ECONOMIC AND MONETARY INTEGRATION IN AFRICA*

By

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Abstract

The ultimate goal of regional integration is to create a common economic space among the participating countries. Monetary and economic integration may evolve from trade links, as well as, historical and cultural ties. African sub-regions are pursuing economic and monetary co-operation at different speeds. However, African regional economic groupings do not, ***ex ante,*** *satisfy the traditional OCA criteria. Until the various sub-regional arrangements are firmly established, the African Economic and Monetary Union cannot take-off effectively. More important is the need to nurture strong institutional framework, vibrant trade and financial markets integration that will support a common monetary policy. This paper undertakes a comparative analysis of the efforts made by African policy makers towards the achievement of economic and monetary union, it also appraises the challenges and prospects of achieving the objective. Overall, despite the non compliance to OCA criteria, available evidence seem to suggest that expanded trade, macroeconomic stability, sustained growth and fiscal prudence have become more entrenched in the zones where economic and monetary union arrangements have been formerly institutionalized in Africa.*

Key words: Economic Integration, Monetary Union, Single Currency, Common External Tariff, Regional Integration, Optimum Currency Area, Economic Cooperation, Intra-regional Trade, Economy of Scale, Common Market.

1. Introduction

The ultimate goal of regional integration is to create a common economic space among the participating countries. Monetary and economic integration may evolve from trade links, as well as, historical and cultural ties. The process entails the harmonization of macroeconomic policies, legal frameworks and institutional architectures, towards nominal and real convergence. Other objectives of monetary union include the enlargement and diversification of market size, the promotion of intra-regional trade and the strengthening of member countries' bargaining power in the global economy.

Although the promotion of regional economic integration among African countries dates back to the colonial days, a conscious effort at the continental level was made only in 1991, when a single monetary zone for Africa was for the first time,

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mainstreamed in the Organization of African Unity's Treaty. The *Abuja Treaty* established the African Economic Community and adumbrated stages for the attainment of a single monetary zone for Africa by 2028. The initial stages envisaged the strengthening of the existing regional cooperation and integration. The final stage entailed the establishment of the African Central Bank (ACB), and subsequently, the creation of a single African currency and an African Economic and Monetary Union.

Furthermore, the African Union's 1999 *Sirte Declaration* retained the African economic and monetary union agenda, but made a case for an accelerated implementation of the process for creating institutions of the union, especially, the African Central Bank. In the new arrangement, Sub-regional monetary unions were expected to form the fulcrum of the single African central bank and currency.

Basically, there are two major motives that could probably explain the quest for monetary union in Africa in the last two decades. First, it is obvious that the successful commencement of the euro zone has stirred interest in other regions, ranging from East Asia to Latin America, and the Middle East. Monetary union is therefore, perceived as a way of strengthening regional solidarity and signifying dedication to regional harmony. The second main inspiration in Africa is the desire to redress apparent weak national economic and political institutions, by establishing supra-regional architectures, of which a common currency and monetary union would be potent symbols.

African sub-regions are pursuing economic and monetary co-operation at different speeds. Until the various sub-regional arrangements are firmly established, the African Economic and Monetary Union cannot take off. More important is the need to nurture strong institutional framework, vibrant trade and financial markets integration that will support a common monetary policy.

The objective of this paper is to undertake a comparative analysis of the efforts made by African policy makers towards the achievement of economic and monetary union, as well as to appraise the challenges and prospects of achieving the objective. The remaining part of this paper is organized thus: Part II contains a brief review of the African economy, while Part III dwells on theoretical and empirical literature. In Part IV the experiences of Economic and Monetary Integration in Africa is examined. Part V presents the performance score-card and Part VI concludes the paper.

2. A Review of the African Economy

During the 1980s and early 1990s, most African countries adopted economic policies that entrenched the state in all aspects of economic activities, thus relegating the private sector as marginal player in the development effort. The thinking was that the infant industries should be nurtured by the state through a system of subsidies, and protected from global competition. This necessitated the imposition of high tariff walls to enable these industries grow and compete with foreign firms. Several reasons including, limited domestic markets which hampered the realisation of economy of scale; lack of technology/human capital, which gave rise to poor quality goods and paucity of resources, etc., were advanced as factors which militated against the achievement of a viable domestic industrial base in majority of African countries.

Typically, import substitution policies were financed from revenues realised from the sale of primary commodities. However, as the levels of revenue from these sources declined due to unfavourable terms of trade, African countries started borrowing from the international capital markets, as well as from other multilateral institutions to sustain high consumption levels. The borrowed monies were usually not used to finance production thus, real output declined steadily, while expenditure, mainly buoyed by higher debt servicing payments requirements, rose significantly.

African countries attempted to resolve these economic crises by: borrowing even at a larger scale from international capital markets; imposing foreign exchange controls; maintaining overvalued exchange rate and diverting revenues from government parastatals to finance the public sector recurrent budget. The demand management strategies combined with the sustained over valued exchange rate regime served to make the agriculture sector even more inefficient.

Africa made up of 52 countries has many of the world's smaller states. About 7 countries have a population of less than one million, and 29 with a population of less than 10 million. Only 10 countries have a population of more than 30 million, while only 4 have a population of 60 million and above. Four countries (South Africa, Egypt, Algeria and Nigeria) have total GDP of US$358 billion, representing over 57.8 per cent of the entire continent in 2005. The total GDP of Africa in the same period was only around US$619.45 billion. About 12 countries have GDP of less than US$1 billion, while 41 countries have GDP of less than US$12.12 billion, which is the continent's average in 2005. In the same year, 16 African countries had per capita income of less than $1000. The continent's real GDP growth averaged 2.2 per cent between 1987 and 1997. The rate improved from 3.6 in 2002 to 5.0 per cent in 2005 (UNCTAD.2005).

Africa, which contributed more than 3.0 per cent to globally traded goods in the 1970s, have witnessed its share of world trade decline steadily since the 1980s. Between 1980 and 1995, when world trade doubled in value, Africa's external trade remained at about the same level in absolute terms.

The above scenario is further compounded by the region's terms of trade which according to UNCTAD trade statistics, have deteriorated significantly, over the years. The share of the region's trade in the global economy has also fallen by half since 1970 and accounts for less than 1.5 per cent of the aggregate world trade as at 2004, placing Africa at the very fringe of the global economy (UNCTAD.2005).

In terms of African trade, there has been little structural transformation, with trade being dominated by exports of primary commodities. In 2004, over 89.0 per cent of Africa's foreign exchange earnings were derived from primary commodities, including crude petroleum.

Indeed most African countries are individually too small to achieve economies of scale in the production and marketing of their products and need to work together as a region if they are to achieve significant levels of economic growth and compete in a world market which is becoming increasingly dominated by large trading blocs. If Africa is to benefit from sustainable economic growth it will need to do this through economic and monetary integration.

In summary, the economic performance of the African countries until very recently, has been rather disappointing, with overall economic growth averaging 3.8 per cent between 1997 and 2005. Economic and social forecasts for the region suggest that the outlook for the future is promising, provided member States adopt and implement strategies which will entrench cooperation and regionalism in the process of becoming fully integrated into the global economy. Integration tends to promote higher growth through such channels as improved resource allocation, greater competition, technology transfers and learning and improved access to foreign capital. Trade and investment tend to increase in countries which have opened themselves up to the world economies and growth itself tends to promote integration.

3. Theoretical and Conceptual Issues

Discussion on economic and monetary integration is essentially predicated on the Optimum Currency Area (OCA). The OCA is a useful starting point for any discussion on regional integration. It addresses the central question of whether a monetary union should be pursued. Mundell (1961) defines the optimum currency area as a region in which factors of production are internally mobile but internationally immobile, so as to facilitate the intraregional redistribution of resources in response to demand shifts. Kaboub (2001) sees it as the "optimum geographical domain having as a general means of payment either, a single common currency, or several currencies whose exchange values are immutably pegged to one another with unlimited convertibility for both current and capital transactions, but whose exchange rates fluctuate in unison against the rest of the world".

The first characteristic of an OCA is price and wage flexibility, which was the basis for Friedman's argument in favour of flexible exchange rates. A second characteristic of an OCA is that of financial market integration, suggesting that a successful currency area must be sufficiently integrated in financial trading. The third characteristic is that of factor market integration. This includes internal factor mobility, both inter-regional and inter-industry mobility. The fourth is the integration of the goods market, suggesting that a successful currency area must have a high degree of internal openness that could be measured by the marginal propensity to import, or the ratio of tradable to non-tradable goods in production or consumption. An OCA requires a close coordination of national monetary authorities or even the creation of a supranational central bank, which implies the surrendering of the national sovereignty over the conduct of monetary policy.

McKinnon (1963) expands the theory of OCA and incorporated the trade factors. By demonstrating the influence of openness in a currency area, he opined that considerations of a country's trade behaviour are essential in determining optimality. Specifically, he noted that "if we move across the spectrum from closed to open economies, flexible exchange rates become both less effective as a control device for external balance and more damaging to internal price-level stability". On the issue of financial credibility, he underscored the importance of liquidity where capital accumulation depends on confidence in the domestic currency. Alluding to the common currency of America's fifty states as an example, he noted that small areas are more in need of a fixed exchange rate to assure that individual currencies remain liquid, particularly in cases where intra-regional trade is extensive.

Kenen (1969) opined that diversification should be a larger concern than labour mobility. He noted that homogeneity is not always optimal since a country with a fixed currency would better withstand asymmetric shocks provided her economy is diversified and depended on more than one commodity for revenue base.

Frankel and Rose (1998) introduced the notion of endogeneity. They submitted that a group of countries that does not qualify as an OCA *ex ante,* may evolve into one *ex post,* by virtue of adopting a common currency. They contended that countries with closer trade links tend to have more tightly correlated business cycles and thus, would converge towards the ideal conditions for monetary integration. This observation undermines conventional OCA theory, as it proves difficult to rule out potential common currency regions on the basis of their current shortcomings.

McKinnon (2004) revisited the issue of homogeneity and argues for intra-regional diversification as a safeguard to economic shock, particularly for specialized economies. In effect, heterogeneity offers a risk-sharing arrangement within which a homogenous country with a specialized economy benefits from monetary union with countries that have a different revenue base. Thus, when one member suffers an economic shock, others are unhurt and can provide temporary assistance to the needy country. McKinnon (2004) concludes that there are only two compelling reasons for any country *not* to enter into monetary union with its trading partners: fragile public finances and unstable monetary model. Given that the dollar or the euro could both serve as stable monetary standards in the current international financial arrangement, the only lingering obstacles to optimal monetary integration has been reduced considerably.

De Grauwe (2000) enumerated the potential benefits of adopting a common currency and restated that strong trade relations are a precondition for a successful currency union. Furthermore, he focused on the advantages of reducing instability. He concluded that Mundell's criteria were basically restrictive as it ignores the important prospective benefits of monetary integration that put the costs into focus.

Indeed, Grauwe (2000) findings laid the foundation for a more inclusive understanding of OCAs which has influenced the direction of contemporary researches.

Much of the empirical literature on economic integration and monetary union in Africa investigated the critical challenges of effectively sustaining a monetary union and financing a fixed exchange rate regime given that most of the unions in Africa suffered setbacks after the initial enthusiasm of the early 1960s. Devrajan and de Melo (1987) demonstrated how participation in the CFA Zone shielded member states from the negative impact of economic shocks that jolted the global economy during the 1970s. The authors noted that individual and aggregate measures of the Zone's GDP growth are higher than those of other countries in Sub-Saharan Africa. Guillaumont and Plane (1988) analyzed the effects of CFA participation on policy formation in member states by controlling for the effects of exogenous influences such as resource allocations and political influences and concluded that monetary integration in the CFA Zone benefited participating countries.

Guillaume and Stasavage (2000) stated that the advantages of monetary integration were not restricted to CFA countries. The authors compared the Zone with other African monetary unions and concluded that membership in other common currency areas offered comparable benefits. For example, members of the Rand Monetary Area experienced high levels of growth and investment as well as low inflation rates in the period 1974-1993.

Nevertheless, Hadjimicheal and Galy (1997) concluded that "the CFA franc zone does not meet the conventional criteria of an optimum currency area, even after some 50 years of existence". Bayoumi and Ostry (1997) opined that one of the major shortcomings of the CFA Zone lies in its insufficient homogeneity. Although, the authors found high inflation correlations for CFA countries, the coherence of economic growth across countries could not be established, indeed, negative correlations were reported in some cases. The authors explained the growth asymmetry in terms of the high specialization by member countries in the production of primary products, which makes them susceptible to external shocks. Their findings indicated that endogeneity may not apply to West African countries.

Guillaume and Stasavage (2000) studied the conditions necessitating the creation of monetary unions and concluded that participation in monetary unions is attractive only if there are no reasonable alternatives. This probably explains the formation of monetary unions in Africa when colonial powers governed their former colonies, especially, the Francophone countries. Furthermore, economic problems as well as political instability can induce member states to stray from regional monetary arrangements: for instance, the East Africa Currency Board collapsed in 1966, soon after member states secured independence, while both the CFA Zone and RMA lost some members over time. Botswana left the RMA in 1976; Mauritania left WAMU in 1973 and Mali exited in 1973 but re-entered in 1984. Guillaume and Stasavage (2000) further observed that monetary unions must contend with members' resistance to losing their sovereignty when met by limited prospects of economic benefits. The authors argued that unless members are able to make exit costly, either in terms of losses in regional benefits or links with developed countries, monetary unions have little hope of long-term survival.

Fielding and Shields (2001) applied the OCA theory to the two francophone monetary unions. The paper adopted the VAR model and focused on shocks to aggregate output growth and to aggregate price inflation. The results indicated that if a lot of weight was put on the importance of initial output shocks in assessing the cost and benefit of the monetary union and less on price shocks, then the CFA area should be re-organized and that Cote d'Ivoire and Mali should form one monetary union, with other CFA member states coming together to form another union. The cost of CFA membership in terms of lost monetary autonomy would be larger than in a world where a monetary response to a shock is immediate. The study concluded that the cost of monetary union membership will depend on the extent to which price and output shocks are correlated across countries and the degree of similarity in the long run effect of the shocks on the macro-economy.

Grandes (2003) analyzed the cost and benefit of the common monetary area in South

Africa and concluded that the common monetary area including Botswana formed an optimal currency area given the existence of common long run trends in their bilateral real exchange rates. The results indicated that macroeconomic efficiency gains could still be augmented if these countries went all the way to develop a full fledged monetary union. The study also revealed evidence of similar production structures, higher output correlation and risk hedging possibilities. Besides, the periphery countries were able to resort to South Africa's capital markets and overdraft facilities at the reserve bank. Nevertheless, the study further identified difficulties such as divergence in terms of trade shocks, lack of export diversification and pre-dominance of inter- industrial trade patterns.

Anyanwu (2003) used panel data from UEMOA and non-UEMOA ECOWAS countries to determine whether the monetary union has brought price and output, fiscal and trade stabilization during the period 1990-2001. The results suggested that economic growth and stability was greater in the WAEMU countries than in the non-WAEMU countries during the study period, but the reverse was the case for inflation. Inflation in the WAEMU region was higher than in the non-WAEMU region.

Studies that apply the gravity model of trade appear to have found a robust support for monetary integration. Rose (2000), Engel and Rose (2002) as well as Frankel and Rose (2002) have generated a substantial literature on the relationship between currency integration and intraregional trade. The conclusion of these studies is that the use of a common currency increases trade threefold.

Several other studies have examined the impact of monetary union on fiscal policies, based on the theory of credible commitment. The consensus is that budget discipline and strict compliance to convergence criteria must accompany any future plans of monetary union in order to ensure success. Collier (1991) posited the theory of 'agencies of restraint' to regulate governments in African countries. Guillaume and Stasavage (2000) argue that governments can demonstrate their credibility by voluntarily restraining themselves on the issues of monetary intervention and instead, choose a fixed exchange rate regime. Masson and Pattillo (2002) stressed that monetary union could create policy credibility only where countries develop adequate infrastructure to constrain government behaviour and impose and monitor compliance.

The potential benefits of trade liberalization and integration for African countries are ingrained in the theory of economies of scale (Oyejide, 1998). The small size of most SSA economies points to unification as a useful means of expanding markets and increasing participation in the global economy. Thus, a relaxation of trade restrictions within a given region could reduce internal transport costs, stimulate intraregional trade, and ultimately increase the growth and productivity of member states.

In theory, trade is the lynchpin to creating a common currency area, because trade integration creates the trans-national political and economic infrastructure required for an effective monetary union. Intra-regional trade agreements can be adopted without restricting monetary policy flexibility. As against monetary unions, trade unions preferably permit members to enjoy communal benefits of preferential treatment without sacrificing the benefits of monetary policy autonomy.

In spite of these prospects, trade unions in Africa have shown limited capacity of enhancing economic development. Hanink and Owusu (1998), used a trade intensity index to analyze trade within ECOWAS and reported that it has not promoted trade among its members. Oyejide (1998) contends that policies to increase intra-regional trade are not particularly, instrumental in solving the 'Africa growth problem'. Early trade unions in Africa, including ECOWAS and the Preferential Trade Area for Eastern and Southern African States (forerunner of COMESA), did not result in appreciable increases in formal intra-regional trade.

Following from the above review, economic and monetary union can be viewed from four perspectives: These relate to the extent to which the cooperation arrangement fosters the development of an *agency of restraint* to the government, the extent to which the arrangement deepens the financial system, the extent to which the arrangement reduces the probability of speculative pressures, and the extent the arrangement deepens integration of economies, via the creation of a single economic space.

Overall, the literature on regional integration is broad and often conflicting. However, it offers insights to the major issues involved and provides a valuable foundation for analysis.

4. A Review of Economic and Monetary Integration Arrangements in Africa

This segment focuses on the broad Regional Integration arrangements in Africa. Regional integration has been present in Africa's development agenda for most of the post-independence period. In part, as a result of the de-colonization process, the number of regional integration initiatives boomed in the 1960s. Today, economic integration has been identified as a key strategy for minimizing the unintended negative consequences of globalisation, growing the economies and reducing poverty in the continent. A plethora of regional economic integration arrangements of varying design, scope and objectives adorn the African continent. (See Appendix I & II). On the average, a typical African nation belongs to at least 3 regional economic and monetary arrangements.

There are five major sub-regional economic integration arrangements that encompass all the countries in Africa. These are: the Arab Maghreb Union (AMU); The Common Market of Eastern and Southern Africa (COMESA); The Economic Community of Central African States (ECCAS); The Economic Community of West African States (ECOWAS); and the Southern African Development Community (SADC).

In addition, there are eight other regional integration arrangements which are subsets of these larger arrangements. These include the Central African Economic and Monetary Community (CEMAC), a group of six countries of ECCAS; the Great Lakes River Basin (CEPGL), consisting of three members of ECCAS; the East African Community of COMESA, and SADC, the Indian Ocean Commission (IOC) grouping five countries, four of which are in COMESA and one of which (Reunion) is a dependency of France.

Others include the Intergovernmental Authority for development (IGAD); embracing seven countries in the Horn of Africa and the northern part of East Africa; the Mano

River Union (MRU) with three countries all members of ECOWAS; the West African Economic and Monetary Union (UEMOA) comprising eight members of ECOWAS; and Southern Africa Custom Union (SACU), consisting of five member countries of the SADC; the West African Monetary Zone (WAMZ) comprising five members of ECOWAS countries, namely; The Gambia, Ghana, Guinea, Nigeria and Sierra Leone.

In what follows, an attempt shall be made to appraise the African regional groupings against the yardstick of the traditional OCA theory, the economic performance of the following major integration arrangements[2]; evaluating their focus and objectives, and their relevance in accelerating Africa's development. We shall thereafter, present the performance scorecard of the groups against the following key variables: fiscal performance, real GDP growth rate, inflation, intra-trade value, per capita income, investment, trade balance as well as current account balance and compare them with Africa average and those of other regional groupings.

Are African Regional Economic Groupings OCA Compliant?

Although the objective of this paper is not to test the hypothesis whether or not, African regional organizations are OCA compliant, however, for completeness, this segment of the paper will attempt to situate the selected regional groupings within the broad framework of the OCA theory.

Based on the literature, a key characteristic feature of an OCA is price and wage flexibility, which is the basis for the argument in favor of flexible exchange rates. Another characteristic of an OCA is that of financial market integration, suggesting that a successful currency area must be tightly integrated in financial trading. Other characteristics include factor mobility, especially, capital and labour, and the integration of the goods market. In recent times, issues of symmetry and asymmetry shocks have also been raised in the empirical literature. Generally, based on available quantitative and qualitative assessments, the monetary union arrangements in Africa does not satisfy the **text-book** OCA conditions when measured against the following criteria: income structure; product market flexibility; labour market mobility; degree of openness, intra-trade relations; and asymmetric terms of trade shocks.

With regard to income structure, the African regional arrangements fall short of the requirement, as in most regions, one or two countries are at a higher development trajectory than others within the group. For instance in the SADC, South Africa is the dominant economy, while Cote d'Ivorie is the dominant economy in the UEMOA, Nigeria is dominant both in the WAMZ and in the ECOWAS, Kenya in the EAC, etc. Thus in Africa, just like in most other regions of the world, there is no homogeneity in the level of income.

With respect to product market flexibility, it is obvious that most countries in Africa and West Africa in particular, depend on limited number of primary commodities, some accounting for as high as 87.0 per cent of total exports. The level of manufacturing is low. Again, some countries in the regional groupings are at a higher

[2] CFA Countries (WAEMU and CEMAC), Southern African Development Community, Economic Community of West African States, West African Monetary Zone, and Common Market for Eastern and Southern Africa.

level of product diversification than others. This pattern reflects the diversified income base amongst the countries.

Concerning labour market mobility, the various regions are typically, insular. Although in some regions such as the ECOWAS, the protocol guaranteeing free movement of persons within the sub-region is now being implemented, albeit at a slow pace. The protocol on residents and establishment, including freedom to seek gainful employment has not been fully implemented. Indeed, non-citizens are given a maximum of 90 days stay and *the permit clearly states that employment is prohibited.* The existence of all these encumbrances have limited labour mobility in ECOWAS, which is generally regarded as the most advanced sub-regional organization in sub-Saharan Africa. Another requirement of the OCA is capital mobility. It is obvious from available data that most financial markets in Africa are not integrated. In most of the African regional organisations there are still impediments to capital movement as most countries have not fully subscribed to the IMF article VIII requirements. The non convertibility of the existing currencies have made cross border investment and trade almost impossible. Again the non existence of stock markets in most of the countries has added to the problem. However, even where stock markets exist, legal impediment to cross listing of stocks has hindered progress on financial market integration, with the exception of the WAEMU where the common regional stock exchange is open to all the countries in the Union. The same cannot be said of Nigeria or Ghana stock exchange which are legally, restricted to the nationals of those countries.

The degree of openness of the African regional groupings, proxied by the ratio of total trade to GDP, indicates that all the regions have attained some level of openness. None of the region measured by this index performed below 55.0 per cent in any of the years (1997-2005). As indicated in Table 1, there is a low level of intra-regional trade among the countries in the continent. However, it is germane to note that the perceived limited scope of intra-regional trade is more apparent than real. This is because, the data on trade only capture the official statistics which grossly underestimate the actual volume of trade, when the activities of the informal sector are taken into account. Nevertheless, the specialization of the countries in only few commodities, and the non complementarities in the products, also hamper the volume of intra-regional trade.

Empirical studies (WAMI, 2005), on the vulnerability of the regional grouping to terms of trade shock, confirmed the differences in the size of terms of trade shocks facing the WAMZ countries. Specifically, terms of trade shocks were found to be generally uncorrelated between Nigeria and the rest of the WAMZ countries of: The Gambia, Ghana, Guinea, and Sierra Leone. However, there was no evidence that surrendering the use of the nominal exchange rate by the WAMZ countries would impose additional costs to monetary unification, as the exchange rate has not responded significantly to real output and price shocks. Although a full-fledged cost-benefit analysis has not been undertaken, but preliminary results suggest that the costs of losing exchange rate flexibility in the WAMZ are generally limited. There was also an evidence of co-integration of real exchange rates of the WAMZ countries, suggesting the convergence of underlying shocks in the countries in the long run.

Despite the fact that the African regional groupings have not satisfied the traditional OCA criteria, the failure is not fatal, because, the prescription of convergence criteria and the demand that member countries must meet them prior to the commencement of the union represent safeguards which are intended to assist the African regional groupings to attain OCA status *ex post*. Similarly, the institutional and structural architectures such as the payments system, standardization of banking systems regulations, commercial law harmonization etc, currently being pursued by most African sub-regional groupings are safeguards to ensure OCA compliance.

Overall, it is highly debatable if any regional grouping in the world can achieve OCA status *ex ante*. Indeed, even the Euro area which is the current success story of a monetary union did not achieve the OCA status ex ante. Monetary union everywhere, is largely driven by political will, with sound macroeconomic management playing a supporting role. Consequently monetary unions in Africa can only be achieved by the display of strong political will and commitment to give-up sovereignty over monetary policy. Indeed, the WAEMU, became OCA compliant ex post – as a consequence of the monetary union, rather than as a precondition. Therefore, WAMZ, SADC, COMESA, etc. could become OCA compliant, if a supra national central bank compels them to meet the convergence criteria *ex post* and not *ex ante.*

5. The Performance Score-card

The structures of the regional groupings and their performance score-card are analysed in this section.

Common Market for Eastern and Southern Africa (COMESA)

The Treaty establishing COMESA was signed in 1993 at Kampala, Uganda and ratified a year later in Lilongwe, Malawi. Membership includes Angola, Burundi Comoros, D.R. Congo, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. COMESA replaced the former Preferential Trade Area (PTA) which had existed since 1981. COMESA was established 'as an organisation of free independent sovereign states which have agreed to co-operate in developing their natural and human resources for the good of all their people.'

The key focus of the union is the formation of a large economic and trading unit that is able to surmount some of the barriers that are faced by individual states. It was agreed that by 2000, all internal trade tariffs and barriers will be removed. COMESA was also expected to introduce a common external tariff structure to deal with all third party trade and also adopt a simplified trade procedure.

COMESA is an all-embracing development organisation involving co-operation in all economic and social Sectors. The Union adopted the following five priorities to be the basis of its focus: significant and sustained increases in productivity in industry, manufacturing, processing and agro-industries to provide competitive goods as the basis for cross-border trade and to create more wealth, more jobs and more incomes for the people of the region; and increase agricultural production, with special emphasis on the joint development of lake and river basins so as to reduce dependence on rain-fed agriculture and to promote food security at national and regional levels.

Other priorities areas include development of transport and communications infrastructures and services with special emphasis on linking the rural areas with the rest of the economy in each country as well as linking the member States; trade promotion, trade expansion and trade facilitation especially, geared to the private sector, so as to enable the business community to take maximum advantage of the Common Market, and development of comprehensive, reliable and up to date information data bases covering all sectors of the economy including industry, energy, environment, agriculture transport, communications, investment and finance, trade, health and human resources to form the basis for sound investment decisions and macro-economic policy formulation and programming.

The agenda also include the integration process among member States through the adoption of more comprehensive trade liberation measures such as the complete elimination of tariff and non-tariff barriers to trade and elimination of customs duties; through the free movement of capital, labour, goods and the right of establishment; by promoting standardised technical specifications, standardisation and quality control; through the elimination of controls on the movement of goods and individuals; by standardising taxation rates (including value added tax and excise duties), and conditions regarding industrial co-operation, particularly on company laws, intellectual property rights and investment laws; through the promotion of the adoption of a single currency and the establishment of a Monetary Union; and through the adoption of a Common External Tariff (CET).

COMESA's overall growth rate averaged 3.0 percent between 1997 and 2005 and was 0.8 percentage points below the Africa average growth rate of 3.8 per cent during the period. It also posted the lowest growth rate among the five African regional organisations, except the Southern African Development Community, that registered a growth rate of 3.0 percent. Thus in terms of real GDP growth, COMESA ranked the lowest, along with the SADC. With respect to intra-regional trade the group was consistently above 5.0 per cent except in 1985 and 2000, when 4.4 and 4.9 per cent growth rates were registered. On the average the intra-regional trade for the group stood at 5.7 per cent, about the highest in the continent. With respect to inflation, COMESA's inflation rate ranged between 17.5 and 58.3 percent, in 2000 and 2005, respectively. On the average the group's inflation rate for the period was 24.0 per cent, the highest average inflation rate among all the regional groupings. At that rate average inflation in COMESA was 13.5 percentage points higher than Africa's average during the period. The performance of the Group on overall fiscal balance, (including grants) indicated an average deficit of 4.0 percent, which was 2.2 percentage points below the Africa average of 1.8 per cent. Comparative figure on overall fiscal balance (excluding grants) as percentage of GDP revealed a similar trend: COMESA registered a deficit of 6.8 per cent; compared to Africa average of 1.9 per cent. External current account balance (including grants) indicated that COMESA was consistently in deficit through out the study period. The average for the period was a deficit of 3.6 per cent which placed the Group among the three poor performers, after WAMZ and WAEMU. The Africa average of 0.7 per cent indicated a significant deviation from the Group's performance. Comparative statistics on external current account (excluding grants), indicated a similar trend with a comparative figure for COMESA, WAMZ and Africa registering average deficits of 6.6, 8.2, and 1.5, respectively.

With respect to real per capita GDP, COMESA registered the rate of $267 on the average, about $35 lower than WAMZ's rate and $396 below Africa's average. Regarding total investment, COMESA's average performance at 16.1 percent of GDP was marginally above that of WAEMU - Africa's worst performing Group, which recorded 15.7 per cent during the period. COMESA's performance was 3.8 percentage points below the Africa average. Another major indicator of development is the ratio of domestic savings to GDP. On this indicator, COMESA, with the ratio of 10.5 per cent, ranked last among the other regional Groupings that were analysed in this study.

The ratio of broad money to GDP is conventionally used as a measure of financial sector deepening. COMESA ranked second on the scale, with a ratio of 32.1 per cent, second only to SADC that recorded 50.3 per cent during the period under review. COMESA's performance was however below Africa's average of 44.7 per cent.

Economic Community of West African States (ECOWAS)

The Treaty establishing the ECOWAS was signed on 28th May 1975 in Lagos by 16 countries in West Africa. The Treaty came into force on June 10, 1975 when seven countries ratified it. The aim of the Community is "to promote co-operation and development in all fields of economic activity, particularly in the field of industry, transport telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions and in all social and cultural matters for the purpose of raising the standard of living of its peoples, of increasing and maintaining economic stability, of fostering closer relations among its members and of contributing to the progress and development of the African Continent".

The mandate given to ECOWAS under its Treaty was as follows: the elimination of customs duties and other charges of equivalent effect in respect of the importation and exportation of goods between member states; the abolition of quantitative and administrative restrictions on trade among the member states; the establishment of a common external tariff and a common commercial policy towards third countries; the removal of obstacles to the free movement of persons, services and capital; the harmonisation of agricultural policies and the promotion of common projects notably in the fields of marketing, research and agro-industrial enterprises; development of joint transport, communication, energy and other infrastructural facilities as well as the evolution of a common policy in these fields; the establishment of a Fund for Co-operation and Development; and such other activities that could further the aims of the Community as may from time to time be undertaken in common by member states.

From the above, it could be observed that the Treaty adopted the classical model of economic integration, envisaging the establishment of an economic community through a gradual process of tariff elimination leading to the establishment of a free trade area, a customs union and a common market.

The integration process also deepened with the introduction of various cooperation instruments such as the customs automation project (ASYCUDA) to improve the collection of customs revenue, the common ECOWAS passport in addition to the ECOWAS travellers Cheque, the introduction of the third party insurance scheme for cross border vehicles known as the **brown card**.

Although monetary integration was part of ECOWAS Agenda from inception, it was only in 1987 that the ECOWAS Monetary Co-operation Programme (EMCP) was mainstreamed in the core ECOWAS mandate. However, the performance of the Programme after two decades has been poor, resulting in numerous postponements of the date of commencement of the envisaged monetary union. The primary convergence criteria of the EMCP are: single digit inflation; fiscal deficit/GDP ratio, not exceeding 4.0 per cent; central bank financing of government deficits, not exceeding 10.0 per cent of previous year's tax revenue; and external reserves to cover at least 3 months of import cover. None of the countries fulfilled these criteria on sustainable basis. Thus in 1999 a "fast track" approach to monetary integration that culminated in the creation of the Second Monetary Zone[3] was created by the governments of the West African Monetary Zone (WAMZ).

On the whole, ECOWAS has recorded a modest progress. Although a number of programmes have been introduced since the signing of the ECOWAS Treaty there has been a big gap between decision and implementation, as most programmes remain poorly implemented.

The overall growth rate of the ECOWAS between 1997 and 2005 averaged 4.0 per cent, 0.2 percentage points above Africa's average growth rate of 3.8 per cent during the period. The ECOWAS also posted the third highest growth rate among the five African regional organisations. With respect to intra-regional trade performance, the group was consistently above 8.0 per cent except in 1985 and 2000, when it recorded 5.1 and 7.6 per cent respectively. On the average, the intra-regional trade for the group stood at 8.6 per cent, about the third highest among the regional groupings in the continent. With respect to inflation, ECOWAS's inflation rate varied between 5.2 in 1999 and 14.4 in 2005. On the average the inflation rate for the period was 7.8 per cent, the fourth best performer among all the regional groupings. At that rate, the average inflation in ECOWAS was 2.7 percentage points lower than Africa's average during the period. With regard to overall fiscal balance, (including grants) the ECOWAS recorded an average deficit of 0.1 percent of GDP, compared to Africa average of 1.8 percent. This was the second best performer after CEMAC that registered a fiscal surplus of 2.1 per cent of GDP. The performance on overall fiscal balance (excluding grants) revealed a similar trend: ECOWAS registered a deficit of 1.3 per cent; while CEMAC recorded a surplus of 1.3 percent, compared to Africa average deficit of 1.9 per cent. Data on external current account balance including grants, showed that the Group was consistently in deficit with the exception of 2004 and 2005, when a surplus of 0.2 and 3.2 per cent, respectively, was recorded. The average deficit for the period at 1.4 per cent of GDP, placed the Group as the best performer. However, ECOWAS performance did not measure up to Africa's average of 0.7 per cent. Comparative data on external current account (excluding grants) revealed a deteriorating trend. ECOWAS performance deteriorated to 2.4 per cent,

[3] Members include The Gambia, Ghana, Guinea, Nigeria and Sierra Leone

same as CEMAC, while Africa average weakened to 1.5 per cent.

The real per capita GDP of ECOWAS averaged $358, about $598 lower than SADC's level and $305 below Africa's average. Regarding total investment ECOWAS's average performance at 20.0 percent, of GDP was marginally above Africa's average of 19.9 per cent, but was surpassed by CEMAC that registered 23.9 per cent. A key performance indicator of development is the ratio of domestic savings to GDP. On this score, ECOWAS's performance at 22.0 per cent compared favourably with the Africa's average of 21.1 percent, but was about 9.9 percentage points below CEMAC performance.

The ratio of broad money to GDP is usually used to gauge the level of financial deepening. Among the various regional groupings, ECOWAS ranked fourth on the scale with a ratio of 22.1 per cent, about 22.6 per cent below the continent's average.

Southern African Development Community (SADC)

The treaty establishing the Southern African Development Co-ordinating Conference (SADCC) was signed in 1981. In 1989 the treaty was ratified to *give it an appropriate legal status to replace the Memorandum of Understanding with an Agreement, Charter or Treaty*. In 1992 the SADCC transformed itself into the Southern African Development Community (SADC). The SADC Treaty was signed in 1992.

The main objective of the SADC is to achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa and support the socially disadvantaged through regional integration. These objectives were to be achieved through increased regional integration, built on democratic principles and equitable and sustainable development. The countries of Southern Africa have adopted a framework of co-operation based on: "deeper economic co-operation and integration, on basis of' balance, equity and mutual benefit, providing for enhanced investment and trade, and freer movement of factors of production, and goods and services across national borders; common economic, political, social values and systems, enhancing enterprise and competitiveness, democracy and good governance, respect for the rule of law and the guarantee of' human rights, popular participation and the alleviation of poverty; and regional solidarity, peace and security, in order for the people of the region to live and work together in peace and harmony."

The SADC Trade Protocol calls for an 85 percent reduction of internal trade barriers. Within the SADC region, the national currencies of Namibia, Lesotho, and Swaziland are linked to the South African Rand through the Common Monetary Area (CMA). SADC also aims at eliminating exchange controls in preparation for an eventual single currency in the region.

Some of the outlined measures to strengthen SADC include: the creation of a free trade area by 2008; establishment of a SADC customs union and the implementation of a common external tariff by 2010; establishment of a SADC central bank and preparation for a single SADC currency by 2016; creation of a SADC regional development fund and self-financing mechanism; and a common market pact by

2012.

SADC's overall growth rate averaged 3.0 per cent between 1997 and 2005 and was 0.8 percentage points lower than the Africa average growth rate of 3.8 per cent, during the period. It was also the lowest growth rate among the five African regional organisations, except COMESA, that recorded the same growth rate. Thus, in terms of real GDP growth rate, SADC along with COMESA, ranked the lowest. On the average, the intra-regional trade for the group stood at 8.9 per cent, the second highest in the continent. SADC's inflation rate stood at double digits except in 2004 when a single digit of 9.7 per cent was achieved. The average inflation rate for the group during the period was 13.4 per cent. SADC's average inflation was 2.9 percentage points higher than Africa's average. The overall fiscal balance, (including grants) of the SADC was a deficit of 2.9 percent; of GDP, third worst performer after COMESA and WAMZ.

The external current account balance including grants indicated that the Group was consistently in deficit through out the study period. However, the average for the period at 2.1 per cent of GDP, placed the Group among the three best performers.

With respect to real per capita GDP, SADC maintained a level that was consistently in excess of $900 throughout the period. The average of $956 was achieved, representing the highest among the regional groupings and also, about $293 higher than Africa average. Total investment in the SADC averaged 16.9 percent of GDP during the period, compared to Africa average of 19.9 percent, vis-a-vis 23.9 percent by CEMAC, the best performer. The ratio of domestic savings to GDP in SADC at 16.8 percent was 6.3 percentage points higher than the worst performing group (COMESA) but 15.1 percentage points below the best performing group (CEMAC).The performance was also below Africa average of 21.1 percent.

The ratio of broad money to GDP was 50.3 percent – making SADC the most developed financial market in Africa. The Africa average was 44.7 percent.

Economic and Monetary Community of Central Africa (CEMAC)

The Economic and Monetary Community of Central Africa known in French as *Communauté Économique et Monétaire de l'Afrique Centrale* (CEMAC**)** is an organization of states of Central Africa, established to promote economic integration among countries that share a common currency, the CFA franc. CEMAC is the successor of the Customs and Economic Union of Central Africa (UDEAC), which it completely replaced in June 1999. Its member states are Cameroon, the Central African Republic, Chad, the Republic of the Congo, Equatorial Guinea and Gabon. In order to meet the challenges of development and other related issues, the new orientation of the community focuses on: harmonization of policies through the formulation of a Common Agricultural Policy (CAP); provision of support in the mobilization of human and financial resources for the regional and national programmes, in order to fight food insecurity and poverty; promotion of intra-regional trade, taking into account the relative comparative advantages of the member countries; enhancing the competitiveness of the agricultural sector, and diversification of the community's productive base.

CEMAC averaged a growth rate of 7.6 per cent between 1997 and 2005, making it the highest performer among all the groupings. It also exceeded the Africa growth rate of 3.8 percent during the period. The average intra-regional trade for the group stood at 1.3 percent, representing the lowest in the continent. CEMAC maintained a single digit inflation rate throughout the study period. The average inflation rate for the group during the period was 3.1 per cent, second to the best performing group (WAEMU). Average inflation in the CEMAC was 7.4 percentage points lower than Africa average. The overall fiscal balance of the Group (including grants) averaged a surplus of 2.1 percent of GDP, making CEMAC the best performer among the regional groupings. Overall fiscal balance (excluding grants) in CEMAC registered a surplus of 1.3 percent, of GDP while all other groupings recorded deficits of varying degrees.

The external current account balance (including grants) revealed that CEMAC was mostly in deficit through out the study period. However, the average for the period at 2.0 percent of GDP placed the Group among the two best performers. The external current account (excluding grants), however revealed the vulnerability of the group, as the overall deficit widened to 2.4 per cent of GDP as against Africa average of 1.5 percent.

With respect to real per capita GDP, CEMAC maintained a level that was consistently in excess of $600 throughout the period. An average of $685 was achieved, making it the second highest among the regional groupings. Total investment in CEMAC averaged 23.9 percent of GDP compared to Africa average of 19.9 percent. CEMAC was the best performer on this scale. The ratio of domestic savings to GDP in CEMAC stood at 31.9 percent and represented the highest among the continental groupings.

Finally, the ratio of broad money to GDP, ranked CEMAC among the least developed financial system in the regional groupings. CEMAC recorded 14.8 percent, compared to 44.7 percent, the average for the continent.

THE WEST AFRICAN ECONOMIC AND MONETARY UNION (UEMOA) AND THE WEST AFRICAN MONETARY ZONE (WAMZ)

The drive towards economic integration in West Africa was accelerated in the 1990s, as a result of two developments. First was the decision of UMOA countries to foster greater integration of their economies through the formation of the West African Economic and Monetary Union (UEMOA) in 1994. To strengthen the harmonization and coordination of their macroeconomic policies, they adopted a set of convergence criteria, established a common external tariff regime, harmonised their tax systems, and strengthened their institutions to entrench their developmental projects.

The convergence criteria adopted in 1994 included a ceiling on civil service wage bill of 40 percent of tax revenue, a ceiling on public investment financed by primary basic fiscal surplus of not less than 15 percent of tax revenue and a declining or unchanged level of domestic and external arrears. The countries demonstrated strong commitment to comply with the criteria, but the lack of sanctions for non-compliance and poorly designed indicators undermined effectiveness. The criteria were later enhanced in 1999, with the adoption of a more stringent indicators under the convergence, Stability, Growth and Solidarity Pact. The pact required the member countries of UEMOA to aim at a balanced or surplus, in the basic fiscal balance, an inflation rate of three percent or less, domestic debt/GDP and external debt/GDP ratios of below 70 percent and non-accumulation of both domestic and external debt arrears. Furthermore, the pact prescribed sanctions for non-compliance.

The second significant development in the sub-regional integration effort was the decision by non-UEMOA countries to establish a **fast track** approach to monetary integration through the formation of a second monetary zone. This initiative, spearheaded by Nigeria and Ghana, was joined by Sierra Leone, The Gambia, Guinea and Liberia. The objective was to establish a second monetary zone and to merge the two zones[4] into a single monetary zone. In furtherance of this objective the non-UEMOA countries adopted a set of convergence criteria, as a pre-condition for the adoption of a single currency and a common central bank. The four primary criteria, which were broadly in line with those of the UEMOA were: an inflation rate of ≤ 5.0 percent by 2003; a budget deficit/GDP ratio of less than 4 percent by 2002; gross reserves, greater than, or equal to 6 months of imports by 2003; and central bank financing of budget deficit limited to ≤ 10.0 percent of previous year's tax revenue, by 2003. However the convergence targets were not met after two extension of the deadlines. At the Convergence Council meeting in Banjul – The Gambia, the deadline was further extended to December 2009 by the member countries.

WAMZ's average growth rate at 4.5 per cent between 1997 and 2005 was the third highest among the regional groupings. The WAMZ average growth rate was 1.2 percentage points above that of WAEMU. WAMZ's average inflation rate was in double digits during most of the study period, except in 2000 and 2002 when a single digit inflation rate of 7.8 and 7.3 percent respectively, was achieved. The average inflation rate for the group during the period was 12.1 percent, the third highest among the regional groupings. This rate was higher than the 2.1 percent inflation recorded by WAEMU. The average performance of the Group on overall fiscal balance, (including grants) was 4.4 percent. The WAMZ fiscal performance was the worst amongst the regional groups. The overall fiscal balance (excluding grants) revealed greater fiscal weakness of 7.5 percent deficit.

The external current account balance (including grants) indicated that the Group was consistently in deficit throughout the study period. However, the average for the period at 4.6 percent, of GDP placed the Group as the worst performer followed by WAEMU that recorded a deficit of 3.8 per cent. The Africa average of 0.7 percent showed significant deviation of the group from the continent average. Figures on external current account excluding grants, followed a similar pattern of weak performance. The WAMZ and WAEMU recorded deficits of 8.2 and 5.2 percent, respectively.

The real per capita GDP of the WAMZ was below $350 throughout the period. An average of $302 was recorded, representing the second lowest among the regional groupings and also about $65 and $361 lower than WAEMU and Africa average, respectively.

[4] The UEMOA and the Second Monetary Zone.

Total investment in WAMZ averaged 18.6 percent of GDP compared to Africa average of 19.9 per cent and WAEMU ratio of 15.7 per cent. The ratio of domestic savings to GDP in WAMZ at 11.6 per cent was 1.6 percentage points below WAEMU's performance and was also below Africa average of 21.1 per cent.

The financial sector of the WAMZ is relatively shallow, as evidenced by the broad money to GDP ratio of 21.8 percent, vis-à-vis an average of 44.7 percent for Africa.

One of the critical objectives of all the integration arrangement in Africa, like elsewhere, is trade creation. The aim of the free trade area and customs union is integrating national economies and creating large internal markets that can achieve production efficiency. Consequently, one of the ways of appraising the various integration arrangements in Africa is to examine how intra-trade in the various groupings has performed over the years.

Table 1 shows selected African Integration Groupings and trade performances over the years. Beginning with the Economic Community of the Great Lakes (CEPGL), the percentage share of intra-regional trade in total trade of the region in two decades was consistently below 1.0 per cent. In constant US dollar terms, the value of intra-regional trade dropped from US$3.3 million in 1970 to US$2.5 million in 1985, it increased substantially to US$9.2 million in 1990 and thereafter declined to US$7.0 million in 1995. From 2000 the value increased steadily from US$10.2 million to US$19.1 million in 2004. Generally, intra-trade performance has remained weak.

Conversely, intra-trade in the COMESA has been relatively impressive. Between 2000 and 2004, the ratio averaged 5.7 per cent. In constant US dollar terms, intra-regional trade in COMESA averaged US$1.0 billion mark, between 1970 and 1990, however, beginning in 1995, the value of intra-regional trade rose above US$1.0 billion reaching US$2.0 billion in 2004.

Intra-regional trade within the ECOWAS ranged between 2.9 per cent in 1970 and 10.2 per cent in 2002. The average ratio for the period was 7.4 per cent. In dollar terms the value of the intra-trade within the region rose progressively from US$83 million in 1970 to US$2.7 billion in 2000, but fell to US$2.2 billion in 2001. Between 2002 and 2004, the value averaged US$3.3 billion.

Intra-regional trade in the SADC Group was below 10.0 percent except in 1995 when it recorded 10.6 percent. Between 1970 and 1990, the average ratio was 2.0 per cent compared to the average of 8.9 per cent between 2000 and 2004. The value of the trade has been relatively impressive, exceeding US$4.0 billion from 1995 and reaching over US$6.0 billion in 2004.

In CEMAC, the percentage of intra-regional trade dropped from 4.9 percent in 1970 to 1.6 percent in 1980, and rose marginally to 2.3 per cent in 1995. By 2000 the ratio fell to 2.1 percent and thereafter, maintained a level that was lower than 1.5 percent. In value terms the level of intra-trade has been consistently below US$85.0 million. However, from 1995 to 2004, the value was generally above US$100.0 million.

The percentage of intra-regional trade in total trade in the UEMOA Group was broadly above 10.0 percent, except in 1970, 1985 and 1990. The overall average during the review period was about 11.3 per cent. In dollar terms the value has hovered over US$1 billion since 2003.

We need to caution that the official statistics analyzed above could be misleading, as data on total trade within the Regional Groupings exclude the informal trade sector which is very significant according to some analysts.

6. Summary and Conclusion

A multiplicity of emerging and operational economic and monetary unions exist in Africa. Presently, about 15 regional arrangements are subsisting with overlapping membership. Specifically, five major groupings encompass the entire continent. These are the Arab Maghreb Union (AMU), the Common Market of Eastern and Southern Africa (COMESA), the Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC). However, several African countries belong to one or more sub-set of the major groupings. For example, some of the countries in West Africa either belong to UEMOA or WAMZ, which are the subsets of ECOWAS; while overlapping membership also exist in the SACU and SADC.

The overlap in regional arrangements undermines collective efforts towards the achievement of the common goal of the African Union (ECA, 2003). Based on available quantitative and qualitative assessments, the African arrangements do not satisfy the **text-book** OCA conditions – *ex ante,* when measured against the criteria of: income structure, financial market integration, product market diversity, labour market mobility, development of intra-trade transactions and ability to withstand terms of trade shock.

Nevertheless, the apparent failure to satisfy the OCA criteria *ex ante* does not represent a fatal blow to the African integration effort, because, the OCA conditions could still be met *ex post* – given the political will, strong institutions, and pursuit of sound macroeconomic policies and adherence to the pre-set convergence criteria.

Lessons of experience have shown that strong political commitment at the highest level, coupled with the implementation of sound macroeconomic policies on sustained basis represent the necessary and sufficient success factors for the creation of monetary and economic unions, globally.

Overall, statistical evidence from this paper reveal that expanded trade, macroeconomic stability, measured by: low rate of inflation and exchange rate stability, sustained growth and narrowing of fiscal balance, have become more entrenched in the regional groupings that have firmly established their economic and monetary union arrangements.

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Appendix I: African's Regional Economic Communities, 2005

Community	Members	Specified Objective	Current Status	Comments
Arab Maghreb Union (UMA)	Algeria, Libya, Mauritania, Morocco, Tunisia	Full Economic Union	Free trade not achieved, but conventions in force for investments, payments and land transport.	Integration has been moving slowly since 1995.
Central African Economic and Monetary Community (CAEMC)	Cameroon, Central Africa Republic, Chad, Republic of Congo, Equatorial Guinea, Gabon.	Full Economic Union	Monetary and Customs Unions achieved, and competition and business laws harmonised. Macroeconomic policy convergence in place.	
Common Market for Eastern and Southern Africa (COMESA).	Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe.	Common Market.	Free trade among nine members achieved in October 2000. Customs union expected by December 2004. Criteria set for macroeconomic policy convergence.	
Community of Sahel-Saharan States (CEN-SAD)	Benin, Burkina-Faso, Central African Republic, Chad, Djibouti, Egypt, Eritrea, Gambia, Libya, Mali, Morocco, Niger, Nigeria, Senegal, Somalia, Sudan, Togo, Tunisia.	Free trade area and integration in some sectors.	Study on feasibility of free trade area just launched.	
East African Community (EAC).	Kenya, Tanzania, Uganda.	Full Economic Union	Significant progress on free trade area. Customs union expected by 2004-06.	
Economic	Angola, Burundi,	Full Economic	Study on free trade area	

Community of Central African States (ECCAS).	Cameroon, Central Africa Republic, Chad, Democratic Republic of Congo, Equatorial Guinea, Gabon, Sâo Tomê and Principe, Rwanda.	Union.	considered for implementation.	
Economic Community of Great Lakes Countries (CEPGL).	Burundi, Democratic Republic of Congo, Rwanda.	Full Economic Union.	Preferential trade arrangements signed.	Integration at a standstill since 1994.
Economic Community of West African States (ECOWAS).	Benin, Burkina-Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo.	Full Economic Union.	Tariffs removed on unprocessed goods. Full elimination of tariffs on industrial goods not yet achieved. Second monetary zone in progress. Peace and security mechanism in place. Macroeconomic policy convergence in place.	
Indian Ocean Commission (IOC).	Comoros, Madagascar, Mauritius, Rêunion, Seychelles.	Sustainable development through cooperation on diplomacy, environment, and trade.	Vibrant trade programme elaborated. Virtual University of India Ocean created.	Political issues have slowed progress.
Inter-Governmental Authority on Development (IGAD).	Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, Uganda.	Full Economic Union	Multilateral programmes elaborated in key priority areas (agriculture and environment, political and humanitarian affairs, and regional economic cooperation,	Intra-state and inter-state conflicts have slowed progress.

			including physical infrastructure projects).	
Mano River Union (MRU).	Guinea, Liberia, Sierra Leone.	Multisectoral integration.	Some training institutions created. Programmes elaborated in some sectors.	Political issues have slowed progress.
Southern Africa Customs Union (SACU).	Botswana, Lesotho, Namibia, South Africa, Swaziland.	Customs union.	Customs union achieved as well as monetary agreement among four members except Botswana.	
Southern Africa Development Community (SADC).	Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe.	Full Economic Union	Free trade area launched in September 2000. Power pool in place. Peace and security mechanism in place.	
West African Economic and Monetary Union (WAEMU).	Benin, Burkina-Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo.	Full Economic Union	Customs union achieved. Business laws harmonised. Macroeconomic policy convergence in place.	
West African Monetary Zone (WAMZ).	The Gambia, Ghana, Guinea, Nigeria, Sierra Leone	Common Central Bank/ Common Currency	Postponed twice to attain convergence as well as achieve single economic space.	New expected date for the launch of the Bank December 2009.

Source: Economic Commission for Africa & the Author.

AFRICAN REGIONAL INTEGRATION MATRIX (*)

		AMU	CEMAC	COMESA	CEN-SAD	EAC	ECCAS	CEPGL	ECOWAS	IOC	IGAD	MRU	SACU	SADC	WAEMU	WAMZ	*TOTAL*
1	Algeria	x															1
2	Angola			x			x							x			3
3	Benin				x				x						x		3
4	Botswana												x	x			2
5	Burkin-Faso				x				x						x		3
6	Burundi			x			x	x									3
7	Cameroon		x				x										2
8	Cape Verde								x								1
9	Central Africa Republic		x		x		x										3
10	Chad		x		x		x										3
11	Comoros			x						x							2
12	Côte d'Ivoire								x						x		2
13	Democratic Republic of Congo			x			x	x						x			4
14	Djibouti			x	x						x						3
15	Egypt			x	x												2
16	Equatorial Guinea		x		x		x										3
17	Eritrea			x							x						2
18	Ethiopia			x							x						2
19	Gabon		x				x										2
20	Gambia				x				x							x	3
21	Ghana								x							x	2
22	Guinea								x			x				x	3
23	Guinea-Bissau								x						x		2
24	Kenya			x		x					x						3
25	Lesotho												x	x			2
26	Liberia								x			x					2
27	Libya	x			x												2
28	Madagascar			x						x							2
29	Malawi			x										x			2
30	Mali				x				x						x		3
31	Mauritania	x															1
32	Mauritius			x						x				x			3
33	Mayotte																0
34	Morocco (excl. Western Sahara)	x			x												2
35	Mozambique													x			1
36	Namibia			x									x	x			3
37	Niger				x				x						x		3
38	Nigeria				x				x							x	3
39	Republic of Congo		x				x										2
40	Reunion									x							1
41	Rwanda			x			x	x									3
42	Saint Helena (UK)																0
43	Säo Tomë and Principe						x										1
44	Senegal				x				x						x		3
45	Seychelles			x						x				x			3
46	Sierra Leone								x			x				x	3
47	Somalia				x						x						2
48	South Africa												x	x			2
49	Sudan			x	x						x						3
50	Swaziland			x									x	x			3
51	Tanzania					x								x			2
52	Togo				x				x						x		3
53	Tunusia	x			x												2
54	Uganda			x		x					x						3
55	Western Sahara																0
56	Zambia			x										x			2
57	Zimbabwe			x										x			2
	TOTAL	**5**	**6**	**20**	**18**	**3**	**11**	**3**	**15**	**5**	**7**	**3**	**5**	**14**	**8**	**5**	

Table 1: Intra-trade in Selected African Integration Groups (1970-2004)*

GROUP		1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004
COMESA	Percentage	7.4	5.6	5.7	4.4	6.3	6	4.9	5.7	5.3	6.2	6.3
	Million of dollars	317.7	307.6	555.1	426.3	888.8	1,024.80	1,265.90	1,291.40	1,441.70	1,977.90	2,619.20
ECOWAS	Percentage	2.9	3.9	9.6	5.1	8	9	7.6	8.2	10.8	8.3	8.2
	Million of dollars	83	447.3	661.1	988.7	1,532.30	1,874.80	2,714.90	2,241.50	3,135.70	2,972.00	3,910.30
SADC	Percentage	4.2	1	0.4	1.4	3.1	10.6	9.3	8.6	8.9	9.1	8.8
	Million of dollars	250.9	118.3	108.2	313.3	1,058.20	4,124.10	4,279.90	3,768.60	4,081.60	4,966.60	6,006.70
CEMAC(UDEAC)	Percentage	4.9	2.7	1.6	1.9	2.3	2.1	1	1.3	1.4	1.4	1.3
	Million of dollars	21.7	45.3	74.6	84.4	138.7	119.6	100.9	119.4	120.4	156.7	205.8
UEMOA	Percentage	6.5	11.3	9.6	8.7	13	10.3	13.1	12.7	12.2	13	14.2
	Million of dollars	52	223.4	460.6	397.1	620.8	559.7	740.6	775.1	857.2	1,043.30	1,370.20

Source: UNCTAD, 2005

- Arab Maghreb Union (AMU)
- Central African Economic and Monetary Community (CAEMC)
- Common Market for Eastern and Southern Africa (COMESA)
- Community of Sahel-Saharan States (CEN-SAD)
- East African Community (EAC)
- Economic Community of Central African States (ECCAS)
- Economic Community of Great Lakes Countries (CEPGL)
- Economic Community of West African States (ECOWAS)
- Indian Ocean Commission (IOC)
- Inter-Governmental Authority on Development (IGAD)
- Mano River Union (MRU)
- Southern Africa Customs Union (SACU)
- Southern Africa Development Community (SADC)
- West African Economic and Monetary Union (WAEMU)
- West African Monetary Zone (WAMZ)

Table 2. Real GDP growth
(In percent)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	4.9	6.5	6.4	5.5	5.8	-3.2	6.7	7.7	5.0	5.0
Ghana	4.2	4.7	4.4	3.7	4.2	4.5	5.2	5.5	5.6	4.7
Guinea	4.9	4.8	4.7	1.9	4.0	4.2	1.2	2.5	3.2	3.5
Nigeria	3.2	0.3	1.5	5.4	3.1	1.5	10.7	3.5	7.4	4.1
Sierra Leone	-17.6	-0.8	-8.1	3.8	18.1	27.5	8.6	7.4	7.5	5.2
WAEMU										
Benin	5.7	4.6	4.7	5.8	5.0	6.0	4.8	3.0	5.0	4.9
Burkina Faso	6.9	8.4	4.2	3.1	6.7	5.2	8.0	4.8	3.1	5.6
Côte d'Ivoire	5.7	4.7	1.5	-2.2	0.1	-1.5	-1.6	-0.9	-1.4	0.5
Guinea-Bissau	6.5	-27.2	7.6	7.5	0.2	-7.2	0.6	4.3	2.4	-0.6
Mali	5.3	8.4	3.0	-3.2	12.1	4.3	7.4	2.2	5.8	5.0
Niger	2.8	10.4	-0.6	-1.4	7.1	3.0	5.3	0.9	4.2	3.5
Senegal	3.3	4.5	6.2	3.0	4.7	1.1	6.5	6.0	6.4	4.6
Togo	3.5	-2.3	2.4	-0.4	0.6	4.5	4.4	2.9	3.0	2.1
CAEMC										
Cameroon	5.1	5.0	4.4	4.2	5.3	6.5	4.5	4.3	3.9	4.8
Central African Republic	7.5	3.9	3.6	1.8	0.3	-0.6	-7.0	0.9	3.5	1.5
Equatorial Guinea	82.0	22.6	27.0	18.0	40.5	9.6	18.3	34.2	4.8	28.5
Gabon	5.7	3.5	-8.9	-1.9	2.0	0.0	2.6	1.9	1.6	0.7
Chad	4.2	7.7	-1.7	-0.6	9.9	9.9	11.3	30.5	10.0	9.0
Rand Monetary Area										
Lesotho	4.8	-3.5	0.5	1.9	3.3	4.5	5.2	2.3	2.4	2.4
South Africa	2.6	0.5	2.4	4.2	2.7	3.6	2.8	3.7	4.0	2.9
Swaziland	3.8	3.3	3.5	2.0	1.7	2.8	2.4	2.1	2.0	2.6
EAC										
Kenya	2.2	1.6	1.3	0.0	1.1	1.1	1.6	3.1	3.3	1.7
Tanzania	3.5	3.7	3.5	5.1	6.2	7.2	7.1	6.3	6.5	5.5
Uganda	5.5	3.6	8.1	5.6	4.9	6.8	4.7	5.9	5.2	5.6
Memorandum Items:										
Total Africa	3.2	3.0	2.8	3.2	4.0	3.6	4.6	5.1	5.0	3.8
CFA countries	7.3	5.7	3.3	2.1	7.0	3.9	5.4	7.6	4.0	5.1
WAEMU	4.9	5.2	3.0	0.3	4.4	2.1	4.2	2.5	3.1	3.3
CEMAC	11.0	6.5	3.8	4.6	10.6	6.2	6.9	13.7	5.1	7.6
SADC	2.7	1.2	2.0	2.9	2.7	3.8	2.9	4.2	4.7	3.0
ECOWAS	3.8	2.8	2.6	3.4	3.9	2.6	7.3	3.5	5.6	4.0
WAMZ	-0.1	3.1	1.8	4.1	7.0	6.9	6.5	5.3	5.8	4.5
COMESA (AFR)	3.1	1.7	2.3	1.2	2.9	2.9	1.3	6.0	5.6	3.0

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 3. Inflation
(Annual average)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	2.8	1.1	3.8	0.9	4.5	8.6	17.0	14.6	7.1	6.7
Ghana	27.9	14.6	12.4	25.2	32.9	14.8	26.7	12.6	14.5	20.2
Guinea	1.9	5.1	4.6	6.8	5.4	3.0	12.9	17.5	22.6	8.8
Nigeria	8.5	10.0	6.6	6.9	18.0	13.7	14.0	15.0	14.8	12.0
Sierra Leone	14.6	36.0	34.1	-0.9	2.6	-3.7	8.2	13.7	8.5	12.6
WAEMU										
Benin	3.8	5.8	0.3	3.0	4.0	2.4	1.5	2.6	3.0	2.9
Burkina Faso	2.4	5.0	-1.1	-0.3	4.9	2.3	2.0	-0.4	2.0	2.0
Côte d'Ivoire	4.2	4.5	0.7	2.5	4.4	3.1	3.3	1.5	2.0	3.6
Guinea-Bissau	49.1	8.0	-2.1	8.6	3.3	3.3	3.0	3.0	3.0	6.4
Mali	-0.7	4.1	-1.2	-0.7	5.2	2.4	-1.3	-3.1	2.5	0.8
Niger	2.9	4.5	-2.3	2.9	4.0	2.7	-1.8	0.4	2.4	1.7
Senegal	1.8	1.1	0.8	0.7	3.0	2.3	0.0	0.5	1.6	1.3
Togo	5.3	1.0	-0.1	1.9	3.9	3.1	-0.9	1.2	1.5	1.9
CAEMC										
Cameroon	4.1	3.9	2.9	0.8	2.8	6.3	0.6	0.3	2.0	2.4
Central African Republic	1.6	-1.9	-1.4	3.2	3.8	2.3	4.2	-2.2	2.5	1.6
Equatorial Guinea	4.5	3.7	6.0	6.5	7.3	5.9	7.0	8.0	8.0	6.3
Gabon	4.1	2.3	-0.7	0.4	2.1	0.2	2.1	1.0	2.0	1.5
Chad	5.6	4.3	-8.4	3.8	12.4	5.2	-1.8	-4.8	3.0	2.4
Rand Monetary Area										
Lesotho	8.5	7.8	8.6	6.1	6.9	11.2	7.6	5.5	5.5	6.2
South Africa	8.6	6.9	5.2	5.4	5.7	9.2	5.8	1.4	4.5	6.1
Swaziland	7.9	7.5	5.9	7.2	7.5	11.7	7.4	3.5	5.5	6.4
EAC										
Kenya	11.9	6.7	5.8	10.0	5.8	2.0	9.8	11.5	6.6	6.3
Tanzania	15.4	13.2	9.0	6.2	5.2	4.6	4.5	4.6	4.3	5.6
Uganda	5.8	0.2	5.8	4.5	-2.0	5.7	5.1	5.9	3.5	3.7
Memorandum Items:										
Total Africa	13.4	9.0	11.6	13.0	12.1	9.8	10.6	7.7	7.7	
CFA countries	4.0	3.5	0.3	1.7	4.3	3.6	1.3	0.7	2.8	2.6
WAEMU	3.6	3.8	-0.2	1.6	4.2	2.7	0.9	0.4	2.1	2.1
CEMAC	4.6	3.1	0.9	2.0	4.5	4.9	1.9	1.0	3.7	3.1
SADC	21.5	13.0	22.8	26.2	21.5	17.7	17.4	9.7	10.1	13.4
ECOWAS	9.1	8.4	5.2	7.5	14.4	9.3	11.4	10.0	10.9	7.8
WAMZ	11.1	13.4	12.3	7.8	12.7	7.3	15.8	14.7	13.5	12.1
COMESA (AFR)	36.0	19.6	47.6	58.3	40.0	24.0	35.5	24.3	17.5	24.0
Median inflation:										
Total Africa	6.1	5.4	4.3	5.0	4.9	3.6	5.3	4.5	5.5	4.6
Sub-Saharan Africa (AFR)	7.2	6.0	5.0	5.8	5.3	4.9	6.4	5.0	5.5	5.1

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 4. Overall Fiscal Balance Including Grants
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	-6.5	-2.4	-3.5	-1.4	-13.9	-4.6	-4.7	-3.6	-4.7	-3.3
Ghana	-10.3	-8.1	-8.2	-7.9	-7.7	-5.0	-3.5	-2.4	-0.8	-6.0
Guinea	-3.0	-0.7	-3.0	-3.2	-4.1	-4.4	-5.1	-3.1	-0.9	-3.1
Nigeria	-1.0	-9.0	-5.0	5.9	-4.9	-4.2	-1.5	7.4	10.6	-0.2
Sierra Leone	-7.0	-10.4	-9.5	-9.3	-8.8	-8.3	-7.6	-5.8	-4.7	-7.9
WAEMU										
Benin	0.3	2.1	1.9	-1.8	-1.5	-2.4	-2.6	-2.1	-2.9	-1.0
Burkina Faso	-2.8	-2.5	-3.3	-3.6	-3.9	-4.8	-2.9	-4.4	-6.4	-3.8
Côte d'Ivoire	-2.1	-2.1	-2.8	-1.3	0.9	-1.5	-2.7	-2.4	-3.5	-2.0
Guinea-Bissau	-13.8	-16.2	-9.7	-10.8	-11.7	-11.5	-13.8	-5.5	-12.6	-11.7
Mali	-1.9	-2.2	-3.4	-3.0	-4.1	-4.3	-2.2	-4.1	-4.6	-3.3
Niger	-3.0	-2.8	-5.4	-3.5	-3.2	-2.8	-2.7	-2.7	-4.3	-3.4
Senegal	0.5	-0.3	-1.4	0.3	-2.5	-0.1	-1.4	-2.7	-2.9	-1.2
Togo	-1.8	-4.5	-2.5	-4.8	-0.4	-0.4	2.5	1.3	0.8	-1.1
CAEMC										
Cameroon	-1.0	-1.4	-3.2	1.4	2.4	1.6	1.3	-0.7	1.7	0.7
Central African Republic	-1.6	0.0	-0.5	-1.8	-0.9	-1.2	-3.1	-1.6	-0.8	-1.1
Equatorial Guinea	2.3	-1.3	0.3	9.2	16.7	17.0	5.8	12.8	13.0	8.4
Gabon	1.5	-14.0	1.2	11.6	3.2	3.5	7.4	7.9	8.2	3.4
Chad	-3.1	-5.2	-6.0	-6.8	-5.3	-5.9	-6.2	-2.2	-2.3	-3.4
Rand Monetary Area										
Lesotho	1.8	-2.8	-16.4	-1.8	0.6	-4.2	0.7	3.2	-1.8	-2.7
South Africa	-3.9	-2.6	-2.0	-1.9	-1.5	-1.2	-2.0	-2.3	-2.9	-2.5
Sudan	-0.7	-0.6	-0.8	-0.8	-0.9	-0.8	0.9	1.2	3.4	0.8
Swaziland	1.8	1.0	-1.0	-1.4	-2.7	-4.2	-3.1	-2.7	-5.0	-3.6
EAC										
Kenya	-1.9	-0.7	0.4	-0.7	-2.4	-3.4	-1.8	-1.5	-3.1	-2.0
Tanzania	1.0	-0.6	-1.4	-2.6	-1.2	-1.0	-1.4	-3.0	-4.0	-0.8
Uganda	-1.4	-0.5	-1.3	-9.1	-2.6	-5.3	-4.3	-1.7	-1.5	-2.7
Memorandum Items:										
Total Africa	-2.8	-3.7	-3.1	-0.6	-2.1	-2.5	-1.7	-0.4	0.5	-1.8
CFA countries	-1.6	-3.7	-2.5	0.5	0.3	-0.7	-0.4	0.0	0.3	-0.4
WAEMU	-1.7	-1.8	-2.5	-1.9	-1.4	-2.1	-2.3	-2.7	-3.7	-2.4
CEMAC	-1.4	-6.7	-2.4	3.6	2.5	1.2	2.0	3.2	5.0	2.1
SADC	-4.4	-3.0	-3.3	-3.1	-2.4	-2.5	-2.6	-2.5	-3.2	-2.9
ECOWAS	-2.4	-5.6	-4.4	1.9	-4.0	-3.6	-2.1	2.8	4.9	-0.1
WAMZ	-5.5	-6.1	-5.8	-3.2	-7.9	-5.3	-4.5	-1.5	-0.1	-4.4
COMESA (AFR)	-5.8	-3.8	-6.8	-6.7	-4.2	-4.9	-4.6	-2.8	-3.5	-4.0

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 5. Overall Fiscal Balance Excluding Grants
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	-7.8	-4.4	-4.9	-3.7	-16.0	-9.1	-7.2	-8.0	-6.3	-5.2
Ghana	-11.6	-10.2	-9.8	-10.0	-14.6	-8.1	-8.2	-8.5	-5.9	-9.7
Guinea	-6.0	-3.6	-5.3	-5.5	-7.5	-6.2	-7.9	-4.0	-1.9	-5.3
Nigeria	-1.0	-9.0	-5.0	5.9	-4.9	-4.2	-1.5	7.4	10.6	-0.2
Sierra Leone	-7.5	-12.8	-14.9	-17.3	-14.7	-16.5	-20.3	-17.1	-13.1	-14.9
WAEMU										
Benin	-4.2	-1.0	-1.6	-3.5	-4.2	-3.5	-4.6	-5.5	-5.2	-3.7
Burkina Faso	-8.9	-8.1	-11.0	-10.8	-11.0	-10.0	-8.2	-9.3	-9.9	-9.7
Côte d'Ivoire	-2.7	-2.8	-3.3	-1.7	0.4	-2.0	-3.3	-2.7	-3.9	-2.5
Guinea-Bissau	-26.5	-19.5	-14.1	-24.9	-26.2	-17.7	-21.5	-18.2	-27.1	-21.7
Mali	-7.2	-7.2	-8.1	-7.7	-7.8	-8.0	-6.6	-8.7	-9.9	-7.9
Niger	-7.5	-8.2	-9.9	-8.1	-7.9	-7.7	-7.5	-7.6	-7.7	-8.0
Senegal	-2.0	-3.2	-3.4	-1.7	-4.3	-1.9	-3.5	-4.4	-4.7	-3.2
Togo	-3.0	-5.9	-4.1	-5.3	-0.9	-0.8	1.9	0.9	0.3	-1.9
CAEMC										
Cameroon	-1.0	-1.7	-3.4	1.4	2.0	1.3	0.7	-0.8	1.4	0.5
Central African Republic	-6.5	-8.8	-8.8	-6.6	-4.3	-5.0	-4.6	-4.5	-3.6	-4.9
Equatorial Guinea	1.4	-2.0	-0.1	9.2	16.7	17.0	5.8	12.7	13.0	8.2
Gabon	1.5	-14.0	1.2	11.6	3.2	3.4	7.4	7.7	8.0	3.4
Chad	-9.4	-10.3	-10.7	-12.4	-10.5	-12.0	-14.3	-6.0	-6.4	-8.4
Rand Monetary Area										
Lesotho	-2.0	-5.2	-18.7	-3.9	-2.2	-8.0	-1.3	0.7	-4.0	-5.2
South Africa	-4.0	-2.7	-2.0	-1.9	-1.5	-1.2	-2.0	-2.3	-2.9	-2.5
Swaziland	1.6	0.5	-2.2	-2.6	-3.8	-5.4	-4.1	-3.7	-6.2	-4.6
EAC										
Kenya	-2.8	-1.5	-0.3	-2.0	-4.5	-4.2	-3.8	-3.0	-5.9	-4.8
Tanzania	-2.3	-3.4	-5.2	-6.9	-4.7	-5.1	-7.2	-8.9	-11.4	-4.1
Uganda	-5.9	-5.7	-6.3	-14.8	-10.5	-12.2	-11.3	-11.3	-10.2	-8.9
Memorandum Items:										
Total Africa	-3.6	-4.5	-3.9	-1.4	-3.0	-3.3	-2.6	-1.2	-0.4	-1.9
CFA countries	-3.4	-5.7	-4.4	-1.1	-1.4	-2.2	-2.2	-1.6	-1.2	-2.1
WAEMU	-4.4	-4.4	-5.0	-4.2	-3.8	-4.1	-4.6	-5.0	-5.8	-4.7
CEMAC	-2.1	-7.9	-3.4	2.9	1.7	0.3	0.9	2.5	4.1	1.3
SADC	-5.0	-3.7	-4.1	-3.8	-3.2	-3.2	-3.3	-3.1	-4.1	-3.6
ECOWAS	-3.7	-7.1	-5.7	0.8	-5.4	-4.7	-3.5	1.5	3.8	-1.3
WAMZ	-6.8	-8.0	-8.0	-6.1	-11.5	-8.8	-9.0	-6.0	-3.3	-7.5
COMESA (AFR)	-8.0	-6.1	-9.3	-9.3	-6.9	-6.5	-7.6	-5.8	-7.0	-6.8

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 6. External Current Account Including Grants
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	-3.7	-2.4	-2.8	-3.1	-2.6	-2.8	-4.8	-4.4	-10.6	-1.2
Ghana	-14.4	-5.0	-11.6	-8.4	-5.3	0.5	1.7	1.2	-1.3	-4.7
Guinea	-7.0	-8.5	-6.9	-6.4	-2.7	-4.3	-3.3	-4.9	-4.1	-5.3
Nigeria	5.1	-8.9	-8.4	10.5	3.0	-11.0	-3.7	2.8	7.8	-0.3
Sierra Leone	-0.4	-2.6	-11.1	-15.2	-16.2	-4.8	-7.6	-9.0	-9.3	-8.5
WAEMU										
Benin	-7.4	-5.7	-7.6	-8.0	-6.7	-9.0	-8.5	-8.5	-8.5	-7.8
Burkina Faso	-9.6	-8.6	-10.8	-12.2	-10.2	-9.1	-6.9	-8.5	-9.0	-9.4
Côte d'Ivoire	-1.8	-2.7	-1.4	-2.8	-1.1	6.1	3.9	3.1	4.1	0.8
Guinea-Bissau	-8.7	-13.2	-12.0	-5.6	-22.4	-11.5	-1.0	1.6	-12.2	-9.5
Mali	-6.5	-6.8	-8.8	-10.0	-10.4	-3.1	-4.6	-4.7	-6.0	-6.8
Niger	-7.2	-6.9	-6.5	-6.2	-4.8	-6.5	-6.0	-5.9	-7.2	-6.4
Senegal	-4.2	-4.1	-5.6	-5.1	-4.6	-5.9	-6.5	-6.2	-5.6	-5.3
Togo	-11.3	-8.8	-8.1	-10.5	-13.0	-9.7	-12.9	-12.4	-12.3	-11.0
CAEMC										
Cameroon	-2.8	-2.5	-4.3	-1.7	-4.1	-7.0	-2.4	-1.7	-0.6	-2.4
Central African Republic	-3.0	-6.1	-1.6	-3.0	-2.5	-2.8	-4.6	-4.8	-4.1	-3.7
Equatorial Guinea	-37.5	-78.5	-58.7	-27.7	-51.2	-67.0	-29.2	-14.6	-16.9	-42.4
Gabon	10.0	-13.8	8.4	19.7	11.0	5.2	9.6	10.4	10.5	7.9
Chad	-9.0	-9.8	-15.9	-18.0	-35.1	-51.8	-40.1	-17.7	-6.8	-15.8
Rand Monetary Area										
Lesotho	-30.9	-25.0	-22.8	-18.2	-13.2	-16.9	-12.3	-1.0	-6.2	-12.8
South Africa	-1.5	-1.8	-0.5	-0.1	0.0	0.6	-0.9	-2.5	-3.0	-1.4
Swaziland	-0.2	-6.9	-2.6	-5.4	-4.5	6.0	0.6	-0.6	-2.5	-2.2
EAC										
Kenya	-4.2	-4.9	-2.2	-2.1	-3.5	2.4	-0.2	-3.7	-4.9	-3.8
Tanzania	-5.3	-11.0	-9.9	-5.3	-5.3	-3.8	-2.4	-5.8	-5.4	-8.2
Uganda	-4.0	-7.0	-8.7	-6.5	-5.6	-5.9	-6.2	-1.9	-4.4	-5.9
Memorandum Items:										
Total Africa	-1.4	-4.5	-3.6	1.5	-0.3	-1.7	-0.3	0.2	0.8	-0.7
CFA countries	-3.6	-6.8	-5.3	-2.2	-5.8	-6.2	-4.0	-2.6	-1.7	-3.0
WAEMU	-4.9	-4.9	-5.0	-6.0	-5.2	-1.8	-2.8	-3.3	-3.4	-3.8
CEMAC	-2.0	-10.1	-5.7	2.6	-6.6	-12.0	-5.5	-1.7	0.3	-2.0
SADC	-2.4	-3.9	-2.3	-0.6	-2.2	-1.1	-1.7	-2.0	-2.6	-2.1
ECOWAS	-1.1	-6.8	-7.4	3.0	-0.6	-6.7	-3.1	0.2	3.2	-1.4
WAMZ	-4.1	-5.5	-8.2	-4.5	-4.8	-4.5	-3.5	-2.8	-3.5	-4.6
COMESA (AFR)	-5.2	-8.0	-6.5	-2.2	-5.9	-2.7	-3.5	-1.7	-3.1	-3.6

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 7. External Current Account Excluding Grants
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	-10.6	-10.9	-9.8	-10.6	-10.1	-13.4	-13.3	-14.0	-16.8	-6.5
Ghana	-16.7	-8.8	-13.5	-11.5	-10.3	-3.1	-3.5	-4.8	-7.2	-8.8
Guinea	-7.2	-10.2	-7.7	-7.2	-4.8	-5.6	-4.0	-5.6	-4.9	-6.4
Nigeria	5.2	-8.8	-8.2	10.8	3.1	-10.9	-3.6	2.9	7.8	-0.2
Sierra Leone	-2.6	-5.0	-15.1	-22.5	-20.5	-12.1	-14.1	-15.6	-14.9	-13.6
WAEMU										
Benin	-10.6	-7.9	-10.3	-9.8	-10.2	-11.1	-10.7	-10.2	-9.6	-10.0
Burkina Faso	-12.4	-12.3	-13.4	-15.0	-13.3	-11.8	-11.0	-11.4	-11.8	-12.5
Côte d'Ivoire	-2.4	-3.3	-2.0	-3.0	-1.4	6.0	3.5	2.9	3.9	0.5
Guinea-Bissau	-23.2	-20.5	-22.3	-22.2	-36.4	-18.7	-9.8	-15.0	-20.6	-21.0
Mali	-8.5	-8.3	-10.1	-12.4	-12.6	-4.4	-7.1	-6.5	-9.2	-8.8
Niger	-9.6	-10.0	-8.1	-8.6	-7.7	-9.4	-9.3	-9.0	-9.0	-9.0
Senegal	-7.4	-7.0	-7.2	-7.1	-6.1	-7.9	-8.5	-8.0	-7.1	-7.4
Togo	-15.5	-13.8	-11.3	-13.4	-14.6	-10.4	-14.0	-13.5	-13.4	-13.3
CAEMC										
Cameroon	-2.8	-2.8	-4.3	-1.7	-4.5	-7.3	-3.0	-1.7	-0.6	-2.6
Central African Republic	-5.8	-9.6	-5.7	-6.5	-5.2	-5.2	-5.8	-6.7	-5.8	-5.9
Equatorial Guinea	-37.7	-78.8	-58.8	-27.8	-52.2	-67.8	-29.9	-15.1	-17.4	-42.8
Gabon	9.3	-14.5	7.9	20.0	10.8	5.0	9.5	10.2	10.4	7.6
Chad	-12.9	-12.8	-18.1	-21.2	-37.4	-53.4	-41.8	-19.0	-7.7	-17.4
Rand Monetary Area										
Lesotho	-50.7	-40.7	-39.6	-33.1	-30.0	-32.9	-26.5	-18.2	-20.2	-27.6
South Africa	-1.0	-1.2	0.2	0.6	0.6	1.1	-0.4	-2.1	-2.6	-0.9
Swaziland	-8.2	-16.6	-12.0	-14.0	-13.0	-2.4	-6.7	-10.0	-11.7	-10.9
EAC										
Kenya	-4.4	-4.9	-2.2	-3.0	-3.8	2.4	-0.6	-3.8	-5.6	-6.7
Tanzania	-11.0	-16.0	-14.7	-10.1	-9.6	-8.2	-7.1	-10.8	-11.3	-8.2
Uganda	-9.0	-12.7	-14.0	-12.7	-13.8	-13.2	-13.4	-11.8	-12.5	-12.3
Memorandum Items:										
Total Africa	-2.2	-5.4	-4.3	0.7	-1.1	-2.6	-1.2	-0.7	0.0	-1.5
CFA countries	-5.1	-8.4	-6.4	-3.2	-7.0	-7.2	-5.2	-3.6	-2.6	-4.0
WAEMU	-6.9	-6.8	-6.5	-7.5	-6.8	-3.1	-4.6	-4.8	-4.8	-5.2
CEMAC	-2.6	-10.9	-6.2	2.2	-7.2	-12.5	-6.0	-2.1	0.1	-2.4
SADC	-3.1	-4.7	-3.0	-1.2	-2.9	-2.0	-2.4	-2.7	-3.4	-2.7
ECOWAS	-2.2	-8.1	-8.3	2.3	-1.6	-7.6	-4.2	-0.8	2.3	-2.4
WAMZ	-6.4	-8.7	-10.9	-8.2	-8.5	-9.0	-7.7	-7.4	-7.2	-8.2
COMESA (AFR)	-8.0	-11.1	-9.5	-5.3	-8.9	-5.2	-7.2	-5.5	-6.6	-6.6

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 9. Total Investment
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	19.9	18.8	18.3	17.6	17.4	21.6	20.0	24.6	23.5	20.4
Ghana	24.8	23.1	21.5	24.0	26.6	19.7	22.9	26.5	29.9	24.3
Guinea	21.0	19.2	19.8	19.7	15.3	13.1	9.9	10.7	11.7	15.6
Nigeria	17.1	26.2	27.7	20.6	22.7	26.0	23.1	20.7	21.0	22.8
Sierra Leone	-2.4	5.3	0.3	13.1	7.6	10.1	14.2	19.6	20.7	9.8
WAEMU										
Benin	18.4	17.0	17.5	18.9	19.2	17.8	18.2	17.6	18.5	18.1
Burkina Faso	23.4	22.8	17.7	18.5	18.5	17.5	17.0	18.6	19.4	19.3
Côte d'Ivoire	14.4	13.3	13.1	10.6	11.0	9.9	6.3	7.3	7.2	10.3
Guinea-Bissau	21.8	11.4	16.8	11.3	14.4	9.4	12.4	12.4	21.2	14.6
Mali	23.6	20.6	16.1	22.3	27.0	18.6	25.6	18.9	21.2	21.5
Niger	10.9	11.4	11.2	11.4	12.1	14.2	14.2	15.9	16.7	13.1
Senegal	15.6	18.6	18.5	20.9	19.2	16.7	20.7	22.4	23.4	19.5
Togo	22.0	21.1	19.0	22.0	21.8	21.3	27.0	27.1	27.8	23.2
CAEMC										
Cameroon	16.2	17.5	18.7	16.4	17.7	18.3	16.9	16.6	15.4	17.1
Central African Republic	7.3	11.1	11.7	9.5	8.4	9.0	6.0	6.8	8.6	8.7
Equatorial Guinea	85.8	116.9	62.0	57.1	70.2	69.7	43.1	43.5	54.3	67.0
Gabon	31.5	39.1	23.9	21.8	25.8	24.4	24.0	24.2	22.7	26.4
Chad	18.8	17.5	10.4	24.5	46.1	62.9	56.4	24.9	19.0	31.2
Rand Monetary Area										
Lesotho	52.2	47.5	46.9	41.5	40.3	37.3	33.5	31.4	29.3	36.9
South Africa	16.6	17.0	16.4	15.9	15.3	16.1	17.2	18.0	17.5	16.7
Swaziland	20.6	22.4	18.7	19.9	24.6	19.8	18.0	18.2	17.8	20.0
EAC										
Kenya	18.5	17.3	16.2	15.4	14.6	13.4	12.9	13.3	16.1	15.3
Tanzania	14.9	16.2	15.5	17.6	17.0	19.1	18.6	19.2	19.7	17.5
Uganda	18.6	16.4	19.5	20.0	18.6	19.7	20.7	21.7	23.3	19.8
Memorandum Items:										
Total Africa	18.9	20.6	20.4	18.6	19.1	18.3	19.6	20.0	20.2	19.9
CFA countries	19.4	20.1	17.9	18.0	20.8	20.3	19.1	18.6	18.9	19.0
WAEMU	17.0	16.4	15.3	15.7	16.3	14.4	14.9	15.2	16.1	15.7
CEMAC	22.6	26.0	21.7	20.8	26.8	27.9	24.6	22.7	22.1	23.9
SADC	18.4	19.0	18.0	16.2	15.3	12.8	16.7	17.7	17.6	16.9
ECOWAS	17.8	21.4	21.8	19.1	20.4	20.9	19.7	19.0	19.8	20.0
WAMZ	16.1	18.5	17.5	19.0	17.9	18.1	18.0	20.5	21.4	18.6
COMESA (AFR)	20.7	20.5	18.8	15.9	14.6	7.7	13.8	16.2	17.1	16.1
EAC	17.3	16.7	17.1	17.7	16.7	17.4	17.4	18.1	19.7	17.6

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 10. Domestic Saving
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	7.2	11.9	12.5	9.3	11.9	15.1	13.6	15.7	12.7	13.8
Ghana	4.2	10.3	3.9	5.5	7.0	7.3	10.9	7.7	10.4	7.5
Guinea	17.7	13.6	15.5	15.4	14.0	9.1	7.3	7.0	8.5	12.0
Nigeria	25.2	21.4	25.2	41.4	31.9	25.9	30.7	37.8	40.3	31.1
Sierra Leone	-4.3	-1.9	-5.7	-8.1	-10.0	-9.4	-7.1	-0.9	2.1	-5.0
WAEMU										
Benin	5.6	6.6	4.8	6.0	6.5	4.7	5.5	5.2	6.9	5.7
Burkina Faso	9.0	8.7	2.9	2.4	4.8	5.0	5.5	6.8	7.1	5.8
Guinea-Bissau	2.9	-10.0	-1.1	-8.5	-20.0	-12.0	-1.0	-4.7	-1.8	-6.2
Côte d'Ivoire	22.8	19.7	21.3	17.6	18.7	25.8	19.0	19.2	19.7	20.4
Mali	14.3	11.9	6.0	11.6	17.6	18.5	20.0	14.0	13.2	14.1
Niger	3.0	2.8	3.9	3.5	4.4	5.3	4.7	6.3	7.1	4.6
Senegal	9.0	12.0	11.5	12.5	9.5	2.7	7.7	10.0	12.0	9.7
Togo	7.7	8.1	8.9	8.6	5.1	6.8	9.0	9.9	9.6	8.2
CAEMC										
Cameroon	19.1	19.2	18.4	20.3	20.4	16.8	17.1	16.8	16.3	18.3
Central African Republic	4.2	3.8	7.1	4.7	3.9	4.3	0.1	0.1	2.7	5.0
Equatorial Guinea	64.1	48.9	21.0	53.9	70.4	72.3	83.8	66.2	70.3	61.2
Gabon	55.5	37.9	45.4	58.1	52.1	44.2	46.3	49.4	46.9	48.4
Chad	6.7	4.1	-7.4	4.3	9.7	10.7	23.5	43.3	52.8	16.4
Rand Monetary Area										
Lesotho	-31.0	-21.2	-19.6	-17.1	-12.6	-18.6	-15.1	-10.1	-14.7	-8.1
South Africa	17.9	17.9	18.4	18.9	19.0	19.8	18.1	17.6	16.5	18.2
Swaziland	2.7	1.4	0.3	4.3	13.4	11.4	9.0	10.8	8.8	6.9
EAC										
Kenya	11.1	9.7	10.4	5.6	5.1	7.9	8.3	9.3	7.8	9.1
Tanzania	5.4	1.4	4.5	8.6	8.6	11.6	9.5	8.8	10.1	7.6
Uganda	12.2	6.0	8.4	8.6	6.4	5.7	7.0	9.0	10.1	8.2
Memorandum Items:										
Total Africa	19.2	17.5	18.8	22.9	20.9	18.5	20.7	22.3	23.3	21.1
CFA countries	21.3	17.3	17.8	22.3	21.9	21.3	21.5	23.6	24.6	21.7
WAEMU	14.6	13.5	13.0	11.9	12.5	14.2	12.8	12.6	13.3	13.2
CEMAC	30.6	23.5	25.1	35.5	34.5	30.5	33.0	36.6	37.9	31.9
SADC	17.8	17.2	17.6	18.5	16.3	13.6	16.1	17.5	16.7	16.8
ECOWAS	18.4	16.3	17.5	27.9	22.7	19.3	21.5	25.7	28.5	22.0
WAMZ	10.0	11.0	10.3	12.7	11.0	9.6	11.1	13.5	14.8	11.6
COMESA (AFR)	14.4	11.9	11.6	13.0	7.8	3.0	7.4	12.6	12.4	10.5
EAC	9.6	5.7	7.8	7.6	6.7	8.4	8.3	9.0	9.3	8.0

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 11. Government Expenditure
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	26.9	23.0	22.7	22.1	31.1	25.4	22.9	28.2	25.7	23.9
Ghana	29.0	28.6	26.2	27.7	32.7	26.1	29.0	32.6	30.2	29.1
Guinea	17.5	14.8	16.1	16.4	18.8	18.3	18.3	15.0	14.1	16.6
Nigeria	13.7	19.1	24.4	24.8	31.2	27.1	22.8	18.7	18.9	22.3
Sierra Leone	13.0	20.1	22.0	28.7	27.7	28.6	32.0	29.2	26.0	25.2
WAEMU										
Benin	18.6	16.4	17.6	20.1	20.3	20.4	21.6	21.3	21.2	19.7
Burkina Faso	20.4	19.9	23.9	22.6	21.8	21.4	20.3	22.1	23.0	21.7
Côte d'Ivoire	22.1	21.2	19.8	18.1	16.6	19.5	19.7	19.8	19.9	19.6
Guinea-Bissau	41.8	24.9	31.3	44.1	43.0	32.9	37.1	35.8	44.9	37.3
Mali	20.1	20.3	21.8	20.6	21.1	23.2	22.1	24.8	27.0	22.3
Niger	16.0	17.3	18.7	16.7	17.2	18.4	17.4	18.2	18.8	17.6
Senegal	18.8	19.7	20.3	19.3	22.4	21.0	22.8	23.6	24.1	21.3
Togo	16.0	19.5	17.8	17.6	16.0	13.4	14.9	15.6	15.6	16.2
CAEMC										
Cameroon	16.1	17.9	18.9	17.4	18.6	17.8	16.8	17.1	17.7	18.2
Central African Republic	14.5	18.1	18.2	15.5	13.2	15.8	12.2	12.3	11.9	14.6
Equatorial Guinea	15.9	28.4	18.2	13.9	13.6	14.2	20.8	21.1	15.6	18.0
Gabon	31.6	48.5	27.2	21.7	30.8	28.1	22.4	21.6	20.1	28.0
Chad	17.1	17.9	19.0	20.5	18.0	19.9	22.8	14.8	17.3	18.6
Rand Monetary Area										
Lesotho	49.1	48.0	59.5	46.7	43.0	46.9	40.6	43.6	45.0	39.3
South Africa	27.2	26.7	25.9	24.8	24.9	24.6	25.4	26.2	27.1	25.9
Swaziland	27.7	28.8	31.4	30.3	30.7	30.9	29.4	32.8	35.0	30.8
EAC										
Kenya	29.0	28.2	25.2	25.1	26.5	25.4	24.4	24.6	27.0	24.6
Tanzania	14.4	14.5	15.9	17.5	15.9	16.1	18.6	21.1	24.3	17.6
Uganda	17.2	16.3	17.9	26.7	21.8	24.4	23.4	23.9	23.0	21.6
Memorandum Items:										
Total Africa	25.8	26.0	26.6	26.4	26.9	26.5	26.5	26.3	26.3	26.0
CFA countries	21.4	23.2	21.1	19.5	20.6	21.1	20.4	20.2	20.3	20.6
WAEMU	20.4	20.0	20.2	19.3	19.2	20.2	20.5	21.2	21.9	20.3
CEMAC	22.8	28.3	22.5	19.7	22.5	22.2	20.3	19.0	18.5	21.7
SADC	28.4	27.2	28.2	27.8	26.6	25.9	27.3	27.9	29.1	27.6
ECOWAS	18.0	20.4	22.8	23.0	27.0	24.4	22.4	20.6	20.6	22.1
WAMZ	20.0	21.1	22.3	24.0	28.3	25.1	25.0	24.7	23.0	23.7
COMESA (AFR)	29.7	27.1	31.4	32.8	28.1	26.8	29.7	29.7	30.9	29.6
EAC	20.2	19.7	19.7	23.1	21.4	22.0	22.1	23.2	24.7	21.8

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 12. Broad Money
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	28.5	29.3	29.9	36.8	36.1	43.5	45.9	18.3	13.1	35.9
Ghana	23.5	23.1	24.0	26.7	26.9	31.4	32.0	32.7	33.1	28.2
Guinea	9.9	9.8	9.9	10.8	11.3	12.6	15.0	17.4	16.2	12.6
Nigeria	14.7	18.8	20.3	22.1	19.4	23.4	21.5	20.7	18.9	20.0
Sierra Leone	15.2	13.4	16.4	16.4	18.2	19.3	20.2	18.3	17.6	17.2
WAEMU										
Benin	26.2	23.3	29.5	32.7	34.1	30.3	28.3	27.9	27.9	28.9
Burkina Faso	23.3	20.6	21.2	22.1	20.3	19.2	20.4	20.4	20.4	20.9
Côte d'Ivoire	22.7	21.9	21.5	21.8	23.4	29.6	27.3	28.3	28.3	25.0
Guinea-Bissau	23.2	30.0	27.6	41.7	48.2	61.5	71.5	80.3	80.2	51.6
Mali	21.4	20.3	20.3	21.5	22.0	26.9	29.7	31.3	31.3	25.0
Niger	9.2	8.2	7.6	8.1	9.6	9.0	7.4	9.0	9.4	8.6
Senegal	22.5	22.5	23.8	24.8	27.1	28.1	30.0	29.8	29.8	26.5
Togo	21.9	23.2	23.5	26.9	25.8	23.9	26.0	26.0	26.0	24.8
CAEMC										
Cameroon	13.4	13.6	14.5	15.9	17.3	20.6	19.3	19.8	20.6	17.2
Central African Republic	20.6	16.1	16.5	16.2	15.5	14.4	13.8	13.9	14.1	15.7
Equatorial Guinea	6.0	7.3	7.5	6.3	5.6	7.4	8.7	8.7	12.9	7.8
Gabon	12.9	14.6	13.2	12.6	14.8	15.9	15.5	14.4	14.4	14.3
Chad	12.9	10.6	11.1	12.4	12.4	13.5	12.0	8.8	9.3	11.5
Rand Monetary Area										
Lesotho	34.4	34.5	30.3	29.7	31.2	28.1	26.4	26.5	27.2	25.5
South Africa	54.6	57.7	58.0	55.0	58.4	59.9	62.6	64.3	67.2	59.8
Swaziland	25.8	25.9	26.5	21.6	21.2	20.7	20.6	20.7	20.7	22.6
EAC										
Kenya	51.0	47.3	46.5	39.5	36.7	36.4	36.2	34.4	33.7	32.5
Tanzania	16.0	15.2	12.9	13.2	13.3	14.1	14.6	15.7	17.4	14.7
Uganda	12.5	13.5	14.2	15.0	15.8	18.7	20.0	19.6	20.4	16.6
Memorandum Items:										
Total Africa	39.9	42.9	43.6	42.2	43.8	45.6	47.9	48.2	48.3	44.7
CFA countries	18.4	18.2	18.5	19.0	19.9	22.2	21.7	21.3	21.7	21.6
WAEMU	21.9	21.0	21.6	22.8	23.8	26.4	26.1	26.8	26.9	24.1
CEMAC	13.6	13.7	13.7	14.2	14.7	16.7	16.0	14.9	15.6	14.8
SADC	46.8	49.6	49.9	47.0	48.2	47.7	53.3	54.5	55.8	50.3
ECOWAS	18.3	20.0	21.0	22.5	21.3	24.9	24.1	23.9	22.7	22.1
WAMZ	18.4	18.9	20.1	22.6	22.4	26.0	26.9	21.5	19.8	21.8
COMESA (AFR)	31.4	32.1	32.4	30.9	31.1	33.7	34.4	31.5	31.4	32.1
EAC	26.5	25.3	24.5	22.6	21.9	23.1	23.6	23.2	23.8	23.8

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 13. Trade Balance
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	-16.5	-18.8	-15.9	-15.0	-12.0	-16.9	-16.9	-19.1	-19.6	-15.9
Ghana	-17.9	-11.1	-16.2	-16.5	-18.2	-10.7	-10.3	-18.2	-18.5	-15.3
Guinea	2.3	1.9	2.2	2.7	5.3	3.5	4.0	2.9	3.1	3.1
Nigeria	16.2	6.3	7.5	29.1	17.4	9.5	17.0	25.3	26.2	17.2
Sierra Leone	0.7	0.2	-3.8	-10.1	-10.9	-15.0	-15.0	-15.0	-12.8	-9.1
WAEMU										
Benin	-10.9	-9.1	-10.5	-11.3	-10.7	-11.6	-11.1	-10.5	-9.9	-10.6
Burkina Faso	-10.3	-10.1	-11.0	-11.9	-10.0	-9.3	-8.5	-8.6	-9.5	-9.9
Côte d'Ivoire	14.8	13.1	14.7	13.5	13.7	23.7	21.8	21.2	22.2	17.6
Guinea-Bissau	-9.1	-12.2	-6.4	-2.8	-14.3	-8.3	-0.8	-4.9	-9.9	-7.6
Mali	0.6	0.1	-1.2	-1.8	-0.3	5.7	-0.3	-0.1	-2.8	0.0
Niger	-1.5	-2.9	-2.1	-2.6	-3.0	-4.2	-4.9	-4.6	-4.6	-3.4
Senegal	-6.2	-6.2	-6.7	-7.9	-9.3	-10.8	-12.6	-12.0	-10.8	-9.2
Togo	-9.5	-8.4	-6.2	-9.2	-12.2	-10.5	-13.5	-13.5	-13.5	-10.7
CAEMC										
Cameroon	5.1	4.1	2.2	6.6	6.0	0.8	1.9	1.7	2.3	-2.0
Central African Republic	1.7	0.4	1.6	3.9	3.6	2.3	0.4	-0.7	0.1	1.5
Equatorial Guinea	28.1	5.3	20.8	55.3	43.8	29.7	56.5	44.2	37.8	35.7
Gabon	37.6	16.6	34.1	49.6	37.5	33.1	35.6	39.9	37.7	35.7
Chad	-0.2	-0.8	-5.2	-6.7	-19.7	-31.8	-14.9	30.0	41.4	-0.9
Rand Monetary Area										
Lesotho	-81.3	-67.5	-66.1	-58.9	-51.3	-53.1	-45.5	-39.3	-42.2	-38.5
South Africa	1.6	1.4	3.0	3.5	4.2	4.2	2.2	0.0	-0.5	2.2
Swaziland	-7.3	-7.9	-9.5	-9.8	-6.5	10.7	6.5	-0.5	-1.9	-2.9
EAC										
Kenya	-8.2	-9.0	-8.7	-12.4	-11.6	-7.5	-8.0	-11.6	-12.0	-9.5
Tanzania	-5.2	-9.5	-10.1	-7.8	-8.3	-7.1	-6.3	-9.1	-9.9	-8.1
Uganda	-3.1	-7.4	-7.3	-7.8	-8.4	-9.0	-9.9	-9.9	-10.3	0.0
Memorandum Items:										
Total Africa	2.4	-0.6	0.9	6.7	4.1	2.6	3.6	4.3	5.6	3.4
CFA countries	9.3	5.3	7.5	12.4	9.1	9.0	9.6	12.8	13.1	10.0
WAEMU	2.7	2.2	2.5	1.1	0.9	5.2	3.1	2.6	2.4	2.5
CEMAC	18.4	10.5	14.9	26.7	20.0	14.1	18.2	24.7	25.8	19.3
SADC	1.5	0.3	2.2	4.2	3.4	3.2	2.0	1.2	1.2	2.1
ECOWAS	6.8	2.2	2.6	15.4	8.7	5.7	9.0	13.2	14.5	8.7
WAMZ	-3.0	-4.3	-5.2	-2.0	-3.7	-5.9	-4.2	-4.8	-4.3	-4.2
COMESA (AFR)	-0.8	-3.3	-2.0	1.6	-1.6	-0.4	-2.0	-0.3	0.9	-0.9
EAC	-5.5	-8.6	-8.7	-9.3	-9.4	-7.9	-8.1	-10.2	-10.7	-8.7

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.

Table 14. External Current Account Excluding Grants
(In percent of GDP)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	1997/05 (Aver.)
WAMZ										
Gambia, The	-10.6	-10.9	-9.8	-10.6	-10.1	-13.4	-13.3	-14.0	-16.8	-17.4
Ghana	-16.7	-8.8	-13.5	-11.5	-10.3	-3.1	-3.5	-4.8	-7.2	-8.8
Guinea	-7.2	-10.2	-7.7	-7.2	-4.8	-5.6	-4.0	-5.6	-4.9	-6.4
Nigeria	5.2	-8.8	-8.2	10.8	3.1	-10.9	-3.6	2.9	7.8	-0.2
Sierra Leone	-2.6	-5.0	-15.1	-22.5	-20.5	-12.1	-14.1	-15.6	-14.9	-13.6
WAEMU										
Benin	-10.6	-7.9	-10.3	-9.8	-10.2	-11.1	-10.7	-10.2	-9.6	-10.0
Burkina Faso	-12.4	-12.3	-13.4	-15.0	-13.3	-11.8	-11.0	-11.4	-11.8	-12.5
Côte d'Ivoire	-2.4	-3.3	-2.0	-3.0	-1.4	6.0	3.5	2.9	3.9	0.5
Guinea-Bissau	-23.2	-20.5	-22.3	-22.2	-36.4	-18.7	-9.8	-15.0	-20.6	-7.9
Mali	-8.5	-8.3	-10.1	-12.4	-12.6	-4.4	-7.1	-6.5	-9.2	-8.8
Niger	-9.6	-10.0	-8.1	-8.6	-7.7	-9.4	-9.3	-9.0	-9.0	-9.0
Senegal	-7.4	-7.0	-7.2	-7.1	-6.1	-7.9	-8.5	-8.0	-7.1	-7.4
Togo	-15.5	-13.8	-11.3	-13.4	-14.6	-10.4	-14.0	-13.5	-13.4	-13.3
CAEMC										
Cameroon	-2.8	-2.8	-4.3	-1.7	-4.5	-7.3	-3.0	-1.7	-0.6	-3.1
Central African Republic	-5.8	-9.6	-5.7	-6.5	-5.2	-5.2	-5.8	-6.7	-5.8	-6.2
Equatorial Guinea	-37.7	-78.8	-58.8	-27.8	-52.2	-67.8	-29.9	-15.1	-17.4	-42.8
Gabon	9.3	-14.5	7.9	20.0	10.8	5.0	9.5	10.2	10.4	7.6
Chad	-12.9	-12.8	-18.1	-21.2	-37.4	-53.4	-41.8	-19.0	-7.7	-24.9
Rand Monetary Area										
Lesotho	-50.7	-40.7	-39.6	-33.1	-30.0	-32.9	-26.5	-18.2	-20.2	-24.1
South Africa	-1.0	-1.2	0.2	0.6	0.6	1.1	-0.4	-2.1	-2.6	-0.5
Swaziland	-8.2	-16.6	-12.0	-14.0	-13.0	-2.4	-6.7	-10.0	-11.7	-10.5
EAC										
Kenya	-4.4	-4.9	-2.2	-3.0	-3.8	2.4	-0.6	-3.8	-5.6	-5.2
Tanzania	-11.0	-16.0	-14.7	-10.1	-9.6	-8.2	-7.1	-10.8	-11.3	-11.0
Uganda	-9.0	-12.7	-14.0	-12.7	-13.8	-13.2	-13.4	-11.8	-12.5	-12.6
Memorandum Items:										
Total Africa	-2.2	-5.4	-4.3	0.7	-1.1	-2.6	-1.2	-0.7	0.0	-2.0
CFA countries	-5.1	-8.4	-6.4	-3.2	-7.0	-7.2	-5.2	-3.6	-2.6	-4.0
WAEMU	-6.9	-6.8	-6.5	-7.5	-6.8	-3.1	-4.6	-4.8	-4.8	-5.8
CEMAC	-2.6	-10.9	-6.2	2.2	-7.2	-12.5	-6.0	-2.1	0.1	-5.0
SADC	-3.1	-4.7	-3.0	-1.2	-2.9	-2.0	-2.4	-2.7	-3.4	-2.8
ECOWAS	-2.2	-8.1	-8.3	2.3	-1.6	-7.6	-4.2	-0.8	2.3	-3.1
WAMZ	-6.4	-8.7	-10.9	-8.2	-8.5	-9.0	-7.7	-7.4	-7.2	-8.2
COMESA (AFR)	-8.0	-11.1	-9.5	-5.3	-8.9	-5.2	-7.2	-5.5	-6.6	-7.5
EAC	-8.1	-11.2	-10.3	-8.6	-9.1	-6.3	-7.1	-8.8	-9.8	-8.8

Sources: IMF, African Department data base, March 2005, and WEO, 3/31/2005.