fell from approximately 1 (revalued) Zimbabwean dollar per US dollar in 2003 to 30,000 per US dollar in September 2007.	No Report	No Report	Mining (Coal, Gold, Platinum, Copper, Nickel, Tin, Clay, Numerous Metallic and Nonmetallic Ores), Steel; Wood Products, Cement, Chemicals, Fertilizer, Clothing and Footwear, Foodstuffs, Beverages