

Senegal's US \$1.7 billion long term external debt (equivalent to 85% of annual GNP) was largely incurred in the late 1970's when government expenditures continued at a high level after commodity export prices dropped. In 1984, debt service consumed 17% of export receipts, and this ratio is projected to increase to 19% by 1990.

Since the early 1980's, Senegal has made strong efforts to reform its economy by liberalizing agricultural prices, increasing investment, reducing the government deficit, and decreasing the country's dependence on imported cereals (rice). A number of recent economic programs have been adopted, particularly in agriculture and industry. Nevertheless, gross investment is low (17% of GDP) and highly dependent on foreign aid. While the population will reach 10 million by 2000, the economy will likely show the best growth in the Sahel with positive per capita GNP growth.

Donors have been generous and in 1984 foreign aid accounted for 14% of Senegal's GNP. Senegal's external debt has been rescheduled five times by the Paris Club since 1981. The World Bank has provided 3 structural adjustment loans. Close links exist with the IMF through 6 standby arrangements and a concessional Structural Adjustment Facility loan.

INTERNATIONAL RELATIONS

As one of the most active and conspicuous African participants on the international scene, Senegal sometimes exerts an influence greater than do states that are geographically and economically larger and more populous. This is first and foremost a result of the influence wielded by former President Senghor, a great statesman and man of letters who involved his country heavily in La Francophonie and other forums.

This Senegalese tradition of maintaining an active, effective international presence has been perpetuated energetically and very successfully by President Abdou Diouf, the successor to Senghor. Senegal favours a moderate approach to the major international issues and will spare no effort to promote a peaceful solution to existing or potential conflicts in Africa and elsewhere. Its influence has been especially evident in the Chad and West Sahara issues, and in the recent border conflict between Mali and Burkina Faso. Senegal maintains its attachment to Western values, while militating for a new economic order and a new cultural order that would generate a better quality of interchange between countries.