

COUNTRY PROFILE:**REPUBLIC OF NIGER****DATED:****MARCH 2008****CREDIT GUARANTEE:**

IES/02: ATTACHMENT A

	<i>Country Rating</i>	<i>U/W Method</i>
<i>Short-term</i>	3C	-

Recent Political Highlights

- ❑ In June 2006, former Prime Minister, Hama Amadou, was dismissed following a no-confidence vote of the parliament, after more than seven years in office. A new prime minister, Seyni Oumarou, was appointed on June 3, 2007.
- ❑ Since February 2007, the social situation in the northern region has deteriorated with an ongoing uprising led by Tuareg rebels. They claim to be marginalised and ask to benefit more from the resources extracted in the region, essentially uranium. Niger is a major exporter of uranium which is used to fuel nuclear reactors. In August, the government imposed a state of alert in the northern region. Army operations in the vast, rugged region around Agadez have driven hundreds of civilians from outlying oasis towns and destroyed the desert tourism industry, which is the main source of revenue for the people.
- ❑ Since armed conflict began in February 2007, rights groups have accused the rebels of laying landmines indiscriminately. About 80 people have been killed and injured by these mines, nearly one-fifth were civilians. Rebels have admitted to placing landmines on major roads around Agadez and claimed they were targeting military vehicles. The landmines have cut off Northern Niger from humanitarian aid.
- ❑ The rebels have accused France of giving military support to President Mamadou Tandja's army, but a senior officer denied that French troops were playing a direct role in the conflict. He said the government army was receiving training, equipment and logistics support from France only under a bilateral military cooperation agreement.
- ❑ A leader of Niger's Tuareg rebels promised an all-out offensive against the uranium industry including attacks on foreign-run mines and mineral convoys. He said the rebels would attack uranium mines, halt the operation of plants and the opening up of new sites. The government has been criticised for failing to negotiate with the rebels as there have been no signs of an opening or dialogue.

Recent Economic Highlights

- ❑ Niger is a vast landlocked country with a population estimated at 13 million. About 63% of its population lives below the poverty line and it's one of the poorest countries in the world. Drought cycles, desertification, and a 2.9% population growth rate have undercut the economy.
- ❑ The economy is dominated by agricultural activity, including rearing livestock, mining (uranium), and informal trading activities. The primary sector accounted for about 46.7% of GDP in 2006.
- ❑ In 2006, the GDP growth rate rose to an estimated 5.2% because of strong agricultural production (cereal production reached record levels) and continued robust growth in non-agricultural sectors (uranium and telecommunications). However economic growth slowed to about 3.2% in 2007.
- ❑ Niger's key macroeconomic objectives for 2008-12 are to achieve an annual real GDP growth rate of about 7% in the Millennium Development Goals scenario and 4.2% in the baseline scenario. The IMF expects growth to increase to 5.5% in the period to 2015 due to expected expansions in mining and exploration activity. Uranium companies operating in the Niger plan to more than double production by 2013. Revenue from the uranium sector which amounted to 0.4% of GDP in 2005 could exceed 1% of GDP in 2008 and is forecast to rise further in subsequent years.
- ❑ After a decline in 2006, inflation picked up in the last months of 2007, as a result of higher cereal and petroleum product prices.
- ❑ Debt relief from multilateral and bilateral creditors yielded a drop in Niger's debt service of about 2% of GDP between 2003 and 2006. The external debt was trimmed by \$1.3 billion, from 76% of GDP at end-2002 to 14% of GDP at end-2006.

Latest Trade Developments

- ❑ Main exports: uranium ore, livestock, cowpeas and onions.
- ❑ Main imports: foodstuffs, machinery, vehicles and parts, petroleum and cereals.
- ❑ Major trade partners: US, France, China, Nigeria, French Polynesia and Cote d'Ivoire.
- ❑ South African exports to Niger totalled R53.8m in 2006 and R53.9m in the year-to-November 2007.

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