

ECONOMIC SITUATION IN AFRICA

Canadians reacted with remarkable generosity and solidarity during the African famine of 1984-85. More than \$60 million worth of donations were collected by private organizations and sent to Africa during the height of the famine. The Canadian government, for its part, provided approximately \$172.8 million in emergency food aid during 1984-85 (an increase of two-thirds over the previous year). As a special measure, the Canadian Government provided an additional \$65 million which were made available to non-governmental organizations (NGOs) to match their own donations and encourage their dedication in working for some of the most desperately needy populations of the world.

While the famine was caused in large measure by drought, the unfavourable climatic conditions brought into sharper focus a more fundamental fragility in the economies of the affected African countries and their incapacity to face the catastrophe without assistance.

After substantial growth ending in the mid 1970's, the economic situation of Sub-Saharan Africa has worsened, revealing grave structural weaknesses. While overall production between 1965 and 1983 expanded from US \$70 billion to about US \$150 billion, the region's population increased from 245 million to 400 million. The result has been that the average African is now poorer than in 1970. Since 1980, there has been a drop of 16% in average per capita GNP. In terms of human welfare and economic development, per capita food production declined between 1965 and 1983 by a dramatic 22%.

In 1984, the value of exports from the region was 25% lower than in 1980, a reflection of the lowest commodity prices since World War II and slow economic growth in Europe, Africa's main trade partner. Although Sub-Saharan Africa's medium and long term external debt is not as large as that of other regions, it has produced large annual debt service requirements. These consumed 15% of the region's 1984 export earnings, a percentage that is expected to grow to 30% by 1991. This trend is of major concern given its implications for the reduced amounts these countries will in future be able to devote to imports and otherwise invest in their own economic growth.